

GEFM&E Terminal Evaluation Review Form

1. PROJECT DATA				
		Review date:		
GEF ID:	637		<u>at endorsement</u> (Million US\$)	<u>at completion</u> (Million US\$)
Project Name:	Development of mini-Hydropower Plants	GEF financing:	1.50	0.750
Country:	Macedonia	IA/EA own:		1.942
		Government:		0.020
		Other*:		0.000
		Total Cofinancing	4.9	1.962
Operational Program:	STRM	Total Project Cost:	6.4	2.712
IA	WB	<u>Dates</u>		
Partners involved:	Ministry of economy	Work Program date		01/01/1999
		CEO Endorsement		01/20/2000
		Effectiveness/ Prodoc Signature (i.e. date project began)		04/20/2000
		Closing Date	Proposed: 01/01/2002	Actual: 06/30/2004
Prepared by: Tarek Soueid	Reviewed by: Antonio Del Monaco	Duration between effectiveness date and original closing: 23 months	Duration between effectiveness date and actual closing: 50 months	Difference between original and actual closing: 27 months
Author of TE:	WB	TE completion date: 11/15/2004	TE submission date to GEF OME: 9/21/2005	Difference between TE completion and submission date: 10 months

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

2. SUMMARY OF PROJECT RATINGS

GEF EO Ratings for project impacts (if applicable), outcomes, project monitoring and evaluation, and quality of the terminal evaluation: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU), not applicable (N/A) and unable to assess (U/A). GEF EO Ratings for the project sustainability: Highly likely (HL), likely (L), moderately likely (ML), moderately unlikely (MU), unlikely (U), highly unlikely (HU), not applicable (N/A), and unable to assess (U/A).

Please refer to document "Ratings for the achievement of objectives, sustainability of outcomes and impacts, quality of terminal evaluation reports and project M&E systems" 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	N/A	N/A	S
2.2 Project sustainability	N/A	N/A	N/A	UA
2.3 Monitoring and evaluation	S	N/A	N/A	UA
2.4 Quality of the evaluation report	N/A	N/A	N/A	MS

Should this terminal evaluation report be considered a good practice? Why?

No. The TE report is not a good practice because it does not cover many dimensions adequately.

Is there a follow up issue mentioned in the TE such as corruption, reallocation of GEF funds, etc.?

No follow-up issue is mentioned

3. PROJECT OBJECTIVES, EXPECTED AND ACTUAL OUTCOMES

3.1 Project Objectives

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

According to the TE, the global objective of the project was to “help meet Macedonia’s demand for electricity while reducing air pollution. In particular the global objective was to reduce Macedonia’s emissions of carbon dioxide by substituting electricity generated by mini-hydropower plants for electricity generated from lignite-fired power plants.”

According to the TE the global objectives of the project have remained unchanged.

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

According to the TE the development objective of the project was to promote the development of small hydropower plants by independent power producers. The project was to serve as a pilot. In particular, The project was to test the new power purchase contract and connection arrangements for small hydropower plants agreed by the Government with ESM, the state electricity utility, in order to encourage development of small hydropower plants.

No changes in the original development objectives have been reported by the TE.

3.2 Outcomes and Impacts

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

According to the TE the project has installed 3 MW of hydro electricity capacity producing an estimated 10.2 Giga Watt per year against expected 1.2 MW of hydroelectricity capacity producing 8.8 GWh per year. Power produced by the mini hydropower plants is replacing that from Macedonia’s thermal plants, leading to substantial reduction in the CO2 emissions.

4. GEF OFFICE OF M&E ASSESSMENT

4.1 Outcomes

A Relevance

Rating: S

- **In retrospect, were the project’s outcomes consistent with the focal areas/operational program strategies? Explain**

The project outcomes and the project justification as expressed in the TE are consistent with the focal area and the operational program strategies and country priorities. The project has led to production of hydro power which has replaced power produced from fossil fuels. Thus, it is contributing to CO2 abatement - the main focus of the climate change focal area.

B Effectiveness

Rating: HS

- **Are the project outcomes as described in the TE commensurable with the expected outcomes (as described in the project document) and the problems the project was intended to address (i.e. original or modified project objectives)?**

According to the TE the project has achieved better than expected results in meeting its objectives. All five of the mini-hydropower plants are operating at high rates of capacity utilization. The project has been effective in delivering the expected goods in terms of global environmental benefits.

C Efficiency (cost-effectiveness)	Rating: HS
<ul style="list-style-type: none"> • Include an assessment of outcomes and impacts in relation to inputs, costs, and implementation times based on the following questions: Was the project cost – effective? How does the cost-time Vs. outcomes compare to other similar projects? Was the project implementation delayed due to any bureaucratic, administrative or political problems and did that affect cost-effectiveness? <p>According to the TE the project’s plant construction costs were lower than expected, while capacity installation and utilization has been higher than expected. Consequently, it has led to production of low cost electricity which has replaced electricity from the thermal plants to that extent. This broadly suggests that project has been cost effective.</p>	

Impacts
<ul style="list-style-type: none"> • Has the project achieved impacts or is it likely that outcomes will lead to the expected impacts? <p>The TE does not convert the hydroelectricity produced, into the CO2 emissions equivalent reduced. However, based on the information provided in the TE this could easily be calculated. Consequently, it could be assumed that the project has achieved its expected impacts.</p>

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.

<p>A Financial resources</p> <p>The TE explains that there is low financial risk to the sustainability of the global benefits of the project. Typically hydropower plants have long economic lives and variable cost of producing electricity through this mode is very low. Once the export credits are paid off they will be generating significant cash flow for the towns that own them. This cash could be used for funding other mini-hydropower plants at sites with replication potential.</p> <p>Rating: L</p>
<p>B Socio political</p> <p>The TE informs that the project was implemented during a turbulent period in Macedonia marked by civil unrest and tension between various ethnic groups within the country. The two warring ethnic groups, each from a different township, worked together with the PIU for project implementation under scoring the importance of the project to the local population. This said if ethic tension were to escalate in future it will jeopardize the future global benefits expected from the project. Good political support to the project has been one of the reasons for satisfactory implementation of the project.</p> <p>Rating: ML</p>
<p>C Institutional framework and governance</p> <p>The TE does not provide enough information to assess the institutional framework and governance related risks.</p> <p>Rating: UA</p>
<p>D Environmental</p> <p>The TE does not report any risk pertaining to environmental sustainability. It is difficult to assess the extent of environmental risks to the project without information on seismic activity, the capacity of the hydro storage structures to withstand variations in water inflows, other interventions taking place in the watershed, etc. These dimensions have not been assessed by the TE.</p>

Rating: UA

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

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

4.3 Catalytic role

1. Production of a public good

The project has led to production of 10.2 Giga watt of hydroelectricity per year from 3 megawatt of installed capacity, at a cost cheaper than other conventional sources such as thermal power. Further, since hydroelectricity replaces thermal power it leads to reduction in CO2 emissions.

2. Demonstration

None.

3. Replication

The TE does not inform on whether or not the project interventions have been replicated else where and whether project has made any efforts on facilitating replication. However, TE suggests that the excess cash flows from the hydroelectricity produced due to the project could be used to initiate similar intervention in other sites with replication potential.

4. Scaling up

The TE does not describe any scaling-up effects of the project.

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

- A. In retrospection, was the M&E plan at entry practicable and sufficient? (Sufficient and practical indicators were identified, timely baseline, targets were created, effective use of data collection, analysis systems including studies and reports, and practical organization and logistics in terms of what, who, when for the M&E activities)**

This aspect is not covered by the TE and the project documents available in the PIMS do not provide this information.

Rating: UA

- B. Did the project M&E system operate throughout the project? How was M&E information used during the project? Did it allow for tracking of progress towards projects objectives? Did the project provide proper training for parties responsible for M&E activities to ensure data will continue to be collected and used after project closure?**

This aspect is not covered by the TE

Rating: UA

- C. Was M&E sufficiently budgeted and was it properly funded during implementation?**

This aspect is not covered by the TE

Rating: UA

Can the project M&E system be considered a good practice?

Little information has been provided to help us conclude in either manner.

4.5 Lessons

Project lessons as described in the TE

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?

According to the TE the main lesson that could be learned from this project is that in hydroelectricity projects where there is not only political support but also a financial commitment in terms of funding, it may be better to allow the stakeholders to implement the project to the extent possible, to save time and costs.

Another important lesson is to encourage participation of the local stakeholders in implementation of the project as it allows speedy implementation, enhances project’s sustainability, and lowers implementation costs.

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 the “Criteria for the assessment of the quality of terminal evaluation reports” in the document “Ratings for the achievement of objectives, sustainability of outcomes and impacts, quality of terminal evaluation reports and project M&E systems” for further definitions of the ratings.

4.6.1 Comments on the summary of project ratings and terminal evaluation findings

In some cases the GEF Evaluation Office may have independent information collected for example, through a field visit or independent evaluators working for the Office. If additional relevant independent information has been collected that affect the ratings of this project, included in this section. This can include information that may affect the assessment and ratings of sustainability, outcomes, project M&E systems, etc.

N/A

4.6.2 Quality of terminal evaluation report	Ratings
<p>A. Does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?</p> <p>The report does contain an assessment of relevant outcomes and impacts of the projects and achievement of the objectives. However, the information has not been provided in adequate details. Also the effect of the project on CO2 emissions has not been quantified.</p>	MS
<p>B. Is the report internally consistent, is the evidence complete/convincing and are the IA ratings substantiated?</p> <p>To a major extent the report is consistent. However, the narrative does not cover issues such as sustainability and M&E in adequate details.</p>	MU
<p>C. Does the report properly assess project sustainability and /or a project exit strategy?</p> <p>Although the TE does address the sustainability dimensions on financial and socio-political risks, it does not address the governance and environmental risks dimensions.</p>	MS
<p>D. Are the lessons learned supported by the evidence presented and are they comprehensive?</p> <p>The evidence cited to support the lessons is not adequately detailed.</p>	MS
<p>E. Does the report include the actual project costs (total and per activity) and actual co-financing used?</p> <p>Actual Cost details at the project component level have been provided.</p>	S

F. Does the report present an assessment of project M&E systems? The TE does not provide adequate information to help assess performance of project's M&E system.	U
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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: Yes, a technical assessment of the project environmental impacts described in the TE is recommended given the achievements in terms of outcome and the impacts this project can have in terms of GHG emissions avoided.		

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