

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

1. Project Data

Summary project data			
GEF project ID		5145	
GEF Agency project ID		120344	
GEF Replenishment Phase		GEF 4	
Lead GEF Agency (include all for joint projects)		UNIDO	
Project name		GEF UNIDO Cleantech Programme for SMEs	
Country/Countries		Armenia	
Region		ECA	
Focal area		Climate Change	
Operational Program or Strategic Priorities/Objectives		CCM-1	
Executing agencies involved		Ministry of Nature Protection; Ministry of Energy and Natural Resources; Ministry of Agriculture; SME Development National Center of Armenia (SMEDNC)	
NGOs/CBOs involvement		None	
Private sector involvement		None	
CEO Endorsement (FSP) /Approval date (MSP)		March, 2013	
Effectiveness date / project start		May, 2013	
Expected date of project completion (at start)		April, 2016	
Actual date of project completion		April, 2016	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding		
	Co-financing		
GEF Project Grant		0.54	0.54
Co-financing	IA own	0.1	0.56
	Government	2.5	n/a
	Other multi- /bi-laterals		0.4
	Private sector		
	NGOs/CSOs		
Total GEF funding		0.54	0.54
Total Co-financing		2.6	n/a
Total project funding (GEF grant(s) + co-financing)		3.14	n/a
Terminal evaluation/review information			
TE completion date		2017	
Author of TE		Brahmanand Mohanty and Hakob Hakobyan	
TER completion date		April, 2018	
TER prepared by		Ritu Kanotra	
TER peer review by (if GEF IEO review)		Molly Fahey Watts	

2. Summary of Project Ratings

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

3. Project Objectives

3.1 Global Environmental Objectives of the project:

According to the Project Document (PD), the project's Global Environmental Objective (GEO) was to promote clean energy technologies through a participatory and competitive process, which will lead to a significant reduction in GHG emissions and seek to contribute in Armenia's sustainable green growth thereby addressing a global issue of climate change and national issues of energy supply and security.

3.2 Development Objectives of the project:

As stated in the Project Document, the Development Objectives of the project included promotion of clean technology innovations and entrepreneurship in selected SME sectors in Armenia. The Promotion of innovation through clean energy technology as a means to trigger and support sustainable and competitive entrepreneurship in Armenia was envisaged through the following three components:

C1: Capacity building of national industrial associations to host Cleantech program

- 1.1: National industrial associations of SMEs involved in capacity building initiatives
- 1.2: Up to 150 mentors identified and trained
- 1.3: Intensive Cleantech Open Academy held in Yerevan for seed stage Cleantech investors utilizing best practices from other regions
- 1.4: Public-private partnership forums held regionally

C2. Mobilization of SME associations and national agencies to promote clean technology innovations and establishment of a coordinating platform

- 2.1: A national level coordinating mechanism established to promote clean technology innovations and entrepreneurship among SMEs
- 2.2: Annual Cleantech business competition and accelerators established across selected Cleantech sectors in Yerevan and expanded to other regions
- 2.3: Extensive advocacy and outreach activities organized in Yerevan and expanded to other regions

C3. Strengthening of policy and institutional framework for scaling up Cleantech innovations in selected SME sectors

- 3.1: Enabling policy and regulatory environment created
- 3.2: Regional stakeholder's meetings and partnerships developed with leading institutions, agencies and universities across the country

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

None.

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 project is relevant to national energy security and climate change mitigation issues in Armenia. It envisaged supporting activities linked to the Sustainable Development Program and the 2nd National Communication to UNFCCC. The project objectives, outputs and outcomes are relevant to the different target groups such as national industrial associations of SMEs, potential Cleantech startups, and the institutional stakeholders at the national level. The project aligned with GEF's focal area strategy under climate change mitigation as it aims to promote demonstration, deployment, and transfer of innovative low-carbon technologies. The project also aligns with GEF-5 modality 3, which supports the goals of countries like Armenia who are seeking to grow their domestic private sector by encouraging SMEs to expand in green and clean technologies. Finally, the project is in line with UNIDO's mandate, objectives and outcomes.

4.2 Effectiveness	Rating: Moderately Satisfactory
--------------------------	--

The project was successful in mobilizing many organizations for the promotion of clean technology innovation by conducting Cleantech business competition and accelerators. It was also effective in organizing extensive advocacy and outreach activities. Close interaction with many universities/R&D centers were particularly effective in helping them build their capacities to support startups and nurture innovative Cleantech ecosystem. It also mobilized international expertise through professionals from Cleantech Open to provide guidance for organizing innovative business idea generation and entrepreneurship training for deserving startups. However, the project did not contribute enough to the building the capacity of national industrial associations of SMEs to host Cleantech programs, partly due to the lack or limitation of interaction with the private sector stakeholders and low-level ownership of the project partners. Also, the project did not initiate much activities to contribute effectively to the strengthening of the policy and institutional framework needed for scaling up Cleantech innovations in selected SME sectors. This included extending financial assistance to the winning Cleantech startups that

would have enabled convert their business ideas into commercial products and services for wide-scale dissemination in and outside Armenia.

Given the limited budget and low-level of ownership from key institutions and partners, project seems to have created the ecosystem for Cleantech development in Armenia, but without suitable policies and incentives in the future, the ideas generated by the startups may not easily sustainable in the future, due to which this TER assigns it a rating of ‘moderately satisfactory’, same as assessed by the TE.

Outcome 1: Capacity building of national industrial association to host Cleantech program -Moderately Satisfactory

As evident from the TE, the project had limited success in involving the national industrial association – Enterprise Incubation Foundation (EIF) in capacity building initiative, despite the budget and provision for this activity in the project. While meetings were held with the EIF staff at the Gyumri Technology Center, no staff from EIF was deputed to get on-the-job training. The project team did not interact with any industrial associations of SMEs other than EIF. However, the project was successful in interacting with universities and their R&D centers and helping them build their capacities to support startups and nurture innovative Cleantech ecosystem. Following the training organized in Yerevan State University, the university management agreed to establish a Cleantech-focused Entrepreneurship center at the university along with a Cleantech prototyping lab. The local partners were consulted through meetings but not trained despite provision in the project. Around 22 mentors were trained against a target of 150 and 4 startup teams identified and mentored through the project, participated in the national competition and could avail additional grant of USD 50,000 to purchase necessary equipment and start the production line. This served as inspiration for more SMEs to participated in future competitions as they could see the prospect of leveraging additional financial means to establish themselves. However, the project had limited or no engagement from the private sector, as most of the supporting institutes involved in the Cleantech program were academic institutions, research labs and R&D centers.

Outcome 2: Stakeholders involved in promoting clean technology innovations mobilized and a coordinating platform at the national level established – Moderately Satisfactory

The project intended to establish national platform that would provide the coordination mechanism to promote clean technology innovation, was not achieved as the forum set up through the project mostly involved ministries and agencies created and supported by the government. The participation of the private sector, especially SME-related organizations, was almost negligible. However, project was successful in conducting 2 cycles of Cleantech Business competition in two successive years, with participation of international and national experts including business sector. The program also encouraged participation of women, as out of 30 semifinalists in 2015, 4 women start teams that were constituted, and one of the teams was selected as national winner in the women’s category.

The project was quite successful in organizing extensive advocacy and outreach activities for various stakeholders. It made strong impact in 5 universities where it was able to provide entrepreneurship related training to 300 interested students, 25 of who went on to form 5 team participating in the national Cleantech completion. TE also notes that some of the trainees took the lead to create the ecosystem for startup activities at the graduate level and one of the universities involved set up an entrepreneurship center and lab to support the innovation by the students.

Outcome 3: Policy and institutional framework strengthened for scaling up Cleantech innovations in selected SME sectors – Moderately unsatisfactory

The project didn't make much headway in creating policy and regulatory environment for the promotion and innovative Cleantech business in Armenia. The project organized 15 regional stakeholder's meetings although the TE couldn't find any documentary evidence for the same. There was no evidence that project made efforts to collaborate with other agencies or ministries working on the development of clean technology and green economy. For instance, the project didn't make any attempt to create synergy with Renewable Resources and Energy Efficiency (R2E2) Fund developed by Ministry of Energy with the support of World Bank to facilitate investments in renewable energy and efficiency in Armenia. Lack of policy support and funds was seen as a major limitation by the startups initiated through the project to take their ideas or concepts forward.

4.3 Efficiency	Rating: Moderately satisfactory
-----------------------	--

This TER agrees with the rating assigned by the TE to the efficiency of the project to be 'moderately satisfactory'.

The project faced delay initially due to the decision of the government to change the project partner, which according to the TE, didn't affect project much as it managed to catch up later on. As per the TE, the project achieved a partial success in producing outputs in a cost-effective manner. Actual budget allocations were modified - more funds were allocated for outcomes 1 and 2 (44% and 33% as against original provision of 39% and 28%) and less for outcome 3 (10% as against target of 19%). This explains limited activities undertaken under outcome 3 to create an enabling policy/regulatory environment needed for accelerating Cleantech innovations and entrepreneurship in Armenia. Similarly, 17% of the actual budget allocated to achieve outcome 1 remained unspent, reflecting project's limited success in building national capacity for clean technologies and the development of a supportive local entrepreneurial ecosystem. Moreover, as stated in the TE, a small fraction of pledged co-financing materialized, thus limiting the scope for supporting the successful SMEs in converting their business ideas into concrete products and services. Finally, the project also didn't explore avenues for creating synergy with similar initiatives by other national or international agencies to achieve some of the outputs and outcomes more cost-effectively.

But, otherwise, TE doesn't report any mismanagement of funds and the above stated changes in the budget are not major deviations, except that more effort could have been made to train the local national partners, more co-financing contributions were required to support successful SMEs and developing synergies would have helped the project, due to which the efficiency of the project is rated as 'moderately satisfactory'.

4.4 Sustainability	Rating: Moderately likely
---------------------------	----------------------------------

Based on the evidence in the TE, this TER assesses the risk to sustainability to be 'moderately likely'. The project was successful in generation of innovative business ideas through Cleantech startups/SMEs acceleration programs. As per the TE, some of the project partners are interested to mobilize the resources for continuing Cleantech competition. Also, since the SME sector is important to the national economy, relevant ministries as all as government backed agencies like SMEDNC and EIF have the mandate to promote SME development in Armenia. However, lack of enabling policy and regulatory environment to promote Cleantech innovation through increased access of SMEs to financing and

technologies, poses risk and the project outcomes are likely to be more sustainable if the focus of the innovations is not just limited to the small domestic market but geared towards the much wider market offered by the rest of the world.

Financial: Moderately likely

According to the TE, the project had explored ways to sustain the outcomes through various channels. Although details not known at the time of TE, but EIF had submitted a proposal to the European Commission (EC) to avail a grant for establishing a Green and Cleantech Hub. TE mentions that EIF was also interested in mobilizing resources for supporting the continuation of one more cycle of national Cleantech competition, which according to the TE, the UNIDO also decided to contribute to by mobilizing a part of the unutilized funds.

But project failed to establish linkages with other funds such as R2E2 which could have been a good channel to support innovations in this sector. Universities interested in sustaining the effort taken through the project also lack necessary funds. Private sector representatives consulted during TE showed keen interest to support the successful startups at a later stage but perceived such interventions to be within the realm of the government and the public sector and hence apprehensive of their involvement.

Sociopolitical: Moderately likely

As mentioned in the TE, the SME sector assumes importance to the national economy in the context of Armenia, given its small population and limited access to natural resources, and hence it had good support at the political level, evident through the presence of representatives of various ministries that attended the PSC. However, project suffered from lack of ownership of the relevant ministries in establishing linkages with the initiatives taken through the project.

Institutional: Moderately likely

As per the TE, the project was unable to contribute much to strengthening policy, institutional framework and partnerships for scaling up Cleantech innovations. Although a policy recommendation was prepared at the time of the project closure, which according to TE, was too limited in its scope and the effort was too late in terms of being specific regarding the legal framework needed to create and sustain the ecosystem for Cleantech innovation. However, the country has the requisite technical expertise that could be mobilized from within the country and from the large diaspora running successful businesses in leading industrialized nations.

Environmental: Likely

No environmental risks that can jeopardize the sustainability of the project outcome.

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?

UNIDO had committed a co-financing of USD100,000 (50% grant and 50% in-kind) in the approved budget out of which it contributed USD 963,000. SME Development National Center of Armenia (SMEDNC) committed for a contribution of US\$2,500,000 (in grant), which didn't materialize as SMEDNC was replaced by EIF as UNIDO's project partner after the start of the project. As per the TE, EIF's contribution was at lower level although the exact amount was not given in the report. The TE notes that partial co-financing impacted the project, in terms of limiting its scope for supporting the successful SMEs in converting their business ideas into concrete products and services. Also, as per the feedbacks received from the Cleantech finalists consulted during TE, the expected co-financing could have been useful in transforming some of the innovative ideas generated during the national competition into reality, particularly through the provision of funds for testing, prototyping, market studies, etc. Hence, the sustainability of some of the initiatives taken during the project was impacted due to limited co-financing available to support such activities.

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?

There were several reasons for the delay. First, as per the TE, the roles and responsibilities of different partners were not negotiated prior to the project approval. Following the delay in starting the project, the first annual work plan was presented to the PSC only in February 2014 but neither any calendar of activities was developed, nor any M&E procedure adopted to keep track of it. This necessitated the change of partner which led to considerable delays in the starting of project activities. The project had foreseen the partnership arrangements for project execution, but the exact roles and responsibilities were not negotiated prior to the project approval. However, as per the TE, the project could catch up on the activities at a later stage.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

Based on the evidence in the TE, it could be inferred that the project had a moderate level of support from the government of Armenia. The TE confirms that the project concept was well aligned with the sectoral and development priorities and plans of Armenia, and the project outcomes contributed to national development priorities and plans. The project also had support from the GEF OFP who participated in the PSC meetings. But the project had limited involvement from the relevant country counterparts and as per the TE, the co-financing commitment from the Government was also partially fulfilled. The government also failed to approve policy or regulatory frameworks in line with the project's objectives that has an impact on the sustainability of initiatives taken under the project.

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 TE assigns it a rating of 'moderately satisfactory' and this TER concurs with this rating. The project document included an M&E plan, but it was still not 'concrete and fully budgeted'. It specified that a detailed plan with indicators will be prepared by UNIDO in collaboration with project partners at the beginning of project implementation. The UNIDO project manager was assigned with the overall responsibility of monitoring the project with provisions of mid-term and final evaluation. However, as also mentioned in the TE, the indicators defined in the project document cannot be considered SMART indicators. For instance, the 'number of SME associations and national agencies involvement' may not necessarily ensure the establishment of 'a national level coordinating mechanism to promote clean technology innovation and entrepreneurship amongst SMEs'. Some of the indicators, like 'tons of GHG emission' avoided, are long term indicators that cannot be measured during project implementation for the project of this nature. But, as also indicated by the TE, there is no timeline or methodology mentioned in the project document to track this indicator.

6.2 M&E Implementation	Rating: Moderately Unsatisfactory
------------------------	--

The TE assigns it a rating of 'moderately unsatisfactory' and this TER concurs with this rating. The project had not adopted an M&E system and lacked systematic reporting mechanism. Although work plans were prepared and presented to Steering Committee (SC) but these were too descriptive without reference to the time of execution and the budget to be mobilized to carry out the tasks. There was no separate budget allocated to M&E as the project manager was rested with the responsibility of for day-to-day monitoring and tracking performance towards the milestone, which is not a good practice. TE also didn't find any evidence that reporting, and performance review were undertaken regularly during the project. Midterm and final evaluations were budgeted for, but not adequately funded to engage the international expert as per the TE, which this TER does not agree as long as reports were conducted as per guidelines and proved to be useful by the project. However, adaptive approach was taken on the operations side of the project, though not well documented and couldn't be verified by the TE.

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
--	--

According to the TE, the staff from UNIDO HQ supervised the overall project implementation regularly, provided advice, restructured the activities as and when needed and participated in all major events related to project including 2 out of 3 PSC meetings. However, the TE notes that the implementation mechanism adopted by UNIDO did not provide much space for promoting local ownership and capacity. The project failed to involve private sector; lack of clarity amongst the project staff on how the committed counterpart resources are to be allocated and a more careful consideration of gaps in capacities of executing institutions and counterparts, are some of the issues that UNIDO staff could have dealt in a more proactive manner. As per the TE, *'UNIDO HQ staff were mostly aware of the problems faced by the project but did not always assess the gravity of the issues'*. In the light of these shortcomings, this TER agrees with the rating assigned by TE to the quality of project implementation to be 'moderately satisfactory'.

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

This TER concurs with the rating assigned by the TE to the quality of project execution as 'moderately satisfactory'. The national management and coordination was entrusted to the PMU led by a national project coordinator and hired staff. However, the TE notes the main project partner EIF only provided the work space but didn't support PMU in providing technical assistance, monitoring and reviewing of project performance or fully contributing the co-financing, etc. The TE confirms that the project activities were implemented according to the yearly work plan proposed to the PSC but there was no systematic reporting mechanism in place with clear milestones of outputs. The national project coordinator, along with the project staff, took the main lead for the execution of activities. As per the TE *'the dynamism and networking skills of the project coordinator helped to reach out to the relevant partners and stakeholders, inviting their participation or providing them the necessary assistance needed for succeeding in the national Cleantech startup competition'*.

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.

According to the TT, the project led to avoiding life time indirect emissions of 110, 440 tonnes of CO₂eq but this has not been confirmed by the TE.

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.

As per the TE, it is difficult to assess the socioeconomic benefits delivered by the project due to limited funding available to provide the right opportunity for the Cleantech winners to scale up their innovation within the short span of project implementation.

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 conducted 2 cycles of Cleantech business competition in 2014 and 2015, with participation from national and international experts representing the academia and business sector. 4 startup teams who participated in the national competition also participated in 2014 GCIP and could win EUR 400,000 to establish a Cleantech training center and lab in Gyumri. Also, the winning team of 2014 national competition could avail EIF’s matching grant of US\$ 50,000 to purchase the necessary equipment and start the production line. As per the TE, *‘such concrete results inspire more SMEs to take part in future competition as they see the prospect of leveraging financial means to establish themselves’*.

The project was also successful in interacting with universities and their R&D centers and helping them build their capacities to support startups and nurture innovative Cleantech ecosystem. Extensive advocacy and outreach activities organized through the project made strong impacts in 5 universities where it was able to provide entrepreneurship related training to 300 interested students, 25 of whom went on to form 5 teams participating in the national Cleantech competition. The TE confirms that some of the past trainees took the lead to create the ecosystem for startup activities at the graduate level. The TE also notes that one of the universities had set up an entrepreneurship center and prototyping lab to support the ecosystem necessary for innovation by the students in future.

b) Governance

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.

None.

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.

None except that one of the universities had set up an entrepreneurship center and prototyping lab to support the ecosystem necessary for innovation by the students in future.

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 new concepts and approaches learned through UNIDO's GCIP experience should have been tested and refined with a smaller group of startups and within a limited geographic location. This would have avoided overstressing the implementation capacities and ensured mobilization of enough resources and served as showcase for scaling up in the future.
- The project is widely perceived as UNIDO's rather than that of the government of Armenia. It is important to strike a fine balance between engaging enough to ensure that the activities are implemented well within the given time frame and leaving enough responsibility to the national stakeholders to assume full ownership. It is best to adopt a transition strategy that allows to build the capacity at the beginning with a gradual handover of responsibility during the project life.
- Supporting clean technology innovations and competitiveness among SMEs is a long-term process and cannot be achieved within the short project time frame. Projects aiming to achieve these goals should aim at contributing to more long-term processes than be perceived as favoring stand-alone interventions. Moreover, expectations as to what can be achieved through the project should be realistic than to project very high economic, social and environmental benefits by the end of the project.
- It is crucial to develop good M&E procedure and implementation plan to ensure achievement of the intended outputs and outcomes within the given budget and time frame. Moreover, indicators set for the assessment of the results, both quantitative and qualitative, should be objectively verifiable and must be commensurate with the project's resources and timeframe.

9.2 Briefly describe the recommendations given in the terminal evaluation.

- The Government of Armenia, through the concerned ministries, should explore the possibility of adopting the institutional framework for scaling up Cleantech innovations across Armenia. Possibilities should be explored to create synergy with the existing institutional set-ups and programs.
- The Ministry of Education and Science should be sensitized about the need to allocate specific budget for creating sustainable entrepreneurship centers and prototyping labs to prepare the students to become entrepreneurs who can create jobs instead of looking for employment opportunities when they leave the academic arena.
- EIF should consider collaboration with industrial associations of SMEs, Chambers of Commerce and Industry as well international programs aimed at Cleantech startup development and promotion through innovation.
- Government of Armenia along with the executing partner from the private sector should explore the possibility of receiving support from the large Armenian diaspora running successful businesses in leading industrialized countries for technical know-how and finances needed to scale up the project's initiatives.
- Government of Armenia should develop yardsticks to measure the direct and #5 indirect economic, social and environmental benefits from the adoption of strengthened policy framework aimed at scaling up Cleantech innovation in Armenia.

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 is thorough in its assessment of the project's components' outcomes and impacts.	S
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	Most of the aspects are well covered, except some of the sections that do not provide the complete evidence. For instance, there is not sufficient information to comment on the country ownership and quality of project execution team.	MS
To what extent does the report properly assess project sustainability and/or project exit strategy?	The report covers this aspect quite thoroughly.	S
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons learned are supported with complete evidence and the context in which these lessons are relevant.	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report doesn't include the exact numbers related to co-financing. Although it covers how the lack of co-financing impacted the project. It could be that the evaluators had difficulty in ascertaining these numbers from the executing agency.	MS
Assess the quality of the report's evaluation of project M&E systems:	The TE covered this aspect adequately.	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).