

GEF EO Terminal Evaluation Review Form for OPS4

1. PROJECT DATA				
			Review date:	October 10, 2008
GEF Project ID:	922		at endorsement (Million US\$)	at completion (Million US\$)
IA/EA Project ID:	PO48795	GEF financing:	\$5.5	\$5.43
Project Name:	Baltic Sea Regional Project – Phase I	IA/EA own:	\$0	\$0
Country:	Estonia, Latvia, Lithuania, Poland, Russian Federation	Government:	\$1.79	\$0.9
		Other*:	\$4.83	\$8.76
		Total Cofinancing:	\$6.61	\$9.66
Operational Program:	OP 9: Integrated Land and Water Management – Multi Focal Area	Total Project Cost:	\$12.12	\$15.26
IA:	IBRD	<u>Dates</u>		
Partners involved:	Governments of Finland, Norway, Sweden, US, and multilateral financial institutions.	Effectiveness/ Prodoc Signature (i.e. date project began):		5/30/03
		Closing Date	Proposed: 6/30/06	Actual: 6/29/07
Prepared by:	Reviewed by:	Duration between effectiveness date and original closing (in months): 37	Duration between effectiveness date and actual closing (in months): 49	Difference between original and actual closing (in months): 12
Josh Brann	Neeraj Negi			
Author of TE:		TE completion date:	TE submission date to GEF EO:	Difference between TE completion and submission date (in months): 4 months
John Fraser Stewart and William R. Sutton		4/10/08	August 2008	

* 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 AND KEY FINDINGS

Please refer to document GEF Office of Evaluation Guidelines for terminal evaluation reviews for further definitions of the ratings.

Performance Dimension	Last PIR	IA Terminal Evaluation	IA Evaluation Office evaluations or reviews	GEF EO
2.1a Project outcomes	S	S	S	S
2.1b Sustainability of Outcomes	N/A	Negligible to Low (risk to development outcomes)	Moderate (risk to development outcomes)	ML
2.1c Monitoring and evaluation	MS	Not specified	Not specified	MS
2.1d Quality of implementation and Execution	N/A	N/A	N/A	S
2.1e Quality of the evaluation report	N/A	N/A	S	S

2.2 Should the terminal evaluation report for this project be considered a good practice? Why?

No. The TE sufficiently covers the relevant aspects of the project and provides sufficient evidence, but on the whole the TE often goes extensively into unnecessary detail, which reduces the overall value of the document as a mechanism for drawing important lessons and extracting the relevant evaluative evidence. For example, the TE spends nearly half of a page describing what percentage of which individuals' time from various organizations was dedicated to the management of one component of the project. This level of detail is completely unnecessary in the body of the TE.

2.3 Are there any evaluation findings that require follow-up, such as corruption, reallocation of GEF funds, mismanagement, etc.?

No issues identified.

3. PROJECT OBJECTIVES

3.1 Project Objectives

a. What were the Global Environmental Objectives of the project? Were there any changes during implementation?

According to the project document, “The Project’s global environmental objective is to facilitate the restoration of ecosystems, improve coastal zone management and reduce agricultural non-point source pollution through the introduction of ecosystem-based approaches in selected localities for land, coastal and open sea environmental management in five recipient countries.”

No revisions made.

b. What were the Development Objectives of the project? Were there any changes during implementation? (describe and insert tick in appropriate box below, if yes at what level was the change approved (GEFSEC, IA or EA)?)

According to the project document, “The development objective of the Baltic Sea Regional Project - Phase 1 is to create some preconditions for application of the ecosystem approach in managing the Baltic Sea Large Marine ecosystem in order to achieve and maintain sustainable biological productivity of the Baltic Sea.”

No revisions made.

Overall Environmental Objectives	Project Development Objectives	Project Components	Any other (specify)
		X – there was some reallocation of resources from components 2 and 3 to components 1 and 4.	

If yes, tick applicable reasons for the change

Original objectives not sufficiently articulated	Exogenous conditions changed, causing a change in objectives	Project was restructured because original objectives were over ambitious	Project was restructured because of lack of progress	Any other (specify)
	“Funds were reallocated from Components 2 and 3 to Components 1 and 4 because: the reduced relative attractiveness of the NEFCO loans for Component 2 on-farm investments due to increased competition from commercial and EU sources in the EU New Member States (NMS) after accession, resulting in some farmers dropping out of the project credit scheme; the increased cost of specialized			

	equipment and the greater than expected research and network activities carried out under Component 1; as described in Section 3.2, reductions in Component 3 in anticipation of shifting some activities to Phase 2; and, due to the extension, there were additional expenses under Component 4.”			
--	---	--	--	--

4. GEF EVALUATION OFFICE ASSESSMENT OF OUTCOMES AND SUSTAINABILITY

4.1.1 Outcomes (Relevance can receive either a satisfactory rating or a unsatisfactory rating. For effectiveness and cost efficiency a six point scale 6= HS to 1 = HU will be used)

<p>a. Relevance (of outcomes to focal areas/operational program strategies and country priorities) Rating: S</p>
<p>According to information available in the TE and ICR review, the project was relevant to the priorities of all involved countries, based on commitments by each of the countries at various previous points. According to the TE, the project objectives were also relevant to the respective Country Assistance Strategies.</p> <p>As described by the ICR review, “Project objectives and design were -- and continue to be -- highly relevant. For all five beneficiary countries, the project was consistent with high level commitments to address regional environmental management issues (especially degradation as the result of pollution and unsustainable natural resource management practices) made by the Heads of Government meeting on the Baltic Sea in Sweden in 1990, followed by the Helsinki Convention in 1992, as well as by the Bank in its respective Country Assistance Strategies.”</p>
<p>A.1. What is the relevance of the project outcomes/results to:</p>
<p>(i) the national sustainable development agenda and development needs and challenges?</p>
<p>The project’s second component specifically worked to manage the development needs of agriculture within the respective countries with sustainability challenges of managing the environmental impacts from agriculture.</p>
<p>(ii) the national environmental framework, agenda and priorities?</p>
<p>The project outcomes were highly relevant to multiple EU environmental directives, with which the New Member States have prioritized compliance.</p>
<p>(iii) the achievement of the GEF strategies and mandate?</p>
<p>The project fits within the international waters focal area, and supports the strategies identified under this focal area.</p>
<p>(iv) the implementation of the global conventions the GEF supports (countries obligations and responsibilities towards the convention as well as the achievement of the conventions objectives)</p>
<p>Since the project was an international water project, there was a specific global convention that it was supporting. The project did deal extensively with wetlands, and thus could be considered relevant to the RAMSAR convention, but this convention is not mentioned in either the project document or TE.</p>
<p>A2. Did the project promote of International (Regional and / or Global) Cooperation and Partnership¹</p>
<p>According to the TE, “International collaboration in continued support of Project goals is assured at the technical level though informal operation of the working groups established under the Project and the working structures of the Helsinki Commission (HELCOM) and International Commission for Exploration of the Sea (ICES), and at the policy level through regular meetings of the HELCOM Heads of Delegation (HELCOM HOD), which include representatives</p>

¹ Please consider for regional and global project only

from Ministries of Environment of all nine contracting parties and the EU, and through the ICES Bureau.

b. Effectiveness

Rating: S

The project appears to have made good progress toward the overall objectives. According to the TE, “To a significant extent, the Project achieved these objectives, as measured against the key indicators defined at the time of appraisal. Preliminary outcomes of networks and pilots established under the project have contributed to the substance and quality of the Baltic Sea Action Plan. Additionally, Baltic Sea Regional Project activities have contributed to the identification and design of an array of working groups, research and environmental management projects and programs that will refine, implement and monitor the impact of actions identified in the Baltic Sea Action Plan in years to come. Capacity developed by the project and techniques demonstrated also laid the foundation for scaling up of environmental investments by other programs, such as those supported by the EU.”

Component 1 was focused on Large Marine Ecosystem Management, and component 2 was Land and Coastal Management activities. Component 3 was institutional strengthening and regional capacity building, and Component 4 was project management. Overall, the TE rates Components 1 and 2 satisfactory, and components 3 and 4 moderately satisfactory. In the project document, components 1 and 2 account for over 90% of the project expenditure. Based on the evidence presented in the TE, these ratings appear to be appropriately justified.

The TE provides detailed descriptions of project achievements by component, and summarizes the project achievements: “The project achieved the development objective defined at appraisal and, to a significant extent, contributed toward achieving the global environmental objective of what was to be a three-phase operation over six years. As shown in the Data Sheet, Section F and Annexes 2 and 11, actual outcomes were close to 100 percent of expectations in most cases, with only a few significant shortfalls, and are likely to be sustained.”

c. Efficiency (cost-effectiveness)

Rating: MS

The project achieved carried out the anticipated activities within the anticipated budget, however this was only with a one year extension and some significant effort by the project team in the last 12 months of the project. Improved project management arrangements from the beginning of the project may have improved the overall efficiency of the project. As noted by the ICR Review, “stronger management arrangements from the outset and greater up-front familiarization of implementing agencies with Bank procurement and disbursement requirements would probably have resulted in an even more efficient use of project resources, if only by avoiding the need for the one year extension.” The TE notes, “considering the significant results achieved by the project with quite a small amount of resources—especially considering that they had to be spread across five countries—the cost effectiveness of the activities is clearly very high.”

The TE also considers an abatement calculation as further evidence of cost-effectiveness. According to the TE, “under Component 2, Nordic Environment Finance Corporation carried out an analysis of unit abatement costs for the Baltic Sea Regional Project Agri-Environmental Credit Scheme investments and compared them with alternatives in Baltic countries. Project investments were estimated to cost 1,057 per ton of Nitrogen outflow prevented, while other agricultural programs in the Nordic area averaged 8,400 per ton and point source mitigation (municipal, industrial and housing) ranged from 15,000 to 106,000 per ton, demonstrating the relative cost effectiveness of investments under the project.” (The TE does not specify the currency for the figures given, but they appear to be in Euros.)

d. To what extent did the project result in trade offs between environment and development priorities / issues (not to be rated)

The project worked to balance the need for productive agricultural systems with the environmental impacts that result from artificial inputs to those agricultural systems, as well as nutrient loads from livestock. The project did not necessarily result in trade-offs, but helped showcase mechanisms whereby trade-offs could be avoided. This included the financing mechanism for farmers to institute responsible farming practices, and the identification of and support for economic development from ecotourism.

4.1.2 Results / Impacts² (Describe Impacts) (please fill in annex 1 – results scoresheet and annex 2 – focal area impacts (against GEF Strategic Priority indicators, where appropriate and possible)

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. Use a four point scale (4= Likely (no or negligible risk); 3= Moderately Likely (low risk); 2= Moderately Unlikely (substantial risks) to 1= Unlikely (High risk)). The ratings should be given taking into account both the probability of a risk materializing and the anticipated magnitude of its effect on the continuance of project benefits.

a. Financial resources	Rating: L
<p>The project was initially conceived as a three-phase project, but this was ultimately changed as the countries involved graduated from the World Bank and were no longer eligible for GEF funding. The restructuring of the initial phase appears to have been sufficient so as to not leave the Phase 1 outcomes dependent on Phase 2 & 3 funding that will not be provided. The project outcomes, for the most part, will be supported through other financial mechanisms, including by the countries themselves.</p> <p>The necessity of meeting EU directives appears to have significant positive implications for financial sustainability. As described by the TE, “In addition to commitments made by Governments in the context of the BSAP, the need to comply with EU Directives (for NMS), together with the range of donor supported and commercial financing instruments available, provide strong incentives for farmers to respond to the awareness raising and training provided under the Project, invest in improved on-farm environmental management, and continue to assure proper operation and maintenance (O&M) of investments, except perhaps in Russia. As part of the selection process for AgECS on-farm investments, financial projections were made taking into account O&M costs to ensure the financial sustainability of the investments and the farms. Significant investment support provided by the farmers from their own resources or loans (typically three times or more the grant amount) helps to ensure ownership of the investments and increases the incentives for operation and maintenance.”</p> <p>Furthermore, according to the TE, there is additional donor support for the project objectives: “Donor supported programs that will continue to support progress toward achievement of project goals include the joint Baltic Sea Research Program “BONUS+” under the EU ERA-NET+ funding scheme (EUR 23.3 million for the first three year phase from 2008, EUR 18 million of which is contributions by nine Baltic Sea states including Russia), which supports collaborative research in support of policy development to bring about ecosystem-based management of the Baltic; and the SIDA-financed AEEHLO (Agriculture, Environment and Ecosystem health in Leningrad Oblast) Program which promotes ecosystem health and sustainable agriculture in Leningrad Oblast, Russia, through 2008. Design of these programs benefited considerably from BSRP experience.”</p>	
b. Socio-economic / political	Rating: ML
<p>From evidence presented in the TE, there appears to be significant political will in the EU New Member States to comply with EU directives, which will include continuing the outcomes of the project. The TE states that “These requirements have given added impetus to the mainstreaming of pollution reduction and water quality management and monitoring activities supported by the Project into national programs, and virtually guaranteed that they will be sustained over time.” The main potential issue with sustainability is with Russia, which is not one of the acceding countries. As described by the ICR Review, “The risk of non-sustainability is higher in Russia than in the other beneficiary countries, for several reasons, including the absence of ‘an analogue to the EU Nitrates Directive to drive nutrient pollution reduction measures’ and an ‘institutional setup less conducive to the promotion of good agricultural practices.’ In view of these considerations, IEG considers that a moderate overall risk to development outcome rating is more appropriate.”</p> <p>There were some specific economic benefits at the local level, which appear likely to be sustained. According to the TE, “Project activities created modest opportunities for employment, local business development and income generation in conjunction with pro-environment works, and development of local eco-tourism under the coastal zone management activities, with the likelihood of more substantial opportunities from follow-on programs. The increased employment, in turn, is expected to have a positive impact on poverty, particularly in rural areas.”</p>	

² Please consider direct and indirect global environmental results; any unexpected results; local development benefits (including results relevant to communities, gender issues, indigenous peoples, NGOs and CBOs)

c. Institutional framework and governance	Rating: L
<p>According to the TE, Progress made under the Project is likely to be carried forward through operation of an array of permanent international groups, including: The Baltic Ecosystem Health, Productivity, and Fisheries Assessment study groups, and working groups on Integrated Assessment of the Baltic (all established under International Council for Exploration of the Sea (ICES)); and the Expert Network on coastal fish monitoring (established under the Helsinki Commission (HELCOM)). Most significantly, project participants will be implementing the Helsinki Commission (HELCOM) -sponsored Baltic Sea Action Plan (BSAP), which was adopted by all riparian countries and the EU on November 15, 2007. The BSAP is an ambitious, overarching program to dramatically reduce pollution in the Baltic and restore its good ecological status by 2021, and continues and expands many activities supported by the Baltic Sea Regional Project.</p>	
d. Environmental	Rating: L
<p>The nutrient monitoring established under the project will continue, according to the TE: “The Nordic Environment Finance Corporation loan agreements require Agri-Environmental Credit Scheme participants to annually report the nutrient balance until full loan repayment (up to 10 years). Monitoring of nutrient runoff using equipment supplied by the project will be continued by local implementation units supported by beneficiary governments.”</p>	
e. Technological	Rating: L
<p>There are limited or no risks to the sustainability of any technological aspects of the project. There will be the future need for the network of research institutes to continue to maintain and operate the technical monitoring equipment acquired during the project. The TE indicates that this will be the case: “Component 1 institutes have committed to ensuring operation and maintenance from their own resources of equipment provided by the project. Investments in monitoring equipment under Component 2 have been integrated into national monitoring programs carried out by MoEs and universities.”</p>	

4.3 Catalytic role³

<p>a. INCENTIVES: To what extent have the project activities provide incentives (socio-economic / market based) to catalyze changes in stakeholders</p>	
<p>The primary incentive mechanism used by the project was the financial support made available to farmers to reduce nutrient loads. Specifically, the project established the Agri-Environmental Credit Scheme, 20:1 leveraging of GEF funds to provide investment credit for 20 pilot farms, and catalyzing investments on a further 50 farms outside the project.</p> <p>In addition, as described by the TE, “The project demonstrated local economic incentives for maintaining and managing natural ecosystems and biodiversity by piloting the development and initial implementation of ecological tourism development plans, and providing environmental awareness training.</p>	
<p>b. INSTITUTIONAL CHANGE: To what extent have the project activities changed institutional behaviors</p>	
<p>The TE lists a range of project driven outcomes related to institutional change and strengthening:</p> <p>“Anchoring the LME concept in future scientific research in the Baltic region under the Bonus 169 Science Plan; endorsement of the LME concept by the riparian countries and the EU; the development of a replicable model in applying the ecosystem based approach to management of LMEs; introduction of environmental considerations in fisheries policy-making (in Latvia); establishing international collaboration (regional and global) as routine among scientific and educational institutions and agencies in the beneficiary countries; involving stakeholders in policy development and implementation in the agricultural sector; acceleration of improvement of agricultural watershed monitoring capacities by five years in Estonia, Latvia and Lithuania; strengthening the capacity of the beneficiary countries’ agricultural advisory services in both environmental farm management and innovative investment and financing mechanisms; attitude change among the farming community to acknowledge the environmental impact of</p>	

³ Please review the ‘Catalytic Role of GEF: How is it measured and evaluated – A conceptual framework’ prior to addressing this section.

farming practices as a serious issue; and, marine monitoring and assessment capacity upgraded in 12 institutes in the five beneficiary countries.”

c. POLICY CHANGE: To what extent have project activities led to policy changes (and implementation of policy)?

The region addressed by the project represents a highly dynamic policy environment, both from a regional point of view, as well as at the national level within each of the countries in the region. This is primarily due to the accession to the EU by the Baltic states, and their internal efforts to align their internal policies with those of the EU. The project overall had a positive contribution to this process, but it can hardly be said that the project led to specific policy changes. The creation of the Baltic Sea Action Plan, adopted by all riparian countries and the EU on November 15, 2007, represents the most significant policy development supported by the project.

d. CATALYTIC FINANCING: To what extent did the project led to sustained follow-on financing from Government and / or other donors? (this is different than co-financing)

There will sustained follow-on financing, but this appears to be primarily a result of the accession to the EU of the New Member States, rather than a specific outcome of the project.

e. PROJECT CHAMPIONS: To what extent have changes (listed above) been catalyzed by particular individuals or institutions (without which the project would not have achieved results)?

The existence of a “project champion” is not something highlighted in the TE as contributing to the project’s success. However, the project experienced clear circumstances where the role or impact of individual contributors was felt. In this sense, the project was able to make significant progress toward its objectives despite the lack of a “champion.” According to the TE, “In the nine years between identification and completion, the project had three task team leaders. While the recipient reported changes in style, changes in leadership did not cause significant disruption to supervision.”

The TE also explains that in the early stages of the project, preparations experienced a significant delay when two key individuals were involved in an unfortunate automobile accident.

4.4 Assessment of processes and factors affecting attainment of project outcomes and sustainability.

a. Co-financing. To what extent was the reported cofinancing (or proposed cofinancing) essential to 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 it did, then in what ways and through what causal linkages?

The GEF financing and co-financing was blended across three of the four components. For Components 1, 2, and 4, GEF financing made up approximately or less than 50% of the financing for each component. Therefore the realization of the anticipated co-financing was critical to the achievement of the global environmental objectives. The TE indicates that the co-financing resources did not come from the expected individual sources in the anticipated amounts, but on the whole more co-financing was received than was anticipated at project appraisal.

b. 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 it did, then in what ways and through what causal linkages?

According to the TE, “The project was extended by one year, from the original closing date because of delays and disbursement lags especially at the beginning of the project implementation. Reasons included: the longer than expected time to establish the project’s complex implementation mechanisms; the need for highly specialized scientific equipment, which led to procurement delays; and the significant time required to train farmers and complete the application process for farm investments.”

The delay does not appear to have had significant effects on either the project’s outcomes or sustainability. If the extension had not been implemented, the project would have had a lower level of achievement.

c. 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.

There is relatively little information available in the TE regarding country ownership. There is some indication that the EU new member states have a direct stake in the continuation of project outcomes, and therefore have a greater level of

country ownership. This is compared with Russia, where there is significant concern about the sustainability of project outcomes.

The TE does discuss “Government Performance” which is related to country ownership. According to the TE, “All beneficiary and participating country Governments contributed significantly to the success of project preparation and its achievements. In particular, Governments participated in project oversight in the context of [the Helsinki Commission] and the International Commission on the Exploration of the Seas, which also provided the vehicle to mainstream, institutionalize and operationalize many of the findings and recommendations of the Baltic Sea Regional Project in the context of the Baltic Sea Action Plan.”

According to the TE, “Throughout the project implementation and beyond, the participants have maintained a commitment to their work and to the goal of improving the Baltic Sea ecosystem.”

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

a. M&E design at Entry	Rating (six point scale): MS
<p>According to the TE, “The monitoring and evaluation plan was based on the Project Logical Framework. The Project Implementation Plan included an M&E plan that provided practical guidance on M&E implementation.”</p>	
<p>The project logframe is contained as Annex 1 to the project document. The logframe contains output indicators for each project component, as well as the data collection strategy and critical assumptions. On the whole, as the TE states, the indicators in the logframe are only at the output level, though this is apparently intentional since the logframe lists that field as “output indicators.” The TE also identifies the selected indicators as shortcomings of the M&E plan in the project document: “The logframe provided a list of detailed output indicators. However, it was difficult to track intermediate progress, particularly early on in implementation, as no baseline or target values were established. Some output indicators also entailed a wider scale of activities, not all of which could have been attributed solely to project activities and investments. Certain indicators, particularly to measure Component 1 progress, were too broad and therefore raised questions about whether they were supposed to be achieved during Phase 1 of the project or in the following phase(s). No indicators beyond operationalizing the implementation team were defined for the project management component.”</p> <p>The project document also states that the executing agency will be responsible for project reporting: “Project Monitoring and Evaluation. HELCOM will report to the Bank and be responsible for ensuring that all GEF funded activities are carried out in compliance with Project design and contracts. The Project will comply with the required monitoring and evaluation procedures as required for the Implementation Completion Report, which will be completed no later than six months after the closure of the Project. The PIP/PPP will detail the process for these reviews.”</p>	
b. M&E plan Implementation	Rating (six point scale): MS
<p>The project management team carried out the M&E plan roughly as envisioned, although there were some periods of delayed reporting and incomplete reports. According to the TE, “during the final year of implementation, more significant delays occurred” which was apparently due to the intensive focus by the project team on achieving project objectives during the final year of implementation. Furthermore, “M&E focused on activity completion rather than impacts of these activities towards achievement of the [Global Environment Objective].”</p> <p>Some adaptive management procedures to the M&E plan were put in place, which had an overall positive effect on the project. For example, the TE notes that the project was initially supposed to submit monthly progress reports, but this was soon adjusted to quarterly progress reports, which was sufficient. At the point when the project was refocused, the workshop to re-establish a results-based logframe was critical to the project’s progress.</p>	
<p>b.1 Was sufficient funding provided for M&E in the budget included in the project document?</p>	
<p>Funding for the M&E portion of the project was inherently included in the project management component (Component 4), and was not otherwise broken out in the project document. Funding for M&E does not appear to have been a problem.</p>	
<p>b.2a Was sufficient and timely funding provided for M&E during project implementation?</p>	
<p>The amount of and timing of funding for M&E during project implementation was not identified as a problem. The larger issue was that the project management team did not have sufficient time to ensure timely completion of reporting requirements.</p>	

b.2b To what extent did the project monitoring system provided real time feed back? Was the information that was provided used effectively? What factors affected the use of information provided by the project monitoring system?

The feedback provided by the project monitoring system was used to recognize the fact that the project was not on track to achieve full implementation in the anticipated time frame, and then to adjust the project's focus to ensure achievement of the project objectives.

b.3 Can the project M&E system (or an aspect of the project M&E system) be considered a good practice? If so, explain why.

No. For the most part the project's M&E system barely met minimum standards for reporting. The one notable element of the project's M&E system was the fact that it allowed the implementing agency to recognize the project's slow progress, and then take action to refocus the project to ensure achievement of objectives.

4.6 Assessment of Quality of Implementation and Execution

a. Overall Quality of Implementation and Execution (on a six point scale): S

b. Overall Quality of Implementation – for IA (on a six point scale): MS

Briefly describe and assess performance on issues such as quality of the project design, focus on results, adequacy of supervision inputs and processes, quality of risk management, candor and realism in supervision reporting, and suitability of the chosen executing agencies for project execution.

Overall the project had strong design from a technical point of view, though it did not sufficiently take into account the time needed to ramp up implementation under the complex institutional arrangements. Once up and running, the scale and scope of the project appears to have resulted in a loss in focus on results over time, leading to a slow pace of implementation. As a result a 12 month extension was required that allowed a refocusing on results, and allowed the project to substantially achieve the objectives. The complex institutional arrangements, which did not sufficiently provide for accountability of progress toward completion of project objectives, was overall a negative aspect of the quality of implementation by the implementing agency. The TE outlines multiple factors "that gave rise to problems," nearly all of which relate to responsibilities of the implementing agency, including "complicated institutional and reporting structure," "lack of a project manager," and "lack of familiarity with project implementation."

According to the TE, the project design was a comprehensive participatory process that drew heavily on a broad range of lessons learned. The TE also states that the project design benefited from a thorough assessment of risks at the appraisal stage, and the identification of mitigating measures. However, according to the TE, the project design risk assessment did not sufficiently assess the risk to implementation from the complex and geographically broad project activities and institutional arrangements. The TE states that "the institutional arrangements for the project were quite complex and dispersed, with different implementation structures for each of the two main components spread across five beneficiary countries and a management/coordination team dispersed over at least four countries." Alternative arrangements for project implementation were considered in the project appraisal document, but as stated by the TE, "The adoption of a holistic approach...appears to have been justified by experience." The TE rates project quality at entry as satisfactory, which does not appear to be an accurate assessment of the quality of entry, based on the evidence presented in the TE. .

As described by the TE, the implementation progress was initially much slower than expected, and as the project neared the anticipated closing date, only 40% of funds had been disbursed. The Bank management agreed to an extension, and in June 2006 (when the project was initially anticipated to close), a stakeholder workshop was held to refocus the project and identify steps to be taken during the following 12 months for the project to be considered a success. At the end of the extension, according to the TE, "nearly all funds were disbursed and the PDO was achieved."

One other factor that likely significantly contributed to the slow initial progress of the project was that, according to the TE, the project arrangements did not provide for a full-time project manager – there were various component coordinators, who were not working on the project 100% of their time. Also, according to the TE, but for reasons not explained, "the project staff at [the Helsinki Commission] were not empowered to directly communicate with beneficiary country implementing agencies and hold them to account, contributing to implementation delays."

c. Quality of Execution – for Executing Agencies⁴ (rating on a 6 point scale): S

Briefly describe and assess performance on issues such as focus on results, adequacy of management inputs and processes, quality of risk management, and candor and realism in reporting by the executive agency.

There were some challenges with the execution of the project, mainly due to the institutional complexity involved. The initial slow pace of implementation necessitated the one-year project extension. There were numerous minor shortcomings associated with project execution processes, including delayed implementation, delayed reporting, and reviews of financial statements to reconcile accounts. The minor shortcomings detract from, but do not outweigh the positive achievements of project execution. The executing agencies involved successfully carried out the project activities leading to the achievement of objectives. The ICR Review comments, “the project benefited from both the strong commitment to its objectives and ‘high level’ of technical capacity on the part of its participants. On balance, overall Borrower performance was satisfactory.” As further described by the TE, “[The Helsinki Commission] (HELCOM), in collaboration with International Commission for Exploration of the Seas, with the support of component coordinators based in Sweden, Latvia and Denmark, effectively oversaw coordination and implementation of the project in all participating countries. Due to the large number of participating institutions and the complexity of arrangements for project management, project implementation was initially slow. However, once the networks had been established, implementing agencies were responsive to the Bank’s guidance on the need to improve disbursement rates and focus on results. This shift from establishing to operationalizing networks, and from piloting to mainstreaming environmental mitigation activities, is epitomized in the adoption of the BSAP.”

As summarized by the TE, “Once the networks had been established, [executing] agencies were responsive to the Bank’s guidance on the need to improve disbursement rates and focus on results. This shift from establishing to operationalizing networks, and from piloting to mainstreaming environmental mitigation activities, is epitomized in the adoptions of the Baltic Sea Action Plan.”

5. LESSONS AND RECOMMENDATIONS

Assess the project lessons and recommendations as described in the TE

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

The TE identifies multiple lessons that have relevance for future GEF projects.

Regarding the overall regional approach taken, the TE highlights the benefits of the “unified approach” (undertaken by the Baltic Sea Regional Project) as compared to the “partnership framework” (undertaken by other GEF International Waters projects). As described by the TE, the “unified approach” is a more structured approach that promotes the consistency and coordination of project objectives across countries. Alternatively, the “partnership framework” approach incorporates greater potential for flexibility amongst countries. According to the TE, the “unified approach” is likely to work best with a small number of countries with similar objectives.”

Additional lessons identified by the project are as follows:

- Different riparian countries may require different approaches, “for example, the incentives for farmers to implement nutrient management programs in EU member states can be very different than those in non-EU countries.”
- Strong central coordination is necessary to ensure delivery of results in regional projects
- Limited GEF resources can still have a major impact
- The implications of political-economic changes must be assessed, even for environmental projects
- When applying the Large Marine Ecosystem approach, a great deal of effort is necessary if links are to be created between land and sea components

b. Briefly describe the recommendations given in the terminal evaluation

No additional recommendations given beyond those implied through the identified lessons learned.

⁴ Executing Agencies for this section would mean those agencies that are executing the project in the field. For any given project this will exclude Executing Agencies that are implementing the project under expanded opportunities – for projects approved under the expanded opportunities procedure the respective executing agency will be treated as an implementing agency.

6. QUALITY OF THE TERMINAL EVALUATION REPORT

6.1 Comments on the summary of project ratings and terminal evaluation findings based on other information sources such as GEF EO field visits, other evaluations, etc.

No additional sources available.

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 terminal evaluations review for further definitions of the ratings. Please briefly explain each rating.

6.2 Quality of the terminal evaluation report	Ratings
a. To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	5
b. To what extent the report is internally consistent, the evidence is complete/convincing and the IA ratings have been substantiated? Are there any major evidence gaps?	5
c. To what extent does the report properly assess project sustainability and /or a project exit strategy? The TE does not give sufficiently serious consideration to the risk to sustainability presented by the limited potential level of future achievement in Russia.	4
d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive? The lessons learned are well supported by evidence from this specific project and are framed broadly enough to have high relevance for other GEF projects.	6
e. Does the report include the actual project costs (total and per activity) and actual co-financing used?	5
f. Assess the quality of the reports evaluation of project M&E systems?	5

7. SOURCES OF INFORMATION FOR THE PRERATATION OF THE TERMINAL EVALUTION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.

No additional sources.

8 Project stakeholders and Key Contacts (Names, addresses, emails etc – mandatory for field visit countries)

--

9. Information Gaps (for Field visit countries only)

--