Mid-Term Evaluation Report

2013 April

Final version

Project Title:

Reducing Transboundary Degradation in the Kura-Ara(k)s Basin

GEF Project ID:	1375
UNDP PMIS ID:	2272
GEF Agency:	UNDP
Executing Agency:	UNOPS
GEF Focal Area:	International Waters
Countries:	Republic of Armenia Republic of Azerbaijan Georgia

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Finally, appreciation is extended to all of the surveyed project stakeholders who spent valuable time in responding to the evaluation questionnaire and also patiently participating in personal interviews and in some cases, telephone and Skype interviews.

ACRONYMS

AM	Republic of Armenia
APR/PIR	Annual Performance Report and Project Implementation Review
AZ	Republic of Azerbaijan
EA	Executing Agency (UNOPS)
EECCA	Eastern Europe, Caucasus and Central Asia
ENVSEC	Environmental Security Initiative with UNDP, OSCE and other donors
EU	European Union
IA	Implementing Agency (UNDP RBEC)
IW	International Water
GE	Georgia
GEF	Global Environment Facility
GWP CACENA	Global Water Partnership, Central Asia and Caucasus
IFIs	International Financial Institutions
IHE	Institute for Hydraulic and Environmental Engineering
IWRM	Integrated Water Resources Management
M&E	Monitoring and Evaluation
MTE	Mid-Term Evaluation
NAPs	National Action Plans
NATO	North Atlantic Treaty Organization
NC	National Coordinator
NFP	National Focal Point
NGO	Non-Governmental Organization
OSCE	Organization for Security and Co-operation in Europe
PCU	Project Coordination Unit
PM/CTA	Project Manager / Chief Technical Advisor
PSC	Project Steering Committee
RBM	River Basin Management
REA	Rapid Ecological Assessment
SAP	Strategic Action Programme
SHA	Stakeholder Analysis
SIDA	Swedish International Development Cooperation Agency
SRF	Strategic Results Framework
TACIS	Technical Assistance to the Commonwealth of Independent States
TDA	Transboundary Diagnostic Analysis
UNDP	United Nations Development Programme
UNDP-RBEC	UNDP Regional Bureau for Europe and the Commonwealth of Independent States
UNECE	United Nations Economic Commission for Europe
UNEG	United Nations Evaluation Group
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNESCO IHE	UNESCO IHE Institute for Water Education
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WB	World Bank
WFD	Water Framework Directive (Directive 2000/60/EC)

1. EXECUTIVE SUMMARY

1.1. Project Background

The Project is assisting the Kura Aras riparian states to 1) identify the principal threats and root causes of the transboundary water resources of the Kura Aras River Transboundary Basin and 2) develop and implement a sustainable program of policy, legal and institutional reforms and investments to address these threats. Balancing overuse and conflicting uses of water resources in transboundary surface and groundwater basins is seen as the critical issue in the basin and has been a principal focus of project attention from the very outset of project related activities. The Project is creating synergies with and building upon a range of initiatives being undertaken by the countries themselves and those of bi-lateral and multi-lateral donors that have given priority to the Basin.

The long-term development/environmental goal of the project is sustainable development of the Kura Aras River Basin enhanced through ecosystem-based Integrated Water Resource Management approaches. The project objective is to improve the management of the Kura Aras River Transboundary Basin through the implementation of a sustainable program of policy, legal and institutional reforms and investment options, using the Transboundary Diagnostic Analysis (TDA) and Strategic Action Program (SAP) process. In order to achieve this objective, the project will update the TDA, formulate the SAP and associated National Action Plans (NAPs) and National Integrated Water Resource Management (IWRM) plans, undertake a range of public involvement and awareness activities focusing on trans-boundary activities, and undertake a demonstration project that implements key aspects of the SAP.

During the development of the preliminary TDA, four priority transboundary problems were identified as affecting the Kura Aras River Basin: 1. variation and reduction of hydrological flow; 2. deterioration of water quality; 3. ecosystem degradation in the river basin; and, 4. increased flooding and bank erosion. The revised TDA has taken into account key gap filling activities undertaken as part of this project and the activities of the EU funded Kura Regional Project. The final TDA will serve as the scientific basis for development of the SAP, an agreed program of interventions for the introduction of IWRM approaches throughout the basin. The TDA reviews the potential impacts of climate change on the priority transboundary issues. The SAP will incorporate a basin vision, water resource quality objectives, targets and interventions in the short and medium term to meet the targets. Key activities which inform both the TDA and the SAP are the demonstration project on the establishment of ecological flows at key locations in the basin and the trialing of water management systems in the Aras basin. The SAP will be underpinned by the development of national IWRM plans in Azerbaijan and Georgia and implementation of the existing IWRM plan in Armenia.

Note: Adapted from Project Document

1.2. Context and Purpose of the Evaluation

The mid-term evaluation (MTE) was jointly initiated by the International Waters sections of the UNOPS and UNDP-RBEC, following the recommendations of the GEF Council on transparency, improved access to information, and adaptive management. The MTE provides information about the status of project implementation to ensure accountability of the expenditures to date in accordance with the delivery of outputs, in order to allow for midcourse corrections as appropriate. The objectives of the evaluation were to independently review the project's

implementation progress and impact in relation to objectives, measure its management effectiveness and efficiency, and identify steps that can be taken to improve the overall quality of the project design as well as of its implementation. The MTE also identifies lessons learnt from the Project that could be applied to future and on-going projects.

1.3. Major Project Strengths and Achievements

1. **Relevance**. The relevance of the project remains high. Promotion of collective management of transboundary water systems, preparation of IWRM plans, foundational capacity building, and demonstration scale pilot projects are completely in line with the GEF5 International Waters Strategy. Each of the three countries are preparing to sign EU association agreements, thus supporting the adoption of the EU Water Framework Directive, which is also consistent with the project objective of improving management of the Kura-Aras River Basin through implementation of IWRM approaches.
2. **Project Results**. One of the most significant achievements of the project has been facilitation of transboundary management of the Kura-Aras basin among the three beneficiary countries, and as example to other countries within the catchment. Geopolitical conflicts in the region impede the willingness for regional collaboration, so efforts such as those promoted by the project are critical in keeping transboundary management of water systems high on country agendas.
3. **Project Results**. At the time of the mid-term evaluation, an updated transboundary diagnostic analysis (TDA) was near completion, as were IWRM plans for two of the three countries. As Armenia has already prepared a national IWRM plan, the Project has financed the preparation of a river basin management plan there. The project is likely to create benefits for integrated water resources management in the region when these plans are finalized and linked through the SAP.
4. **Project Results**. The progress toward attainment of the project objective at the mid-term point of the project is estimated to be 40%, while achievement of intended outcomes is considered approximately 45% at mid-term. The mid-term evaluator considers this satisfactory progress, as many of the intended results will be realized during the second half of the project and thereafter.
5. **Project Coordination**. The project coordination units (PCUs) were found to be well managed, and the staff highly qualified, motivated, and dedicated to the project objective. Interviewed stakeholders stressed satisfaction in the qualifications of both the national and international experts, and the camaraderie among the experts and PCU staff was observed to be positive.
6. **Stakeholder Involvement**. The project has been successfully participating with a wide range of stakeholders involved in the water sector in each of the three countries; including participation in the UNECE water policy dialogue meetings which involve a broad spectrum of decision makers, and engagement with the donor and NGO communities. A series of extensive stakeholder consultations are planned after the national IWRM plans and an initial draft SAP will be reviewed by the Steering Committee in the upcoming May 2013 meeting.

7. **Co-Finance**. At the time of the mid-term evaluation, 11,213,293 USD of co-financing had materialized by mid-term of implementation phase of the project. This exceeds the 10,860,000 USD of co-financing pledged. The amount of co-financing to date includes approximately 50% of the in-kind co-financing contributions from the three beneficiary governments, and it seems the full expected 2,265,000 USD of government in-kind co-financing will be realized by the end of the project.
8. **Leveraged Resources**. 105,000 USD in leveraged resources have been secured through the mid-term of the project.
9. **Finance**. Financial delivery rates in 2011 and 2012 were 89.62% and 86.7%, respectively, which are satisfactory levels for this type of project.
10. **Adaptive Management**. The project has successfully implemented adaptive measures to address some changing circumstances since project inception and clarifications of national priorities, while at the same time managing to keep the overall project objective in focus. Examples of adaptive management on the project include the following:
    a. Facilitated development of an IWRM masters-level curriculum, supported by universities in each of the three countries.
    b. Delivered the UNDP/GEF EU Kura Aras IWRM Academy with funding support from the EU for implementation.
    c. Carried out a trend analysis and gender mainstreaming study for the TDA.
    d. Addressed national and regional hotspots for water quality using available national level data.
    e. Increased use of electronic media instead of paper to reduce printing and transportation costs.
11. **Catalytic Role**. One of the other strengths of the project has been capacity building, for example, by way of training professionals in the region on IWRM methodologies through the IWRM Academy. A total of 62 regional professionals completed the 72-hour UNDP-GEF EU IWRM Academy, a training program that was custom-designed to the specific issues and needs in the Kura Aras Basin.
12. **Replication**. The project has provided a significant amount of foundational capacity building, and there is a high potential for replication of expertise and demonstration methodologies.
    a. The assessment methodologies applied at the demonstration sites could be applied to other sub-basins, and the national experts participating will gain knowledge and skill on implementing them.
    b. Designing and delivering similar IWRM Academy training could be replicated on International Waters projects;
    c. Establishing a similar IWRM masters-level curriculum could be replicated on other international waters projects in other regions.

d. The bio-monitoring methodologies introduced in the demonstration component could be replicated in other parts of the basin, and also could be included in the national monitoring programs.

e. The river basin management plan being prepared in Armenia could be replicated for other basins in that country.

13. **Linkages.** Considerable efforts have been made to reach out to national, regional, and international water sector organizations. Synergies with other regional projects, particularly the EU Kura project and the UNECE initiatives, have been highly satisfactory. Such collaboration is often difficult, given different time lines, focus areas, etc.

1.4. Weaknesses, Recommendations, and Lessons Learned

Project Design

1. **Logical Framework**. Some of the strategic results as presented in the project document SRF were not time-bound and not sufficiently specific. The mid-term evaluator was informed by the co-author of the Project Document that timeframes were not indicated for some indicators because of the uncertainty regarding the likelihood of achievement, considering the unique geopolitical circumstances in the region. Details were added to the logical framework at project implementation inception; nevertheless, the fact that the framework did not fulfill SMART (**S**pecific, **M**easurable, **A**chievable, **R**elevant, **T**ime-bound) criteria, this is considered a project formulation shortcoming.

2. **Co-Finance**. There was insufficient clarity in the project document to substantiate co-financing from listed sources. Co-financing commitment or endorsement letters were unavailable for review, and the breakdown of expected in-kind co-financing listed in the project document was nonspecific.

    a. Lesson Learnt. Sufficient clarity should be provided in project documents so that co-financing can be substantiated.

3. **Project Budgeting**. The estimated proportion of the project budget allocated for local consultants was over-estimated at the project preparation phase. The over-estimation seems to have largely been a result of changing circumstances between the several year time period between the time when the design was first made and the final version. There was also an approximate 2-year delay from the time when the project concept was approved in 2008 to when the project document was approved in January 2011.

    a. Lesson Learnt. Providing a more detailed budget breakdown in the project document would aid the project manager and evaluators in noticing possible discrepancies in unit rates or estimated level of effort. Also, a budget review procedure during the inception phase of project implementation could also help clarify such inconsistencies.

Project Implementation

4. **Logical Framework**. Some of the targets of the strategic results framework should be clarified and others updated to reflect adaptive management changes implemented in the project since inception. And, targets should be more incorporated into the project implementation plans, in order to better facilitate time and resource management.

a. Recommendation. Critically review the strategic results framework, in response to changes made since the project inception and knowledge gained through the first half of project implementation. Some of the targets should be reviewed in terms of achievability, targets should be time-bound, and expectations regarding results should be clarified. The PM/CTA has made a draft revision to the output level of the strategic results framework, and the mid-term evaluator recommends that this be presented for approval at the upcoming steering committee meeting in May 2013.

b. Recommendation. Incorporate the targets of the project objective and outcomes into the implementation plan for the remaining timeframe of the project.

5. **Financial Planning**. Allocation of some of the project expenditures has been inconsistent. For example, costs for Outcome 3 (Stakeholder Participation) and Outcome 5 (Project Management) include costs from other components, due to incorrect initialization of the components into the financial database by the EA when the project started. The framework was later changed to reflect the project components endorsed in the final version of the project document, but the uneven allocation does not allow an accurate evaluation of project expenditures among the different outcomes.

    a. Recommendation. The PM/CTA should consult with the EA on whether a management letter or some type of correction within the Atlas system should be made to address the earlier misallocations.

    b. Recommendation/Lesson Learnt. Linking implementation program management more closely with resource allocation would allow easier tracking and facilitates earlier warnings that something might be running against expected plans. Providing additional project management training and tools could help project managers more efficiently track and report progress.

    c. Lesson Learnt. The EA should evaluate their policy for coordination, supervision and training at the early stages of similar projects, to avoid errors such as misallocation of costs that are later difficult to correct.

6. **Financial Planning**. Although the project has actively engaged a wide group of qualified national experts (in each of the three beneficiary countries, 16 national experts covering multi-disciplinary fields have been engaged in preparation of the national IWRM plans and TDA), expenditures for local consultants are less than planned for. The combined expenditures allotted to local consultants in the revised budget presented in the July 2011 project inception report is considerably higher than the figure presented in the revised budget agreed upon at the May 2012 Steering Committee meeting.

    a. Recommendation. For the record, it would be advisable to prepare a project note explaining the reasons for the difference in expenditures for local consultants from the date of inception to the time of the May 2012 Steering Group meeting. And, communicate to the Steering Committee the rationale and strategy for ensuring sufficient involvement of national experts during the second half of the project as needed to achieve project outcomes.

7. **Project Coordination**. A disproportionate amount of time has been spent by the PM/CTA in resolving problems associated with financial reporting/control and other

administrative matters. As one person is covering the responsibilities of both chief technical advisor and project manager, these imbalanced time demands could adversely affect project outcomes and sustainability if not corrected in time.

a. Recommendation: A review of procedures and cooperation flows between the PCU and EA should be made.

b. Recommendation: To the extent practical under relevant Terms of References, the PM/CTA should consider delegating more of the project administration duties among existing PCU staff, allowing her to spend more time focusing on project results.

8. **Implementation Approach**. Project reporting needs to be carefully managed, in order to ensure timely delivery of information to key stakeholders while safeguarding efficient utilization of limited project resources. The flow of information, including progress reports, from the PCU to the national focal points, UNDP country office representatives, and other key stakeholders has improved since the project inception and the first steering committee meeting held in May 2012. Progress reports have since been adapted to meet requests by specific stakeholders; however, some of the interviewed stakeholders stressed dissatisfaction with the content and frequency of progress reports, and one complaint was raised regarding coordination of national experts.

a. Recommendation. The PM/CTA should update the Steering Committee at the upcoming May 2013 meeting on the current reporting routines and present the reporting schedule for the second half of the project.

b. Lesson Learnt. On future UNDP-GEF projects, it would be advisable to formulate an agreed terms of reference for the national focal points and other key stakeholders and a responsibility matrix outlining the roles of key stakeholders.

9. **Linkages**. Collaboration between the regional project efforts and the UNDP Country initiatives could be strengthened, with the aim of improving the level of sharing synergies, expertise, and lessons learned.

a. Recommendation. The PM/CTA should consider delegating more responsibility to the national coordinators in collaborating with UNDP Country initiatives. This could be achieved through participation in portfolio meetings and also by cross-linking the strategic results framework of the project with complimentary projects and programs at the country level. This could provide a constructive mechanism for sharing synergies.

b. Recommendation. The implementing agency should remind UNDP Country representatives of the project limitations of the project document activities and any changes agreed upon by the Steering Committee.

Project Results

10. **Attainment of Objective**. Some of the interviewed agency officials and national experts stressed skepticism regarding the likelihood of achieving the transboundary targeted outcomes of the project, e.g., agreement reached on the updated SAP. This seems to be partly due to the fact that during first half of the project, implementation was focused on national level issues, including national IWRM plans and capacity building and

demonstration within the each of the countries. There also seems to be a certain degree of cynicism following the perceived limited success of other transboundary projects completed over the past decade or so.

a. Recommendation. Explain the recommended clarifications to the strategic results framework to the Steering Committee during the upcoming May 2013 meeting, and remind the key governmental stakeholders of the transboundary expectations and required feedback during the SAP process.

b. Recommendation. Consider holding the donor conference earlier than planned, to allow more time for helping to follow-up with donor commitment, thus aiming to mitigate some of the financial risks to sustainability.

c. Recommendation. Encourage donors to establish a fund to support applied research in the IWRM masters programs. Through such research, not only will young professionals be trained in IWRM approaches, but value can be added in terms of supporting monitoring requirements, preparing management plans, evaluating feasibility of alternatives to address strategic interventions, etc.

d. Recommendation. Further international funding support would be enhanced if there was better documented evidence of water sector improvements made in each of the 3 countries. Currently, such information is held by different agencies and ministries and not readily accessible or available. Request assistance from the national focal points in providing information on parallel funding efforts in the water sector within each of the three beneficiary countries.

1.5. Sustainability

At the mid-term point of the project, the likelihood of sustainability of project outcomes is considered **moderately unlikely**. In the context of GEF guidelines, sustainability is considered to be the prospect for continued benefits after the GEF project ends.

There are promising trends with respect to institutional framework risks, as demonstrated through the following examples:

a. The obligations the three countries are undertaking through EU Association Agreements, thus incorporating EU water policies and directives, including the Water Framework Directive, into their national legislation. The national IWRM plans being developed under Outcome 2 of the project aims at enhancing sustainability, by providing a roadmap that will enable the countries to stay on track toward approximation of EU water policies and guidelines.

b. The willingness of Georgia and Azerbaijan to enter into a bilateral agreement on water resource management, and the potential for a bilateral agreement between Georgia and Armenia offer potential sound institutional mechanisms.

c. The developed partnership with UNESCO-IHE to ensure sustainability in the longer term, and grant proposal support for faculty development to train top university faculty in IWRM principles for standardization and coordination of curriculum for all 3 south Caucasus countries.

However, there is limited evidence available at this point in time that supports the sustainability of these institutional developments or that demonstrates effective governance to steward the institutional commitments made. The moderately unlikely sustainability prospect **does not reflect on project implementation**, but rather on external factors, such as the lack of a regional coordinating body, limited financial commitment for implementation, social-economic risks associated with water pricing and land rights, and environmental risks regarding municipal wastewater discharge and expansion of hydro-electric power generation infrastructure.

The mid-term sustainability status is more or less similar to the baseline situation when project implementation commenced. There is considerable potential to achieve incremental sustainability improvement over the time period required for attainment of intended project outcomes. For example, approval of the developed national IWRM plans, agreement on the updated TDA and SAP, and commitment of some of the financing required to implement the national IWRM plans and SAP would enhance the sustainability likelihood. Further progress on the bilateral agreements under negotiation in the region will also lead to more likely sustainability of collaborative water resources management, and establishment of the IWRM Masters degree programs in universities in each of the 3 beneficiary countries could possibly lead to a *de facto* regional coordination mechanism that otherwise is rather unlikely due to current geopolitical tensions.

1.6. Rating Project Performance

Project performance was rated according to the 6-point GEF scale, ranging from Highly Satisfactory (no shortcomings) to Highly Unsatisfactory (severe shortcomings). The Project results were compared against the strategic framework indicators, and also were evaluated with respect to the challenges of operating under politically unstable circumstances.

Sustainability was rated according to a 5-point scale, ranging from Likely (negligible risks to sustainability, with key outcomes expected to continue into the foreseeable future) to Highly Unlikely (expectation that few if any outputs or activities will continue after project closure).

Aspect		**Comments**
Project Formulation		Strategic results indicators were not time-bound, making expectations a bit unclear. Insufficient clarity provided for pledged co-financing.
Conceptualization/Design	Satisfactory	
Stakeholder Participation	Satisfactory	
Project Implementation		Strategic results framework does not reflect the adaptive management changes made since project inception. The PCU and the EA should review their cooperation flows, and improve the timeliness of responding to administrative errors and/or inefficiencies.
Implementation Approach	Satisfactory	
Monitoring & Evaluation	Satisfactory	
Stakeholder Participation	Satisfactory	
EA and IA Modalities	Moderately Satisfactory	
Project Results		Estimated level of achievement of project outcomes and attainment of objective are satisfactory at mid-term. There are challenges facing the project in
Attainment of Objective/Outcomes	Satisfactory	
Relevance	Highly Satisfactory	

Aspect		Comments
Effectiveness	Satisfactory	the second half term, in reaching agreement on the updated SAP and securing financing for implementation of the SAP.
Efficiency	Satisfactory	
Sustainability		Institutional sustainability is enhanced by the EU association agreement obligations taken on by each of the 3 countries. Geopolitical circumstances hinder regional coordination, and there is low likelihood for sustainable financial commitments for implementation of national IWRM plans. Other socio-economic and environmental risks over the short to medium term also weaken sustainability of project outcomes.
Overall sustainability	Moderately Unlikely	
Financial	Moderately Unlikely	
Socio-economic and political	Moderately Unlikely	
Institutional framework/governance	Moderately Likely	
Environmental	Moderately Unlikely	
Overall Project Results: SATISFACTORY		

2. INTRODUCTION

2.1. Objectives of the Evaluation

The objectives of the mid-term evaluation were:

1. to independently review the project's implementation progress and impact in relation to objectives;
2. to measure its management effectiveness and efficiency;
3. to identify steps that can be taken to improve the overall quality of the project design as well as of its implementation; and
4. to identify lessons learnt that could be applied to future and on-going projects.

2.2. Key Issues Addressed

The key issues addressed in the evaluation are listed below.

- An assessment of whether the Project design (project strategy, appropriateness of objectives, planned outputs) is clear, logical and commensurate with the time, capacity and resources available and including lessons learned from previous project phases, as compared to cost-effective alternatives;
- An assessment of the scope, quality and relevance of Project outputs and outcomes produced to date;
- An evaluation of Project performance in relation to the indicators, assumptions and risks specified in the Project Document and subsequent documentation;
- An assessment of actual vs. planned project financial expenditures, actual vs. planned co-financing, including the maintaining of financial commitments to the Project by recipient governments;
- A summary evaluation of progress towards achieving the Project's overall objectives;
- Identification and, to the extent possible, quantification of any additional outputs and outcomes beyond those specified in the Project Document;
- An evaluation of Project coordination, (adaptive) management and administration provided by the PCU and its branches.
- An assessment of the role and effectiveness of the Project Steering Committee (PSC).
- An evaluation of the contributions by the executing and implementing Agencies in accordance with internal guidance documentation: day-to-day operational support, guidance in procurement and financial management and monitoring, project review, field visits, efficiency and responsiveness, policy advice and dialogue, advocacy and coordination with relevant projects and donors;
- An evaluation of progress towards sustainability and replication of Project activities.
- An assessment of lessons learnt during Project implementation which would benefit the GEF IW portfolio

- In closing, state the major challenges facing the project implementation, if any, and the recommended actions to overcome them, to improve the performance of the project implementation to achieve its planned goals in the remaining period of the project.

2.3. Structure of the Evaluation

The mid-term evaluation was carried in accordance with the requirements outlined in the Terms of Reference (see **Annex 1**) and the monitoring & evaluation guidelines and policies of the UNDP and GEF.

The following evaluation criteria were regarded in order to focus on the evaluation objectives:

Relevance:	Extent to which a development initiative and its intended outputs and outcomes are consistent with national and local policies and priorities and the needs of intended beneficiaries.
Effectiveness:	Extent to which the initiative's intended results have been achieved.
Efficiency:	Measure of how economically resources or inputs (such as funds, expertise and time) are converted to results.
Sustainability:	Measure of the extent to which benefits of initiatives continue after external development assistance has come to end. The evaluator will look at factors such as establishment of sustainable financial mechanisms, mainstreaming project objectives into the broader development policies, and sectoral plans and economies or community production.
Impact:	Measure of changes in human development and people's well-being that are brought about by development initiatives, directly or indirectly, intended or unintended.

The risks to sustainability of Project outcomes were also rated. The following aspects of risks to sustainability were assessed:

- Financial Risks
- Socio-Economic and Political Risks
- Institutional Framework and Governance Risks
- Environmental Risks

All risks aspects of sustainability are critical, so the overall rating is not higher than the lowest rated aspect.

Catalytic and/or replication effects were also reviewed as part of the evaluation.

The evaluation also assessed whether the Project has been fulfilling the minimum monitoring & evaluation (M&E) requirements for project design, implementation, and sufficiency of funding.

In evaluating Project performance and results, the following considerations were also taken into account:

- Conceptualization/Design
- Country Ownership/Drivenness
- Stakeholder Involvement

- Financial Planning
- IA and EA Supervision and Backstopping
- Cofinancing and Project Outcomes and Sustainability
- Delays and Project Outcomes and Sustainability

Finally, the evaluation summarizes lessons and recommendations on relevant aspects, particularly on issues that may impact the attainment of project outcomes, sustainability of project benefits, innovation, catalytic effect and replication, and project M&E implementation.

2.4. Methodology of the Evaluation

The MTE is an evidence-based assessment and relies on feedback from persons who have been involved in the design, implementation, and supervision of the project, and upon review of available documents and records. The mid-term evaluation was carried out during the period February-March 2013. The main activities of the evaluation included the following:

- An evaluation mission from 16-28 February 2013, including visits to the PCU office and its branch offices. The mission started in Baku, continuing in Tbilisi, and concluding in Yerevan. During the evaluation mission, personal interviews were made with the Project Steering Committee Members and other Project Stakeholders, the Chief Technical Advisor / Project Coordinator and other PCU staff, and consultants involved in Project implementation. The itinerary and list of persons interviewed are compiled in **Annex 2**.
- Survey questionnaires (see **Annex 3**) were sent to the stakeholders prior to the interviews. Telephone and Skype interviews were held with regional stakeholders and international project experts.
- A desk review of project document, outputs and monitoring reports (such as, among others, Project Inception Report, Minutes of Steering Committee meetings, other relevant meetings, Project Implementation Reports (PIRs/APRs), quarterly progress reports, and other internal documents including consultant and financial reports) was also completed as part of the evaluation. A list of documents reviewed is included in **Annex 4**.

For quality assurance, evidence gathered during the evaluation mission was cross-checked between as many sources as practicable, in order to validate the findings.

The PCU provided the mid-term evaluator with support to obtain necessary and requested documentations and logistical assistance during the evaluation mission.

2.5. Ethics

The mid-term evaluation was conducted in accordance with the UNEG Ethical Guidelines for Evaluators, and the mid-term evaluator has signed the Evaluation Consultant Code of Conduct Agreement form (see **Annex 5**). In particular, the evaluator ensures the anonymity and confidentiality of individuals who were interviewed and surveyed. In respect to the UN Declaration of Human Rights, results were presented in a manner that clearly respects stakeholders' dignity and self-worth.

3. THE PROJECT AND ITS DEVELOPMENT CONTEXT

3.1. Project Identification

Project identification information is summarized below.

GEF Project ID:	1375
UNDP PMIS ID:	2272
Beneficiary Countries:	Republic of Armenia Republic of Azerbaijan Georgia
Project Title:	Reducing Transboundary Degradation in the Kura-Aras Basin
Implementing Agency:	UNDP-RBEC (United Nations Development Programme)
Executing Agency:	UNOPS (United Nations Office for Project Services)

3.2. Project Finance and Timeframe

Project finance and key dates are presented below.

GEF Project Grant:	2,900, 000 USD
Cofinancing Total (CEO Endorsed):	10,860,000 USD
PIF Approval Date:	02 June 2008
CEO Endorsement Date:	26 February 2009
Implementation start date:	June 2011 (inception)
Mid-term evaluation date:	February-March 2013
Project completion date:	May 2014
Terminal evaluation date:	To Be Determined
Project closing date:	To Be Determined

3.3. Problems that the Project Seeks to Address

The Project is assisting the Kura Aras riparian states to 1) identify the principal threats and root causes of the transboundary water resources of the Kura Aras River Transboundary Basin and 2) develop and implement a sustainable program of policy, legal and institutional reforms and investments to address these threats. Balancing overuse and conflicting uses of water resources in transboundary surface and groundwater basins is seen as the critical issue in the basin and has been a principal focus of project attention from the very outset of project related

activities. The Project is creating synergies with and building upon a range of initiatives being undertaken by the countries themselves and those of bi-lateral and multi-lateral donors that have given priority to the Basin.

The long-term development/environmental goal of the project is sustainable development of the Kura Aras River Basin enhanced through ecosystem-based Integrated Water Resource Management approaches. The project objective is to improve the management of the Kura Aras River Transboundary Basin through the implementation of a sustainable program of policy, legal and institutional reforms and investment options, using the Transboundary Diagnostic Analysis (TDA) and Strategic Action Program (SAP) process. In order to achieve this objective, the project will update the TDA, formulate the SAP and associated National Action Plans (NAPs) and National Integrated Water Resource Management (IWRM) plans, undertake a range of public involvement and awareness activities focusing on trans-boundary activities, and undertake a demonstration project that implements key aspects of the SAP.

During the development of the preliminary TDA, four priority transboundary problems were identified as affecting the Kura Aras River Basin: 1. variation and reduction of hydrological flow; 2. deterioration of water quality; 3. ecosystem degradation in the river basin; and, 4. increased flooding and bank erosion. The revised TDA has taken into account key gap filling activities undertaken as part of this project and the activities of the EU funded Kura Regional Project. The final TDA will serve as the scientific basis for development of the SAP, an agreed program of interventions for the introduction of IWRM approaches throughout the basin. The TDA reviews the potential impacts of climate change on the priority transboundary issues. The SAP will incorporate a basin vision, water resource quality objectives, targets and interventions in the short and medium term to meet the targets. Key activities which inform both the TDA and the SAP are the demonstration project on the establishment of ecological flows at key locations in the basin and the trialing of water management systems in the Aras basin. The SAP will be underpinned by the development of national IWRM plans in Azerbaijan and Georgia and implementation of the existing IWRM plan in Armenia

This project was designed in close collaboration with the Kura Aras Basin countries. It was developed in coordination with the other major donors, inter alia, European Union and USAID, to ensure maximum synergy and minimum overlap between supporting projects.

3.4. Main Stakeholders

A qualitative and quantitative stakeholder analysis (SHA) was conducted in the preparation phase of the project in conjunction with the TDA. The findings of the SHA showed that a majority of stakeholders throughout the region are most concerned about water quality issues. The second highest concern is the reduction in hydrological flows, with concerns about flooding and decline in bioresources being far less immediate concerns.

In the Kura-Aras River Basin, stakeholders were identified during the TDA Stakeholder Analysis, which included both qualitative and quantitative analysis plus input from a Stakeholder Advisory Group. The stakeholders include those from government agencies and institutions in the following ministries and departments: Ministry of Water, Hydro-meteorology, Natural Resources, Ecology and Environment, Ministry of Industry, Ministry of Emergencies, Ministry of Energy, Ministry of Economy, Ministry of Foreign Affairs, Ministry of Defense, Ministry of Agriculture, Ministry of Forestry, Ministry of Fishery, Ministry of Social Welfare / Public Health,

Ministry of Labor, Ministry of Transport, and parliamentary committees for environmental protection. Additionally, regional and municipal administrators were interviewed including: Regional government official, District water management official, Municipal Government and Municipal waste managers, Industrial sectors included Mining industry, Heavy industry, Light industry, Tourism/Recreation industry, and Agro-industry representatives. Other stakeholders who are critical to the project success include National NGOs, Scientists, Nature preserve staff, farmers, fishermen, pastoralists, community based organization, educator/teacher, students, public health care providers and members of coastal communities, plus press and media, international funding Institutions, and bilateral development agency.

3.5. Immediate and Development Objectives of the Project

The long-term development/environmental goal of the project is sustainable development of the Kura-Aras River Basin enhanced through ecosystem-based Integrated Water Resource Management approaches. The project objective is to improve the management of the Kura-Aras River Transboundary Basin through the implementation of a sustainable programme of policy, legal and institutional reforms and investment options using the Trans-boundary Diagnostic Analysis (TDA) and Strategic Action Programme (SAP) process.

In order to achieve this objective, the project is updating the TDA, supporting National IWRM plans which will be the base of the SAP, undertaking a range of public involvement and awareness activities focusing on trans-boundary activities, and leading demonstration projects that implement key aspects of ecosystem assessment.

3.6. Results Expected

Global environmental benefits will be achieved through the use of Integrated Water Resources Management (IWRM) planning that has been identified as the answer to balancing competing and conflicting uses of water resources to inform and consider tradeoffs being made in socio-economic development objectives and ecosystem protection. The project aims to establish an enabling framework for the preservation of transboundary water resources in an extremely political sensitive area facing challenges from reduction of hydrological flow, deterioration of water quality; ecosystem degradation in the river basin; and increased flooding and bank erosion. Additional global benefits will be achieved through the maintenance of the hydrological flows and patterns, and riverine environment that are important in the conservation of natural spawning grounds of the sturgeon and other anadromous fishes of the Caspian Sea, migratory bird species, and other flora and fauna. Through linkages with the well-established Caspian Environment Programme, the Kura-Aras project could serve as a pilot towards broadening of the CEP to a truly basin-wide management framework, similar to what has emerged with GEF assistance in the Danube-Black Sea.

The global benefits of this project extend to the preservation of the unique ecosystem of the Caucasus eco-region, increasing political stability through environmental cooperation in a geopolitically sensitive area, and testing activities that can be replicated elsewhere for integrated transboundary water management. The challenge in this project is the development of harmonized policies among nations who are at varying stages of development, with wide ranging priorities pertaining to water use. This situation can be found throughout the world in shared water basins and presents international, regional and local decision makers with a unique set of options ranging between meeting the most immediate and dire needs to

considering long term sustainable actions needed for sustainable water resource utilization. By trialing a number of innovative strategies, as well as employing coordination mechanisms this project will take an array of options into account and will devise a set of realistic activities and objectives that can be met by the participating countries. The lessons learned from this can be translated to many of shared water systems and it is expected that refinement of the strategies will enable this and other projects to develop more fully in the future.

National – the national benefits will include an improvement in water quality and water quantity management strategies, monitoring programmes and coordination with neighboring countries. Through prioritized objectives and increased policy harmonization, resources can be combined and will not need to be replicated at the national level alone. Countries can benefit from improved IWRM approaches and through long term sustainable development of water in the region. Benefits will include increase monitoring reliability, decrease impacts of significant flooding damages to infrastructure and economic development, increased activities of public, civil society and stakeholders in addressing water resource management challenges.

Local – the local benefits will be improved conditions in water system health, including improved quality and quantity, as well as defined activities that can be undertaken by communities themselves to improve conditions. The local communities within the river basin are aware of challenges created by the status quo pertaining to water management, but lack the skills to empower them to improve their own conditions. By collaborating with civil society, and project staff, the local beneficiaries will gain a sense of control over their local circumstances, increase the ability to address these and learn from other stakeholders in neighboring countries. This opportunity will provide other communities and stakeholders with examples of low cost activities that can be undertaken to improve conditions pertaining to their impacts on and impacts from regional water management issues.

Note: Sections 3.3-3.6 were adapted from the Project Document.

4. FINDINGS AND CONCLUSIONS

The MTE findings are presented in three different sections, starting with project formulation, looking at how the project was designed, how stakeholders were included in the design process, and linkages worked out for efficient implementation. The next section focuses on project implementation, assessing how project resources are being used to complete the planned activities, how the project has adapted to changes since inception, and how effectively progress is being monitored and evaluated. The final section looks at results achieved so far and how sustainable the project outcomes seem at this point, that is, what is the likelihood that the advances made by the project will continue after international support concludes.

4.1. Project Formulation

4.1.1. Conceptualization/Design

Project conceptualization/Design is rated as **Satisfactory**.

The conceptualization of the project was sound, and the design of project activities was logically laid out in a complimentary arrangement. The first component, preparation of an updated TDA, is a rational first step, where root causes and threats to the water resources of the Kura-Aras basin are critically evaluated. Preparation of national IWRM plans and an

updated SAP, which make up the activities of the second component, incorporates the findings and consultation results of the TDA process. Stakeholder involvement, component 3, is being facilitated through the entire project, as a means to enhance the sustainability of the project outcomes, through capacity building, training in best management practices, and developing a university curriculum in each of the three countries that would provide long-lasting benefits in terms of training regional professionals in IWRM approaches and also through supportive research. The fourth component, demonstration of ecosystem assessment methodologies at selected pilot sites, offers practical training and equipment that can be scaled up as the countries further move toward adhering to EU water policy and guidelines. This fourth component was added to the project framework after the first version was completed, and the timing of linkages with the other components is somewhat uneven, e.g., limited time is allotted for incorporating the recommendations from the demonstration project into the TDA, national IWRM plans, and updated SAP.

Risks and assumptions were thoroughly evaluated and recorded in the project document. One risk that should have been considered is how the baseline enabling environment (i.e., attitudes, capacities, policies, and practices that stimulate and support effective and efficient functioning of organizations and individuals) could affect the long-term sustainability of project outcomes.

In evaluating the strategic results framework presented in the project document against SMART (**S**pecific, **M**easurable, **A**chievable, **R**elevant, and **Time**-bound) criteria, some of the indicators and targets are not time-bound and not sufficiently specific:

Objective/Outcome	**Comments regarding Strategic Results Framework**
Objective: To create an enabling framework for the long-term, sustainable integrated management of the Kura-Aras River Basin following IWRM principles	Unclear expectation regarding the form of commitment expected regarding national monitoring and evaluation framework, and this commitment was not time-bound. Attaining at least 4 common national IWRM policies between all countries was not time-bound.
Outcome 1: Completion of Transboundary Diagnostic Analysis	The target deadline of the TDA was not indicated. Unspecific expectations regarding government approval of TDA.
Outcome 2: Preparation of the National IWRM Plans and Strategic Action Programme (SAP)	Reasonably low chance in achieving target of securing 50% of the budget for implementation of national IWRM plans by next budget cycle following project completion seems difficult to achieve. Unclear which 3 ministries in each country expected to agree to SAP. Support of SAP by Steering Committee was not time-bound. Unclear who is expected to agree to 12 indicators for M&E framework, and target deadline not indicated. Reasonably low chance in achieving target of obtaining donor pledges amounting to 20% of project budgets within 3 months of donor conference.

Objective/Outcome	Comments regarding Strategic Results Framework
Outcome 3: Basin wide stakeholder involvement activities	Indicators and targets sufficiently detailed. Dates for the targets not indicated.
Outcome 4: Demonstration Projects on conflicting water use	Unclear who was expected to agree to the 3 sets of criteria for setting ecological flows and 3 sets of ecological flow assessment methods. Deadlines for these targets also were not indicated.

The mid-term evaluator was informed by the co-author of the Project Document that timeframes were not indicated for some indicators because of the uncertainty regarding the likelihood of achievement, considering the unique geopolitical circumstances in the region. Details were added to the logical framework at project implementation inception.

4.1.2. Country-ownership / Drivenness

Country ownership during formulation (and implementation) was high. The three countries are working toward reaching EU association agreements, which include obligations for approximating EU water policy and directives into national legislation. So, the countries were and remain interested in receiving support from the project in their efforts of adopting water policies and plans consistent with IWRM approaches. Project objectives and national interests were seen to be well aligned among national decision makers, who recognize that that further policy and institutional reform are required to adhere to EU and IWRM guidelines, and also to achieve more rationale and sustainable use of national and regional water resources.

4.1.3. Stakeholder Participation

Stakeholder participation is rated as **Satisfactory**.

Based upon interviews with ministry-level officials and other persons involved in the project design, stakeholder participation seemed to be satisfactory during the project formulation phase. Stakeholders mentioned that they were allowed sufficient time to critically review and comment on the project concepts and overall design. There was, however, some evidence that project design was not sufficiently communicated to all key stakeholders. For example, the decision that a river basin management plan would be facilitated by the project in the Republic of Armenia instead of assistance with enhancing their national IWRM plan was made after project implementation had already started. The understanding that national IWRM plan for the Republic of Armenia was sufficiently developed could have possibly been resolved at the project formulation stage with additional stakeholder consultation.

The project also sensibly formulated engagement with the donor community, and there are specific financing targets set to support implementation of the national IWRM plans and SAP.

4.1.4. Replication Approach

TDA and SAP are established GEF processes for transboundary, international water projects, and this project effectively built these into the project design. The IWRM Academy that was developed by the project as an instrument to deliver region-specific training on IWRM approaches could be replicated on other international water projects. Also, establishing IWRM

curriculum at universities in each of the three beneficiary countries is a pragmatic way to foster regional collaboration, and will not only lead more qualified local professionals but also potentially functioning as a catalysis for establishment of a coordination mechanism aimed at sustainable transboundary water resources management. Such curriculum development could offer good replication prospects in other regions, and not only for transboundary settings.

4.1.5. Linkages

There have been a number of international-funded transboundary projects in the region, and the project document includes a comprehensive list of these. During project formulation, a concerted effort was made to optimize synergy and minimize overlap with other regional as well as national initiatives. During implementation, synergies with other regional projects, particularly the EU Kura project and the UNECE efforts, have been good. Such collaboration is often difficult, given different time lines, focus areas, etc.

The project design also incorporated some linkage with ongoing UNDP programs, such as inclusion of engagement of the Kura-Aras NGO Forum into the stakeholder involvement component. Both the project and the three UNDP country offices might have benefited with additional collaboration. For example, there appear to be complimentary outcomes between this project and disaster risk reduction and sustainable education programs of the country offices. Cross linking the strategic results frameworks of the project and the country programs could have provided a clearer outline for collaboration during project implementation.

4.2. Project Implementation

4.2.1. Implementation Approach

The implementation approach is rated as **Satisfactory**.

The project has successfully assembled a qualified team for implementation of the activities. Interviewed stakeholders stressed satisfaction in the qualifications of both the national and international experts, and the camaraderie among the experts and PCU staff was observed to be positive.

Operational relationships with the national focal points are well managed, issues are clearly communicated, and misunderstandings have been dealt with respectfully and diplomatically.

The flow of information, including progress reports, from the PCU to the national focal points, UNDP country office representatives, and other key stakeholders has improved since the project inception and the first steering group meeting held in May 2012. Progress reports have since been adapted to meet requests by specific stakeholders; however, some of the interviewed stakeholders stressed dissatisfaction with the content and frequency of progress reports, and one complaint was raised regarding coordination of national experts. The matter of coordinating national experts has been proactively been addressed by the PM/CTA, but further clarification is recommended during the upcoming May 2013 Steering Committee meeting.

The project has implemented adaptive measures to address some changing circumstances since project inception and clarifications of national priorities, while at the same time managing to keep the overall project objective in focus. Examples of adaptive management on the project include the following:

- Facilitated development of an IWRM masters-level curriculum, supported by universities in each of the three countries.
- Delivered the UNDP/GEF EU Kura Aras IWRM Academy with funding support from the EU for implementation.
- Carried out a trend analysis and gender mainstreaming study for the TDA.
- Addressed national and regional hotspots for water quality using available national level data.
- Increased use of electronic media instead of paper to reduce printing and transportation costs.

The project is also effectively using electronic media to expedite dissemination of information and to improve communication among the three beneficiary countries. Adapting to the increased use of social media, the project has relied more on updating the project Facebook pages rather than on using the website for information transfer. Also, communication between the branch and main PCU offices is facilitated by the use of Skype and other Internet based tools.

The strategic results framework has not been updated to reflect the adaptive management changes that have been implemented since project inception. The PM/CTA has made suggested clarifications to the framework and the mid-term evaluator has indicated recommendations to some of the indicator targets (see **Annex 6**).

If these clarifications are agreed upon by the Steering Committee during the May 2013, the project will be better able to use this logical framework as a management tool, more closely linking it to the implementation plan for 2013-2014.

4.2.2. Monitoring and Evaluation

Monitoring and evaluation (M&E) is rated as **Satisfactory**.

The M&E plan was robust and is largely being followed during implementation. The project inception report and May 2012 Steering Committee report outlined progress and decisions made clearly and thoroughly. The Q4 2012 quarterly report included more detail than the previous quarterly updates; the previous ones were half-page long and not very informative.

Reporting progress toward achieving the intended outcomes, using the strategic results framework as a reporting tool, could be beneficial to key stakeholders as a means of verifying progress and also highlighting delays or issues requiring external input. Reporting such progress regularly, e.g., quarterly, would increase the goal of effective stakeholder participation.

Sufficient detail was provided in the 2011-2012 APR/PIR, but this management tool is a bit cumbersome to navigate. Consolidating the issues requiring management response would improve the utility of this comprehensive reporting mechanism.

Project risks have been formally monitored and updated through the Atlas Risk Log. The PM/CTA is indicated as the risk owner for each of the project risks. As the risks are largely influenced by external factors, these responsibilities should be spread out among other key stakeholders, including the NFPs.

4.2.3. Stakeholder Participation

Stakeholder participation during project implementation is rated as **Satisfactory**.

The approximate 2-year delay from the time of project concept was approved in 2008 to the when the project document was approved in January 2011, was also unfortunate from a stakeholder participation perspective, as there were institutional restructuring, changes in government, and some of involved stakeholders changed their workplaces and/or positions. The project staff needed time to update stakeholders of the project objective, in light of the changed circumstances.

Considerable efforts have been made to reach out to national, regional, and international water sector organizations. Synergies with other regional projects, particularly the EU Kura project and the UNECE initiatives, have been highly satisfactory. Such collaboration is often difficult, given different time lines, focus areas, etc.

The decision agreed upon by the Steering Committee in May 2012 to rationalize stakeholder participation (Outcome 3) via focusing some resources on development of the university-level IWRM curriculum was well-founded and seems to have been money well spent, as this program is highly appreciated in each of the beneficiary countries, evidenced through stakeholder interviews.

Collaboration between the regional project efforts and the UNDP Country initiatives could be strengthened, with the aim of improving the level of sharing synergies, expertise, and lessons learned.

4.2.4. Financial Planning

The Project implementation budget and expenditures are summarized in the Breakdown of Project Implementation Costs in the table provided in **Annex 7**. The GEF grant for implementation is 2,900,000 USD, and expenditures at mid-term (through 2012 Dec 31) were 1,444,129 USD, which is 50% of the total implementation budget amount:

Component	ProDoc Budget	Expenditures at Mid-Term (through 2012 Dec 31)
COMPONENT 1: TDA	520,000	325,786
COMPONENT 2: IWRM/SAP	1,180,000	509,356
COMPONENT 3: STAKEHOLDER INVOLVEMENT	200,000	159,097
COMPONENT 4: DEMO PROJECT	740,000	237,002
COMPONENT 5: PROJECT MANAGEMENT	260,000	212,888
Total Implentation	**2,900,000**	**1,444,129**
Values in USD		

Financial delivery rates in 2011 and 2012 were 89.62% and 86.7%, respectively, which are satisfactory levels for this type of project.

Allocation of some of the project expenditures has been inconsistent. For example, costs for Outcome 3 (Stakeholder Involvement) and Outcome 5 (Project Management) include costs from other components, due to incorrect initialization of the components into the financial database by the EA when the project started. The framework was later changed to reflect the

project components endorsed in the final version of the project document, but the uneven allocation does not allow an accurate evaluation of project expenditures among the different outcomes.

Also, at mid-term, the rate of project management expenditures against total costs incurred was 14.7%, which is higher than the 10% target. The reason for the higher rate is the incorrect allocation of costs caused by the budget initialization errors. This issue was also raised during the May 2012 Steering Committee meeting. The expected final project management costs are expected to be less than the 10% target (see **Annex 7**).

Although the project has actively engaged a wide group of qualified national experts (in each of the three beneficiary countries, 16 national experts covering multi-disciplinary fields have been engaged in preparation of the national IWRM plans and TDA), expenditures for local consultants are less than planned for. The combined expenditures allotted to local consultants in the revised budget presented in the July 2011 project inception report is considerably higher than the figure presented in the revised budget agreed upon at the May 2012 Steering Committee meeting. Based on evidence gathered during the MTE, the level of local consultant utilization has been satisfactory, and the discrepancy between the planned and actual expenditures is largely due to an over-estimation of national expert costs at the time of project formulation. The discrepancy is also partly attributed to the fact that the EU Kura project started their implementation a full 2 years beforehand. The benefits generated by the EU project were utilized by the project and, hence, a lower amount of local consultant input was needed. From an adaptive management point of view, this allowed the project to redirect resources to other areas, such as enhanced stakeholder involvement through facilitating development of the IWRM Masters curriculum and the IWRM EU Kura Aras Academy.

Available information regarding co-financing is summarized in the tables presented in **Annex 8.** At the time of the mid-term evaluation, 11,213,293 USD of co-financing had materialized by mid-term of implementation phase of the project. This exceeds the 10,860,000 USD of co-financing pledged.

The amount of co-financing to date includes approximately 50% of the in-kind co-financing contributions from the three beneficiary governments, and it seems the full expected 2,265,000 USD of government in-kind co-financing will be realized by the end of the project.

The level of co-financing for project development exceeded the 723,328 USD of GEF grant money provided (25,000 USD for PDF A and 698,328 USD for PDF B). Total co-financing for project preparation was 997,877 USD, which includes 133,400 USD for PDF A and 864,427 USD for PDF B.

At the time of the MTE, responsibilities for tracking and reporting co-financing were not clearly worked out between the IA and PCU. The amount of co-financing reported in the 2011-2012 APR/PIR was indicated to be 3,000,000 USD, combined total for both preparation and implementation. The actual amount of in-kind co-financing was in fact considerably more than this, taking into account the EU Kura II project, which was run from 2008-2011. The interviewed stakeholders were unaware of the source and basis of the 3,000,000 USD figure.

The project has been successful in securing 105,000 USD in leveraged resources through the mid-term of the project implementation phase.

Associated financing (i.e., funding for other activities that are related to the project or to similar commitments but which is not essential for the project's successful implementation) over the mid-term period of the project is estimated to be 3,920,000 USD, for the USAID Clean Energy and Water project (see **Annex 8**).

4.2.5. Procurement Management

Procurement was generally found to have been well managed during project implementation. Goods and services are procured with the assistance of the UN Atlas system, administered by the EA. Competitive quotations are obtained by the PCU, with the assistance of the branch offices, and then the project administrator compiles the information and uploads it onto the Atlas system. The EA provided training at the beginning of the project, and support by the EA during the implementation period seems to have been satisfactory. There was indication that turnover of some of the EA staff has caused has required the PCU staff to spend time updating the new EA employees on the project specific procurement needs and routines.

There were some delays in the beginning of the project in procuring both goods and services for the project, but overall, these timeframes seem typical of such a project with activities in more than one country and with participation of specialized experts. Some concern was expressed regarding how EA conditions pertaining to fee ceilings and engagement time restrictions have hindered the utilization of some qualified national experts.

Interviewed stakeholders in each of the three beneficiary countries mentioned that procurement of the pool of 16 national experts in each country was successful, in terms of the quality of experts contracted. This procurement exercise was supported by the branch PCU offices in Baku and Yerevan, in addition to the main PCU in Tbilisi, as national coordinators and project assistants in each country assisted in the process.

The procurement process for national experts was also found to be fair and inclusive, in terms of gender, language skill, etc. A few of the interviewed experts indicated that the framework type agreement was at first confusing to them, citing that limited details on required tasks and deadlines was not typical for them, and they were a bit hesitant in committing without knowing the overall required time demand from them.

4.2.6. Execution and Implementation Modalities

The rating for execution and implementation modalities is **Moderately Satisfactory**.

The share of responsibilities between the IA and EA are clear in their agreement. Both agencies have devoted considerable amounts of time on project supervision, and communication and collaboration between the agencies has been constructive.

The IA has provided regular strategic guidance, supervision, and assistance in resolving sensitive issues. Given the political tensions in the region, the IA has provided valuable support to the PCU in implementation of this transboundary focused project.

The IA should provide clearer instruction regarding tracking and reporting cofinancing and also further assistance in reaching a better collaborative arrangement between the PCU and the UNDP country offices.

The EA has provided training to PCU staff on procurement procedures, use of the Atlas system, and financial reporting. EA backstopping, however, does not seem to have been sufficiently

timely. For example, a considerable amount of time was spent by the PCU in resolving problems associated with errors made by the EA in initialization of the project budget.

The PCU and the EA should review their cooperation flows, and improve the timeliness of responding to administrative errors and/or inefficiencies. Some of the shortcomings have been resolved between the EA and PCU over the past year, but a review of administration procedures seems to be in order, e.g., further instruction on available reporting tools within the Atlas system, and discussion of how to best facilitate the procurement needs for the second half of the project.

4.2.7. Coordination and Operational Issues

The project coordination units (PCUs) were found to be well managed, and the staff highly qualified, motivated, and dedicated to the project objective. Coordination between the PM/CTA and the national coordinators was found to be efficient, and sufficient authority is delegated to the coordinators to oversee the project activities in their countries, direct the work of national experts, and providing personal contact with the national focal points when needed.

As the project has a transboundary context, frequent travel was worked into the project design. Bringing the regional actors together is an important benefit delivered by the project, i.e., as a *de facto* regional coordinating mechanism. Travel seems to have been rationally allocated and procured. The total expected travel expenditures are more than planned when the project was designed; the difference is attributed to higher travel costs since the time when the project was formulated, taking into account the approximate 2-year delay in starting the implementation. There could have also been an under-estimation of travel demands at the project formulation stage; one of the lessons highlighted by the completed EU Kura River projects was how managing a regional project is more difficult and expensive than a national one.

A disproportionate amount of time has been spent by the PM/CTA in resolving problems associated with financial reporting/control and other administrative matters. As one person is covering the responsibilities of both chief technical advisor and project manager, these imbalanced time demands could adversely affect project outcomes and sustainability if not corrected in time.

The Project Steering Committee (PSC) has a particularly important role in this project, as many of the project outcomes are contingent upon approval by the PSC, including the updated TDA, national IWRM plans, and the SAP. The PSC has met twice in the first half of the project, once in June 2011 at the project inception meeting, and in May 2012 at the first PSC meeting. A second PSC meeting is planned in May 2013 and a final one at project closure, in May 2014.

Based upon interviews and review of the PSC meeting reports, the PSC has been effective in providing required guidance and decisions to facilitate successful project implementation.

4.3. Project Results

4.3.1. Attainment of Outcomes / Achievement of Objective

The rating of progress toward attainment of project outcomes and achievement of the project overall objective is **Satisfactory**.

The **relevance** of the project is rated as **Highly Satisfactory**. Promotion of collective management of transboundary water systems, preparation of IWRM plans, foundational capacity building, and demonstration scale pilot projects are completely in line with the GEF5 International Waters Strategy. Each of the three countries are preparing to sign EU association agreements, thus supporting the adoption of the EU Water Framework Directive, which is also consistent with the project objective of improving management of the Kura-Aras River Basin through implementation of IWRM approaches.

Effectiveness is rated as **Satisfactory**. The progress toward attainment of the project objective at the mid-term point of the project is estimated to be 40%, while achievement of intended outcomes is considered approximately 45% at mid-term. This progress evaluation is broken down in **Annex 9** and summarized below.

Objective/Outcome	**Mid-Term Progress toward Project Objective/Outcomes**
Project Objective: To create an enabling framework for the long-term, sustainable integrated management of the Kura-Aras River Basin following IWRM principles.	Mid-Term Evaluation: 40% attained Good progress has been made on the updated TDA, stakeholder involvement has been broad and constructive, and decision support assessment criteria are being developed under the demonstration project component. Approval of the national IWRM plans and regional SAP during the second half of the project will help facilitate budget commitments for implementation of both the national plans and the SAP.
Outcome 1: Completion of Transboundary Diagnostic Analysis	Mid-Term Evaluation: 60% achieved Parties agreed to common transboundary issues and the identified immediate and root causes at PSC meeting in May 2012. Draft TDA was submitted in 2012 and the final version is expected to be approved during PSC meeting in May 2103. Following approval of the TDA, the project will facilitate dissemination of the document and the findings contained within it. Baselines for hydrology, climate change, water quality, gender mainstreaming, and sectoral trends are established pending approval from PSC.
Outcome 2: Preparation of the National IWRM Plans and Strategic Action Programme (SAP)	Mid-Term Evaluation: 33% achieved Successful capacity building realized through the IWRM Academy; 62 regional professionals have been trained. National IWRM plans are nearly complete for AZ and GE and will be presented at the May 2013 PSC meeting, once finalized and agreed within the specific country. The Arpa River basin management plan for the Republic of Armenia is approximately 30% complete at mid-term, and completion is expected within the scheduled timeframe. In an effort to link the approved national IWRM plans, the project will coordinate national and international

Objective/Outcome	Mid-Term Progress toward Project Objective/Outcomes
	consultations in completing the SAP during the second half of the implementation phase, and facilitate approval of the program and donor pledges for financing part of the implementation.
Outcome 3: Basin wide stakeholder involvement activities	Mid-Term Evaluation: 60% achieved Stakeholder involvement has been active since project inception; for example, the project plays an active role in UNECE organized national water policy dialogues, which function as Inter-ministerial Coordinating Committees. The project has also engaged the Kura-Aras NGO Forum, concurrent with the Project Steering Committee meetings. The Steering Committee approved reallocating some of the resources in this outcome toward the development of university IWRM curriculum in each of the three beneficiary countries. The project has facilitated preparation of a draft curriculum, and discussions with for a partnership with UNESCO-IHE significantly enhances the sustainability of this outcome.
Outcome 4: Demonstration Projects on conflicting water use	Mid-Term Evaluation: 40% achieved The work plan for the demonstration project was successfully completed, and contracts with local companies in each of the three beneficiary countries have been signed to carry out the surveys. Pilot sites have been selected and 2 of the planned 5 surveys have been completed. During the second half of the implementation period, the surveys will be completed, a database will be developed, and equipment purchased for AZ and GE. Furthermore, guidelines will be developed for long-term monitoring and presented for approval at a workshop to be held in Spring 2014.
Outcome 5: Project Management	Mid-Term Evaluation: 65% achieved The PCU office in Tbilisi and satellite offices in Baku and Yerevan are fully staffed and operating efficiently. National project coordinators are qualified and earnestly working with national focal points and other project stakeholders. IA and EA are actively engaged in the project, providing strategic guidance and facilitation of project administration.
Overall Project Outcomes:	Mid-Term Evaluation: 45% achieved

Cost efficiency at mid-term is rated as **Satisfactory**, taking into consideration the effectiveness outlined about and the level of expenditures incurred to date and the high amount of co-financed realized.

4.3.2. Impact

The intended **impact** of the project is a positive change in the environmental status of the Kura-Aras River basin ecosystem, through regional implementation of IWRM approaches. Geopolitical conflicts in the region impede the willingness for regional collaboration, so efforts such as those promoted by the project are critical in keeping transboundary management of water systems high on country agendas. Some of the interviewed agency officials and national experts stressed skepticism regarding the likelihood of achieving the transboundary targeted outcomes of the project, e.g., agreement reached on the updated SAP. This seems to be partly due to the fact that during first half of the project, implementation was focused on national level issues, including national IWRM plans and capacity building and demonstration within the each of the countries. There also seems to be a certain degree of cynicism following the perceived limited success of other transboundary projects completed over the past decade or so.

4.3.3. Sustainability

In the context of GEF guidelines, sustainability is considered to be the prospect for continued benefits after the GEF project ends. At the mid-term point of the project, the likelihood of sustainability of project outcomes is considered **moderately unlikely**, and discussed below separately for the following four risk aspects: financial, social-economic/political, institutional framework and governance, and environmental.

Financial Risks

Recognized financial risks lessen the likelihood of sustainability of outcomes after project closure. The sustainability rating for this aspect is **moderately unlikely**.

Financial risks associated with implementation of national IWRM plans and the regional SAP were noted by several of the interviewed stakeholders, noting, for example, the current insufficient financing to support and maintain water sector monitoring requirements. Economic development is forecasted to continue on a positive trajectory, more so for some countries than others, but there is generally limited indication of sustainable financial commitment for implementation of water policies and plans.

Socio-Economic/Political Risks

Socio-economic and political risks to the sustainability of project outcomes are rather high, and the sustainability rating for this aspect is **moderately unlikely**.

Geopolitical circumstances in the region reduce the likelihood of establishing a regional coordinating body for implementing the SAP. Even though there are some promising signs for bilateral agreements between AZ and GE and also GE and AM, the lack of a regional coordinating body is considered a shortcoming with respect to sustainable regional management arrangements.

There are also socio-economic risks associated with the transition to demand based management of water resources. For the most part, current prices for water are unsustainably

low or nonexistent, and tariffs are insufficient to even cover typical operating costs of conventional wastewater collection and treatment infrastructure. Concurrent with economic development in the region, adjusting water prices and tariffs to sustainable levels will require support over the short to medium term.

There are further socio-economic risks regarding unaligned priorities for water use, for example, economic and energy security pressures in developing more hydro-electric power plants within the basin. Potential land rights issues have been highlighted in GE in drafting the new water code, and such issues will likely increase as the agricultural sector rebounds in the region.

Institutional Framework and Governance Risks

With respect to institutional framework risks, sustainability of project objective and outcomes is **moderately likely**.

As a result of obligations contained within the EU Association Agreements, the countries are incorporating EU Water policies and directives, including the Water Framework Directive, into their national legislation. The national IWRM plans being developed under Outcome 2 of the project aims at enhancing sustainability, by providing a roadmap that will enable the countries to stay on track toward approximation of EU water policies and guidelines.

Also, the willingness of Georgia and Azerbaijan to enter into a bilateral agreement and the potential for a bilateral agreement between Georgia and Armenia increase the likelihood of sustainable water resources management.

The developed partnership with UNESCO-IHE also adds to the sustainability effort in longer term, and grant proposal support for Faculty Development to train top university faculty in IWRM Principles for standardization and coordination of curriculum for all 3 south Caucasus countries.

Uneven distribution of authority among governmental organizations in the region limits the likelihood for effective governance for tackling ecosystem management challenges that require inter-ministerial collaboration. Turnover of both elected and appointed governmental officials is also a major impeding factor in realizing sustainable ecosystem management.

Environmental Risks

The sustainability of this aspect is rated as **moderately unlikely.** The most significant factor impacting regional water quality is identified to be municipal wastewater discharge. Financing development of wastewater collection and treatment infrastructure will require considerable more international donor support. Further expansion of hydro-electric power in the region also represents potential significant environmental risks. Reaching a balance between economic development and sound environmental management will require both national and regional cooperation among economic actors and regulatory bodies. Impacts from industrial, mining, and agricultural operations are expected to increase in the region along with expanded economic growth.

The project is contributing to mitigating the above-mentioned environmental risks, by spearheading the development of national IWRM plans and a regionally agreed SAP. Implementation of these plans will require external support in the short to medium term, before sustainable management is achieved.

The sustainability of project outcomes will be undoubtedly affected by the level of acceptance by government officials and local water sector professional of the IWRM principles incorporated in the national plans and SAP. Regional professional capacity regarding implementing IWRM approaches is currently limited, and there is an enduring regional interpretation of water resources management that is counter-productive. For example, several interviewed stakeholders, including national experts, referred to the term of "self-purification" of the regional river systems. This view of self-purification is misleading, and seems to be based only on limited water quality and quantity data and on the assumption that discharges are temporary, and does not take into account impacts to riverine biological communities, seasonal effects, possible accumulation and recycling of pollutants to/from sediments, or public health concerns regarding microbial organisms originating from wastewater. Rather than deeming the river systems as self-purifying, the concept of ecological resilience would provide a more appropriate understanding of ecosystem status. Time will be required to affect lasting change in the approach to water resources management; this further justifies the potential benefits realized from establishing the IWRM Masters programs in the region.

4.3.4. Mainstreaming

The intended project outcomes would likely result in positive effects on local populations, as social equity and gender issues are specifically being analyzed in the updated TDA. The interventions recommended in the national IWRM plans and the SAP will incorporate the findings from these studies.

The intended project outcomes are also well aligned with the priorities of the UNDP country action programs, particularly mainstreaming of disaster risk reduction (e.g., flooding), climate change mitigation and adaptation, and gender equality. These subjects are being addressed in the updated TDA in detail.

With respect to taking gender issues into account in project implementation, a large proportion of project management, supervision, administration, and experts are made up of women, including the PM/CTA, the EMO IWC portfolio manager for the IA, one of the three NFPs, one of the three NCs, several of the engaged national experts, the administration manager, and project assistants.

4.3.5. Replication

The project has provided a significant amount of foundational capacity building, and there is a high potential for replication of expertise and demonstration methodologies. Some examples are presented below.

- The assessment methodologies applied at the demonstration sites could be applied to other sub-basins, and the national experts participating will gain knowledge and skill on implementing them.
- Designing and delivering similar IWRM Academy training could be replicated on International Waters projects;
- Establishing a similar IWRM masters-level curriculum could be replicated on other international waters projects in other regions.

- The bio-monitoring methodologies introduced in the demonstration component could be replicated in other parts of the basin, and also could be included in the national monitoring programs.
- The river basin management plan being prepared in Armenia could be replicated for other basins in that country

4.3.6. Contribution to Upgrading Skills of the National Staff

The project has significantly contributed to upgrading skills of national professionals. Notably, a total of 62 regional professionals completed the 72-hour IWRM Academy, a training program that was custom-designed to the specific issues and needs in the Kura Aras Basin. Furthermore, the project engaged 16 different national experts in each country to assist with preparation of the TDA, national IWRM plans, and RBM in Armenia.

By having two branch offices in addition to the main project coordination unit in Tbilisi, three different national coordinators had the opportunity to collaborate with each other, which is not readily achievable in the region, and enhance their professional skills through training and completion of their project duties.

4.3.7. Summary Table of Ratings

Project performance was rated according to the 6-point GEF scale, ranging from Highly Satisfactory (no shortcomings) to Highly Unsatisfactory (severe shortcomings). The Project results were compared against the strategic framework indicators, but also were evaluated with respect to the challenges of operating under politically unstable circumstances.

Sustainability was rated according to a 5-point scale, ranging from Likely (negligible risks to sustainability, with key outcomes expected to continue into the foreseeable future) to Highly Unlikely (expectation that few if any outputs or activities will continue after project closure).

Aspect		**Comments**
Project Formulation		Strategic results indicators were not time-bound, making expectations a bit unclear. Insufficient clarity provided for pledged co-financing.
Conceptualization/Design	Satisfactory	
Stakeholder Participation	Satisfactory	
Project Implementation		Strategic results framework does not reflect the adaptive management changes made since project inception. The PCU and the EA should review their cooperation flows, and improve the timeliness of responding to administrative errors and/or inefficiencies.
Implementation Approach	Satisfactory	
Monitoring & Evaluation	Satisfactory	
Stakeholder Participation	Satisfactory	
EA and IA Modalities	Moderately Satisfactory	
Project Results		Estimated level of achievement of project outcomes and attainment of objective are satisfactory at mid-term. There are challenges facing the project in the second half term, in reaching agreement on the updated SAP and
Attainment of Objective/Outcomes	Satisfactory	
Relevance	Highly Satisfactory	
Effectiveness	Satisfactory	

Aspect		Comments
Efficiency	Satisfactory	securing financing for implementation of the SAP.
Sustainability		Institutional sustainability is enhanced by the EU association agreement obligations taken on by each of the 3 countries. Geopolitical circumstances hinder regional coordination, and there is low likelihood for sustainable financial commitments for implementation of national IWRM plans. Other socio-economic and environmental risks over the short to medium term also weaken sustainability of project outcomes.
Overall sustainability	Moderately Unlikely	
Financial	Moderately Unlikely	
Socio-economic/political	Moderately Unlikely	
Institutional framework/governance	Moderately Likely	
Environmental	Moderately Unlikely	
Overall Project Results: SATISFACTORY		

5. RECOMMENDATIONS

5.1. Corrective Actions for Implementation and M&E of the Project

Project implementation has been satisfactorily efficient, but there are a few corrective actions that should be considered:

- The strategic results framework should be updated to reflect the adaptive management changes made since project inception, and progress should be monitored against these rationalized criteria.
- The targets of the project objective and outcomes should be further incorporated into the implementation plan for the remaining timeframe of the project. For example, this would allow government officials and other key stakeholders more guidance on when review and feedback are required for achieving specific project outcome targets, and also help project management in efficiently distributing resources.
- In order to ensure continued participation of relevant stakeholders, it would be advisable to review the stakeholder engagement plan with the national focal points for the second half of the project. For example, as water quality is mostly impacted by municipal wastewater discharge, it would be advisable to further engage the donor community active in financing water and sanitation development in the region. Continued participation should also be sought from the energy sector, which is an important water user in the region and environmental flows are directly influenced by the hydro-power developments in each of the three beneficiary countries.
- The identified project risks are mostly due to external factors, such as national and regional political commitments, potential climate change effects, etc. Management of these risks should be more shared among key project stakeholders. For example, it would be advisable to present an update of the project risks at the upcoming May 2013 PSC meeting, providing NFPs and other stakeholders some direction on how they could support risk mitigation efforts, including promoting inter-sectoral coordination so that sufficient buy-in is achieved for the national IWRM plans and the SAP.

- A review of procedures and cooperation flows between the PCU and EA should be made.
- To the extent practical under relevant Terms of References, the PM/CTA should consider delegating more of the project administration duties among existing PCU staff, allowing her to spend more time focusing on project results.
- The PM/CTA should consult with the EA on whether a management letter or some type of correction within the Atlas system should be made to address the earlier misallocations.

5.2. Changes in Project Strategy

The strategic results framework should be critically reviewed in response to changes made since the project inception and knowledge gained through the first half of project implementation. The PM/CTA has made a draft revision to the output level of the strategic results framework, and the mid-term evaluator recommends considering the following:

Project Objective

- The March 2014 target date for realizing budget commitments for supporting the implementation of national IWRM plans and the regional SAP does not seem achievable, and should be modified consistent with the Outcome 2 targets.
- Regarding the target of achieving commitment to National Monitoring and Evaluation Framework in place by March 2014, the term "commitment" should be clarified. It is unclear what stakeholders are expected to commit to and in what format, e.g., PSC meeting minutes, memorandum of understanding, or other.
- Regarding the target of having least 4 common national IWRM policies from between all countries by March 2014, it is unclear what policies are considered here. This should be clarified at the next PSC meeting in May 2013, so that there is sufficient time thereafter for follow-up.
- With respect to the IWRM Masters curriculum target, it would be advisable to inform the PSC members that, consistent with GEF policies and procedures, development of the curriculum is the goal, rather, facilitating the roll out of the curriculum.
- 3 scenarios for river flow variations and their implications on the biophysical and ecosystem function are expected to be agreed by March 2014. It is unclear who is expected to agree to these scenarios. Also, this target should also be included under Outcome 4, Demonstration Project.
- As approval of the SAP is recommended to be achieved before March 2014, it would also be advisable to indicate that the PSC should approve the guidelines for designing a long-term Monitoring Program earlier than March 2014.

Outcome 1: TDA

- 3 countries and all Steering Committee Members are expected to be in agreement on final priority transboundary issues by May 2013. It would be advisable to remove the term "countries", as the TDA is expected only to be approved by the PSC. Is the PSC

meeting memorandum sufficient evidence, or is some other form of agreement expected?

- A set of alternatives interventions for each priority issue are expected by October 2013. It would be advisable to indicate what form of feedback is required from the PSC members, as PSC meetings are scheduled in May 2013 and May 2014?

Outcome 2: IWRM/SAP

- SAP activities will be on 2, 5, 10, and 20 year timelines, so it might be sensible to link the SAP budget cycles correspondingly to these timeframes?
- Recommend obtaining PSC approval of the SAP before the end of 2013, rather than by March 2014. To the extent possible, earlier approval would allow more time and opportunity for project resources to help facilitate subsequent government level budgetary commitment and donor conference for securing some of the financing required for implementation.
- Consider holding the donor conference earlier than planned, to allow more time for helping to follow-up with donor commitment, thus aiming to mitigate some of the financial risks to sustainability.

Outcome 3: Stakeholder Involvement

- As indicated above under Project Objective, it would be advisable to inform the PSC members that, consistent with GEF policies and procedures, development of the curriculum is the goal, rather, facilitating the roll out of the curriculum.

Outcome 4: Demonstration Project

- The work plan for this component includes developing a data base and purchasing equipment. Both of these activities could offer long-term benefits, and thus, recommend incorporating the data base and equipment into the targets. Also, it would be useful to clarify what stakeholders are expected to review and agree upon the data base and the equipment procurement.
- Regarding the target of preparing guidelines for designing a long-term Monitoring Program and obtaining approval by the PSC by March 2014, recommend clarifying whether these guidelines are linked to the national M&E frameworks. And, also suggest considering an earlier approval date, allowing more time to correlate them to the national frameworks.

5.3. Actions to Reinforce Benefits from the Project

One of the main challenges facing the project is securing sufficient stakeholder acceptance of the national IWRM plans and the regional SAP, thus enhancing the likelihood for mobilizing the necessary capacity and resources for implementation of the plans. Extensive stakeholder consultation is planned during the endorsement phase of the IWRM plans and SAP. Allowing sufficient time for stakeholder feedback will be critical during this time period.

As a means to enhance the sustainability of the project outcomes, the donor community should be encouraged to establish a fund to support applied research in the IWRM Masters programs. Through such research, not only will young professionals be trained in IWRM approaches, but

value could be added in terms of supporting monitoring requirements, preparing management plans, evaluating feasibility of alternatives for addressing strategic interventions, etc.

Strengthening collaboration between the project and UNDP country initiatives could also reinforce the benefits of the project. One way to increase collaboration could be by cross-linking the strategic results framework of the project with complimentary projects and programs at the country level, providing a constructive mechanism for sharing synergies. Such efforts could, for example, lead to the assistance of UNDP country staff in tracking progress toward project outcomes after project closure, as results of complimentary country level projects are being monitored.

The incremental costs for attainment of the global environmental benefits provided by GEF are supported by substantial parallel funding from the beneficiary countries. Further international funding support would be enhanced if there was more documented evidence of water sector improvements made in each of the 3 beneficiary countries. Currently, such information is held by different agencies and ministries and not readily accessible or available. Recommend requesting assistance from the national focal points in providing information on parallel funding efforts in the water sector in their countries.

5.4. Proposals for Future Directions

Policy and legal reforms in the three beneficiary countries have advanced in the past decade or so with support from the international donor community, including from this project. In recent years, more and more hard investment in water and sanitation improvements, hydropower development, and agricultural expansion are being mobilized; however, there is a certain level of disconnect between these investments and the policy reform activities. As concluded in a 2009 survey by GWP CACENA, IWRM principles of economic efficiency, environmental sustainability, and social equity are not adequately considered for infrastructural development in the region.

Expanding upon the benefits realized from the intended outcomes of this project, such as approval of national IWRM plans and a regional SAP, the UNDP-GEF is in a strong position to assist the beneficiary countries in the following directions:

- Policy advice, technical assistance, and coordination required for facilitating implementation of the national IWRM plans and SAP;
- Linkage to IFIs and the broader donor community on incorporating IWRM approaches to hard infrastructure investments;
- One of the lessons learnt in the Danube and Black Sea projects (e.g., through the Dablas task force) is that donor investment depends largely on preparedness. Enhancing local capacity in preparing feasibility studies, tariff studies, ecosystem valuation, etc., would help enhance interest among IFIs.
- Demonstration of pilot interventions that could lead to parallel investment in larger scale improvements.

Mobilizing continued support will be contingent upon clear evidence that the beneficiary countries are serious in their commitments; for example, through high level support of the national IWRM plans and regional SAP, and clear indication of budget allocation toward financing implementation of the plans.

6. LESSONS LEARNT

6.1. Lessons Learnt

Project Formulation

Providing a more detailed budget breakdown in the project document would aid project managers and evaluators in noticing possible discrepancies in unit rates or estimated level of effort. Also, a budget review procedure during the inception phase of project implementation could also help clarify such inconsistencies.

With respect to risk management, more emphasis should be placed upon the enabling environment (i.e., attitudes, capacities, policies, and practices that stimulate and support effective and efficient functioning of organizations and individuals), with respect to the long-term sustainability of project outcomes.

Defining Roles and Responsibilities

On future UNDP-GEF projects, it would be advisable to formulate an agreed terms of reference for the national focal points and other key stakeholders. A responsibility matrix should also be considered, for clarifying duties among the IA, EA, PCU, and NFPs.

Co-Financing

Sufficient clarity should be provided in the project document so that co-financing can be substantiated.

The implementing agency should provide project managers with specific instructions on how to monitor co-financing and report divergences as early as possible. Also, it would be advisable to clarify what responsibilities the national focal points have in keeping account of government co-financing.

Backstopping

The executing agency should review their training and supervision procedures, with emphasis on how to provide more timely intervention to correct administrative errors, and monitor operational routines to help administrative staff become more aware of available tools and resources available to them.

Project Management Tools

Linking implementation program management more closely with resource allocation would allow easier tracking and facilitates earlier warnings that something might be running against expected plans. Providing additional project management training and tools could help project managers more efficiently track and report progress.

6.2. Good Practices

IWRM Academy

The IWRM Academy developed by the project is a good model of how effective training in IWRM approaches can be delivered to regional professionals. As the program was custom designed to the specific challenges facing the Kura-Aras River basin, the participants were able

to more easily conceptualize the topics and how they could adapt them to the problems they are dealing with in their professional capacity. The training was also delivered in sufficient detail: 72 hours of sessions in all delivered over three different occasions. This allowed for in-depth learning and also adequate time between sessions for the participants to contemplate how the knowledge could be best applied to the particular problems in the region.

The IWRM Academy model could be rolled out on other international water project, whether under a local, national, or transboundary context.

IWRM Masters Curriculum

Developing the university masters curriculum on IWRM is also considered a good practice, and could be replicated in other regions. The decision to focus some of the stakeholder involvement resources on facilitating the development of the Masters curriculum was insightful. Not only does the IWRM Masters curriculum provide a long-term opportunity for continued capacity development, but establishment of the IWRM Masters degree programs in universities in each of the 3 beneficiary countries could possibly lead to a *de facto* regional coordination mechanism that otherwise is rather unlikely due to current geopolitical tensions.

Collaboration among universities having the IWRM Masters program could lead to effective regional coordination required for meaningful implementation of the SAP.

7. ANNEXES

Annex 1: Terms of Reference for Mid-Term Evaluation

Introduction

UNOPS wishes to contract an independent international consultant to carry out the Mid-Term Evaluation (MTE) of the UNDP/GEF project "Reducing transboundary degradation in the Kura Ara(k)s basin" - GEF no. 2272. The UNDP/GEF Kura project is funded by the GEF, implemented by UNDP, and executed by UNOPS. The evaluation will be carried out in line with the criteria of the project implementing agency – UNDP/GEF.

The Monitoring and Evaluation (M&E) policy at the project level in UNDP/GEF has four objectives:

- to monitor and evaluate results and impacts;
- to provide a basis for decision making on necessary amendments and improvements;
- to promote accountability for resource use;
- and to document, provide feedback on, and disseminate lessons learned.

A mix of tools is used to ensure effective project M&E. These might be applied continuously throughout the lifetime of the project – e.g. periodic monitoring of indicators -, or as specific time-bound exercises such as mid-term reviews, audit reports and independent evaluations.

In accordance with UNDP/GEF M&E policies and procedures, all projects with long implementation periods (e.g. over 5 or 6 years) are strongly encouraged to conduct mid-term evaluations. In addition to providing an independent in-depth review of implementation progress, this type of evaluation is responsive to GEF Council decisions on transparency and better access of information during implementation.

Mid-term evaluations are intended to identify potential project design problems, assess progress towards the achievement of objectives, identify and document lessons learned (including lessons that might improve design and implementation of other UNDP/GEF projects), and to make recommendations regarding specific actions that might be taken to improve the project. It is expected to serve as a means of validating or filling the gaps in the initial assessment of relevance, effectiveness and efficiency obtained from monitoring. The mid-term evaluation provides the opportunity to assess early signs of project success or failure and prompt necessary adjustments.

The conduct of the mid-term evaluation will be guided by the M&E policies of the UNDP (http://www.undp.org/evaluation/documents/Evaluation-Policy.pdf), and the GEF (http://www.thegef.org/gef/Evaluation%20Policy%202010).

Project Context

The Project will assist the Kura Aras riparian states to 1) identify the principal threats and root causes of the transboundary water resources of the Kura Aras River Transboundary Basin and 2) develop and implement a sustainable program of policy, legal and institutional reforms and investments to address these threats. Balancing overuse and conflicting uses of water resources in transboundary surface and groundwater basins is seen as the critical issue in the basin and will be a principal focus of project attention from the very outset of project related activities.

The Project will create synergies with and build upon a range of initiatives being undertaken by the countries themselves and those of bi-lateral and multi-lateral donors that have given priority to the Basin.

The long-term development/environmental goal of the project is sustainable development of the Kura Aras River Basin enhanced through ecosystem-based Integrated Water Resource Management approaches. The project objective is to improve the management of the Kura Aras River Transboundary Basin through the implementation of a sustainable program of policy, legal and institutional reforms and investment options, using the Transboundary Diagnostic Analysis (TDA) and Strategic Action Program (SAP) process. In order to achieve this objective, the project will update the TDA, formulate the SAP and associated National Action Plans (NAPs) and National Integrated Water Resource Management (IWRM) plans, undertake a range of public involvement and awareness activities focusing on trans-boundary activities, and undertake a demonstration project that implements key aspects of the SAP.

During the development of the preliminary TDA, four priority transboundary problems were identified as affecting the Kura Aras River Basin: 1. variation and reduction of hydrological flow; 2. deterioration of water quality; 3. ecosystem degradation in the river basin; and, 4. increased flooding and bank erosion. The TDA will be revised taking into account key gap filling activities to be undertaken as part of this project and the planned activities of the EU funded Kura Regional Project, due to commence summer 2008. The final TDA will serve as the scientific basis for development of the SAP, an agreed program of interventions for the introduction of IWRM approaches throughout the basin. The TDA will review the potential impacts of climate change on the priority transboundary issues. The SAP will incorporate a basin vision, water resource quality objectives, targets and interventions in the short and medium term to meet the targets. Key activities which will inform both the TDA and the SAP will be the demonstration project on the establishment of ecological flows at key locations in the basin and the trialing of water management systems in the Aras basin. The SAP will be underpinned by the development of national IWRM plans in Azerbaijan and Georgia and implementation of the existing IWRM plan in Armenia.

This project has been designed in close collaboration with the Kura Aras Basin countries. It has been developed in coordination with the other major donors, inter alia, European Union and USAID, to ensure maximum synergy and minimum overlap between supporting projects.

Project Implementation Brief

During preparation of the UNDP-GEF funded project (PDF-B phase 2005-2007), a preliminary TDA of the basin was developed, including the I.R. Iran. The preliminary TDA charted the main environmental threats to the basin and ascertained their root causes, but was not finalized nor endorsed by the countries. The Full Sized Project was delayed until 2011, and initiated with a focus on building national and regional capacities for IWRM, completing the TDA, implementing Stakeholder Activities, and conducting demonstration projects on environmental flows using rapid ecological assessment and bio-monitoring.

The Project is currently finalizing the Updated TDA by addressing a number of knowledge gaps, updating information and conducting additional desk studies. The final TDA will serve as the scientific basis to support the National IWRM Plans/National Action Plans (NAPs) in the three riparian States and a related basin-wide SAP. A participatory process has been designed for the development of the National IWRM Plans/NAPs and the SAP.

In addition, the Project is implementing stakeholder activities to provide support for the creation of a Master's Curriculum in IWRM with Baku State University, Tbilisi State University and Yerevan State University of Architecture and Construction. The Demonstration Project on environmental flows using rapid ecological assessment and bio-monitoring is being conducted in each country to build national level capacity and to create an ecological species database.

The three year Project was signed in January 2011 and started in June 2011.

The hierarchy of Project goal, objectives, major deliverables and expected outcomes, as well as the related indicators, is laid down in the Project Document, the subsequent Inception Report, Steering Committee Report, and Annual Work Plans.

Project Execution and Management

Project execution for the UNDP-GEF Kura Project is the responsibility of the United Nations Office of Project Services (UNOPS), through its International Waters Cluster, in accordance with UNDP and UNOPS operational and financial guidelines and procedures. UNOPS is accountable to UNDP, the implementing agency, for the delivery of agreed outputs as per agreed project work plans, for financial management, and for ensuring cost-effectiveness.

At policy and strategic level the UNDP Regional Bureau for Europe and the CIS (RBEC) and the Project Steering Committee (PSC) guide the project. The PSC consists of the National Focal Points from Ministries of participating countries, representatives of UNOPS, and the Regional Technical Advisor for UNDP RBEC International Waters. The PSC meets annually to monitor progress in Project implementation, provide strategic guidance, and review and approve work plans and budgets. PSC meetings are chaired by the UNDP Regional Technical Advisor. The PSC retains the authority to amend its membership as it deems necessary.

The main Project Coordination Unit (PCU), which is responsible for day-to-day management of the project implementation, is located in Tbilisi, Georgia. There are also branch PCU offices in the Ministry of Ecology and Natural Resources in Azerbaijan (Baku) and the Ministry of Nature Protection in Armenia (Yerevan), which each house the National Coordinator and the Project Assistant.

Objectives of the Mid-Term Evaluation

Under this Terms of Reference (TOR) the MTE of the UNDP-GEF Project "Reducing Transboundary Degradation in the Kura Ara(k)s basin" will be conducted. The MTE is initiated by the International Waters section of the UNDP RBEC, following the recommendations of the GEF Council on transparency, improved access to information, and adaptive management. The MTE will provide information about the status of project implementation to ensure accountability of the expenditures to date in accordance with the delivery of outputs, in order to allow for midcourse corrections as appropriate.

The objectives of the evaluation are to independently review the project's implementation progress and impact in relation to objectives, measure its management effectiveness and efficiency, and identify steps that can be taken to improve the overall quality of the project design as well as of its implementation. The MTE shall also identify lessons learnt from the Project that could be applied to future and on-going projects.

Specifically, the scope of the MTE shall include:

- Assess whether the Project design (project strategy, appropriateness of objectives, planned outputs) is clear, logical and commensurate with the time, capacity and resources available and including lessons learned from previous project phases, as compared to cost-effective alternatives;
- An assessment of the scope, quality and relevance of Project outputs and outcomes produced to date;
- An evaluation of Project performance in relation to the indicators, assumptions and risks specified in the Project Document and subsequent documentation;
- An assessment of actual vs. planned project financial expenditures, actual vs. planned co-financing, including the maintaining of financial commitments to the Project by recipient governments;
- A summary evaluation of progress towards achieving the Project's overall objectives;
- Identification and, to the extent possible, quantification of any additional outputs and outcomes beyond those specified in the Project Document;
- An evaluation of Project coordination, (adaptive) management and administration provided by the PCU and its branches.
- An assessment of the role and effectiveness of the Project Steering Committee (PSC).
- An evaluation of the contributions by the executing and implementing Agencies in accordance with internal guidance documentation: day-to-day operational support, guidance in procurement and financial management and monitoring, project review, field visits, efficiency and responsiveness, policy advice and dialogue, advocacy and coordination with relevant projects and donors;
- Progress towards sustainability and replication of Project activities.
- Lessons learnt during Project implementation which would benefit the GEF IW portfolio.
- State the major challenges facing the project implementation, if any, and the recommended actions to overcome them, to improve the performance of the project implementation to achieve its planned goals in the remaining period of the project.

The main stakeholders of the MTE include the PCU in Tbilisi and its branch offices in Yerevan and Baku, the PSC members, specifically the Countries' National Focal Points, UNOPS, the UNDP RBEC, the UNDP Country Offices in Armenia, Azerbaijan and Georgia, the GEF Focal Points in Armenia, Azerbaijan and Georgia, and selected contractors involved in project implementation. A list of recommended interview partners will be provided by the PCU in advance of the field visit.

The following evaluation criteria should be regarded in order to focus on the evaluation objectives:

- Relevance: extend to which a development initiative and its intended outputs and outcomes are consistent with national and local policies and priorities and the needs of intended beneficiaries.
- Effectiveness: extend to which the initiative's intended results have been achieved.
- Efficiency: measure how economically resources or inputs (such as funds, expertise and time) are converted to results.

- Sustainability: measures the extent to which benefits of initiatives continue after external development assistance has come to end. The evaluators may look at factors such as establishment of sustainable financial mechanisms, mainstreaming project objectives into the broader development policies and sectoral plans and economies or community production.
- Impact: measures changes in human development and people's well-being that are brought about by development initiatives, directly or indirectly, intended or unintended.

MTE approach and methodology

The MTE will be conducted in a participatory manner and include the following activities:

- Desk review of project document, outputs and monitoring reports (such as, among others, Project Inception Report, Minutes of Steering Committee meetings, other relevant meetings, Project Implementation Reports (PIRs/APRs), quarterly progress reports, and other internal documents including consultant and financial reports);
- Review of specific products including content reports, web applications and their data sets, etc.;
- Interviews with the Project Steering Committee Members and other Project Stakeholders, the Chief Technical Advisor / Project Coordinator and other PCU staff, and consultants involved in Project implementation;
- Consultations with other relevant stakeholders to the project, representatives of related projects and programmes within the region, relevant UNDP and UNOPS staff members, and affiliate organizations.
- The MTE will be conducted by one internationally recruited senior Consultant. Execution of the MTE will be home based, with one evaluation mission to the PCU in Tbilisi and its branch offices in Armenia (Yerevan) and Azerbaijan (Baku).
- The PCU will provide the Consultant with support to obtain all the necessary and requested documentations and logistical assistance to conduct the evaluation mission.

The conduct of the mid-term evaluation will be guided by the M&E policies of the UNDP (http://www.undp.org/evaluation/documents/Evaluation-Policy.pdf), and the GEF (http://www.thegef.org/gef/Evaluation%20Policy%202010).

MTE deliverables

Deliverables related to the MTE include:

- A draft inception report outlining the evaluation process and methodology, to be prepared before the mission.
- Presentation of initial findings in a de-briefing meeting via Skype (i.e., with the PCU, and to UNDP-RBEC)
- A draft MTE report containing evidence-based findings, conclusions, lessons and recommendations for review and comments.
- A concise MTE report (not exceeding 30 pages, excluding annexes) including: (i) executive summary with findings, ratings where required, and recommendations; (ii) full narrative report (as per outline in appendix 1 below); and (iii) annexes as required.

All reporting – the MTE report and all annexes - shall be prepared in the English language, and shall be submitted in MS Word format. The Report of the MTE will be a stand-alone document that substantiates its recommendations and conclusions. The report will have to provide to the GEF Secretariat the complete and convincing evidence to support its findings/ratings.

MTE time allocation and delivery schedule

An allocation of 24 person days shall be provided to the Consultant to execute the assigned tasks. This includes inter alia desk review at home office, travel, and in-country mission.

The following timetable is envisaged:

Task	**Date**	**Payment upon acceptance of deliverable**
Desk review and inception report	1 February 2013	15%
Consultations, field visits, de-briefing	By end of February 2013	20% (upon completion)
Draft MTE report	March 2013	25%
Finalization of MTE Report	15 April 2013	40%

The Consultant will be hired under an Individual Consultant Agreement contract by UNOPS. The Consultant will be hired under an Individual Consultant Agreement contract by UNOPS. He/she will be paid upon acceptance of above deliverables; travel costs will be included in the total lump sum fee.

Expertise required by the MTE evaluator

The MTE evaluator is expected to have the following expertise and experience:

Demonstrated international consulting experience and professional background in the water resources management sector. A minimum of 15 years relevant experience is required.

Previous experience in the South Caucasus region required.

A Master degree in water resources management, environment, international relations, or relevant field required.

Substantive experience in reviewing and evaluating similar technical assistance projects, preferably those involving UNDP-GEF or other major ICPs required.

Excellent English writing and communication skills; demonstrated ability to assess complex situations in order to succinctly and clearly distil critical issues and draw well supported conclusions, required;

Russian language skills advantageous;

An ability to assess policy and governance framework and institutional capacity required;

Understanding of governance, political, economic and institutional issues associated with transboundary water issues in the South Caucasus region required;

Familiarity with GEF International Waters strategic programs, operations and evaluation guidelines, and portfolio advantageous.

Annex 2: Itinerary and List of Persons Interviewed

Key Project stakeholders were interviewed in person during an evaluation mission completed between 16 and 28 February 2013. The itinerary of the evaluation mission and a list of interviewed stakeholders are outlined below.

16 Feb, Sat	**Arrive to Baku**	
17 Feb, Sun	Interview Dr. Mary Matthews	Chief Technical Advisor / Project Coordinator
18-20 Feb, M/T/W	**Interviews in Baku**	
	Mr. Mutallim Abdulgasanov	Ministry of Ecology and Natural Resources of Azerbaijan, Head of Department of Ecology and Environmental Protection Policy, project National Focal Point, PSC member
	Dr. Farda Imanov	National Coordinator for Azerbaijan
	Ms. Reyhana Jafarova	Project Assistant Azerbaijan
	Mr. Vugar Allahverdiyev	UNDP Country Office Azerbaijan, PSC Member
	Mr. Issa Aliyev	Team Leader Demonstration project Field Survey Azerbaijan, RECC Azerbaijan Branch
	Reshail Ismayilov	IWRM Academy participant, AZER SU
	Samir Abbasov	IWRM Academy participant - AZ
	Sahib Khalihov	Project National Expert Hydromet Department
	Rafiq Verdiyev	IWRM National Expert – AZ
20 Feb, Wed	**Travel Baku-Tbilisi**	
21-23 Feb, Th/F/S	**Interviews in Tbilisi**	
	Ms. Marina Makarova	Ministry of Environment Protection of Georgia, Head of Division of Water Resources Management, project National Focal Point, PSC member
	Ms. Tamuna Gugushvili	National Coordinator for Georgia
	Ms. Nino Antadze	UNDP Country Office Georgia, PSC Member
	Dr. Mary Matthews	Chief Technical Advisor / Project Coordinator
	Ir. Harald Leummens	Science Officer / Demonstration Project Coordinator
	Ms. Maka Ochigava	Project Associate
	Ms. Marine Arabidze	Team Leader Demonstration project Field Survey Georgia, National Environment Agency and Project National Expert – Georgia
	David Kereselidze	Faculty Member, Tbilisi State University, IWRM MSc
	Eka Imerlishvili	Head of Integrated Environmental Management Department Ministry of Environment Protection Georgia (recently appointed)
	Natalie Arkania	Deputy Head of Integrated Environmental Management
	David Girgvliani	Ground Water National Expert – GE
	Medea Inashvili	Climate Change National Expert - GE
25 Feb, M	**Travel from Tbilisi to Yerevan**	

26-27 Feb, T/W	**Interviews in Yerevan**	
	Mr. Volodya Narimanyan	Ministry of Nature Protection of Armenia, Head of Water Resources Management Department, project National Focal Point, PSC member
	Dr. Tigran Kalantaryan	National Coordinator for Armenia
	Ms. Shake Nersisyan	Project Assistant Armenia
	Mr. Armen Martirosyan	UNDP Country Office Armenia, PSC Member
	Mr. Benik Zakaryan	Team Leader Demonstration project Field Survey Armenia, GeoInfo Ltd., National Water Quality Expert
	Mr. Vahagn Tonoyan	Team Leader Arpa RBM plan, GeoInfo Ltd. , former National Coordinator for Armenia
	Artyom Mkhitaryan	Ministry of Nature Protection of Armenia, Deputy head of Water Resource Management Agency, and IWRM Academy participant (recently appointed)
	Gayane Hovsepyan	IWRM Academy participant - AR
	Armine Simonyan	Yerevan State University of Architecture and Construction, IWRM MSc
	Lilith Hartunyan	IWRM National Expert – AR
28 Feb, Th	**Complete evaluation mission and depart Yerevan**	

Following the evaluation mission to the three Project offices, the following international stakeholders were interviewed via Skype or telephone:

Interviews with International Stakeholders (via Skype or telephone)

8 Mar	Ms. Katrin Lichtenberg	UNOPS Senior Portfolio Manager, EMO IWC
11 Mar (pending)	Mr. Vladimir Mamaev	UNDP regional Office for Eastern Europe & CIS, regional Technical Advisor
6 Mar	Nicola Di Petroantonio	EU Regional Project Manager, Brussels
6 Mar	Anatoly Pichugin	Team Leader, EU Kura Project Phase III
10 Mar (pending)	Eng. Ahmed Abu Elseoud	Senior Bio-monitoring and Environmental Flows Expert
6 Mar	Mr. Tim Hannan	Senior IWRM Expert

Annex 3: Questionnaire Used and Summary of Evaluation Mission

Questionnaire:

RELEVANCE:

This section is to determine how well the project fits in the overall priorities of the country and the region.

Country Ownership – we want to know how you feel the project activities relate to your country.

How is the project objective in line with the present-day development priorities and plans of your country?

How are project outcomes contributing to national development plans and priorities?

Can you briefly explain how relevant country representatives from government and civil society, including academia are involved in the project?

How are government policies and regulatory frameworks in line with the project's objectives to improve the management of the Kura-Aras River Transboundary Basin through the implementation of a sustainable program of policy, legal and institutional reforms and investment options using the Trans-boundary Diagnostic Analysis (TDA) and Strategic Action Program (SAP) process?

Stakeholder Involvement - part of this evaluation is to determine how the project stakeholders, including competent authorities and interested parties, including international organizations, are involved in project activities.

How has the project involved relevant interest parties and competent authorities through information sharing and consultation?

Explain how the project has sought participation from competent authorities and interested parties in project design, implementation, and monitoring & evaluation.

Explain how the project has consulted with and made use of the skills, experience, and knowledge of the appropriate government entities, NGOs, national experts, and academic institutions.

Have relevant powerful supporters and opponents of the processes been properly involved, as well as others impacted by the project activities?

Synergies with Other Projects/Programs – we want to know how this project links with other initiatives in your country and in the region.

What are other related projects or programs going on in your country or in the region?

What is the funding source and what is the timeframe for these?

How are these projects linked with the UNDP-GEF Kura Project?

Is there overlap or do they complement each other?

Do you know of examples of how they work together?

Catalytic Role – we would like to know how the efforts of the project can support additional efforts or be replicated in your country or in the region.

How have the activities of the project served to start additional efforts towards improved water management in your country?

How could your country benefit from replicating efforts started by this project?

At the regional level, do you think efforts can be replicated?

At the regional level, do you think there are activities the project has started, that will continue?

EFFECTIVENESS:

This section asks how effective the project has been so far in your opinion.

Achievement of Outcomes - we would like to know how effective the project implementation has been so far.

How has the project been effective in achieving its expected outcomes with updating the TDA, building capacity for the IWRM towards developing a regional SAP, the stakeholder activities with national universities and the demonstration project with environmental flows using bio-monitoring and rapid ecological assessment?

Lessons Learned – we would like to know if you see lessons that could be drawn from the project at this stage?

What do you think the lessons have been learned from the project regarding achievement of outcomes so far?

Are there lessons that could be learned from the design phase of the project that could help achieve the expected results in this or future projects?

Particular Issues Affecting Project Outcomes – we want to know how to make the project more effective.

Are there particular issues might have limited the effectiveness of project outcomes so far based on the design of the project?

What would you suggest that may help overcome these?

EFFICIENCY:

This section focuses on how efficiently the project has been implemented so far.

Adaptive Management – we want to know how the project has handled adjusting to changes.

Have changes in work of the project or aspects that differ from the original project design been efficiently communicated and agreed upon with project stakeholders, including the competent authorities and interested parties?

Financial Planning and Control – we want to know about financial issues, to the best of your ability.

To the best of your knowledge do you know if promised co-financing has materialized to date?

Utilization of Local Capacity - we want to know about the use of local expertise

Has there been an appropriate balance between use of international experts and national experts?

Has the project take into account local capacity in design and implementation of the project?

SUSTAINABILITY:

This section asks about the future of the activities after project completion.

Financial Sustainability - we want to know about the costs of future work started by the project.

Has the project adequately address financial and economic sustainability issues for continued efforts after the project ends?

Are recurrent costs after project completion sustainable, for efforts initiated by the project?

Does the project seek to include cost effective measures in line with the country priorities?

Institutional and Governance Sustainability – we want to know about the project influences future efforts of the government.

What evidence is available indicating that project partners will continue their activities beyond project support?

How is the project working with laws, policies, or frameworks that will continue into the future and support sustainability of project outcomes?

Social-Economic Sustainability – we want to know how the project efforts can continue through broader socio-economic activities.

Has the project contributed to the foundation of social-economic sustainability of project outcomes for improved water management at the local, national or regional level?

Are there adequate incentives in place to ensure sustained social-economic benefits of project outcomes at this point?

Do you believe these incentives will be addressed within the scope of this project?

Environmental Sustainability – we want to know about how the project impacts the physical environment.

What are the risks to the environmental benefits including understanding of environmental processes that are expected to occur as a result of the project outcomes?

Are there long-term environmental threats have not been addressed by the project?

Capacity Development – we want to know about the current and future capacity to continue project efforts after the project ends

What efforts have the project taken to increase capacity the local, national, and transboundary levels to ensure the sustainability of project outcomes?

What additional steps are needed to improve the local, national, and transboundary water management in the wider Kura Basin?

Replication – we want to know what can be copied from the current project

What project activities can be replicated and/or scaled up nationally or in other countries?

Main Challenges to Sustainability – we want to know how to improve sustainability of the project benefits

What are the main challenges that may limit sustainability of project outcomes?

What measures could be implemented to further contribute to the sustainability of project outcomes?

IMPACT:

This section addresses the impact the project has in the region.

Achievement of Project Objective – we want to know how you see the future of the project

What is the likelihood that the project will achieve its overall objective, "to create an enabling framework for the long-term, sustainable integrated management of the Kura-Aras River Basin following IWRM principles"?

What barriers remain in achieving the project objective?

What steps should the project stakeholders, including competent authorities, international organizations, and the basic governments, take to increase the likelihood of achieving the project objective?

Monitoring of Long-Term Changes – we want to know how the efforts of the project will survive in the long term

Explain how the project has contributed to the establishment of a long-term monitoring system so far, and will it in the planned project activities such as the NAP and/or National IWRM Plan?

Do you think that the system can be sustainable and embedded in a proper institutional structure and will it have financing?

Future Directions – we want to know what future efforts may involve

Can you recommend some initiatives that should be taken to build upon the success of the project, in order to enhance overall impacts?

Summary of Evaluation Mission

The evaluation mission took place from Feb 16-27, 2013, starting in Baku, continuing in Tbilisi, and finalizing in Yerevan. National focal points, key national experts, national coordinators, project assistants, and other project stakeholders were interviewed in each of the three countries. The PCU staff arranged the stakeholder interviews and the local logistics during the evaluation mission.

My first impression was that interviewed professionals were qualified, highly motivated, and well informed of the project objective. A survey questionnaire, tailored to the how each stakeholder has been involved in the project, was sent before the personal interviews were carried out. The interviews more or less followed the structure of the questionnaires. The interviewed stakeholders seemed happy to share their opinions and recommendations about the project progress and direction.

Each of the national focal points indicated satisfactory involvement during the project formulation stage, being offered adequate time and opportunity for review and feedback. They also stressed satisfaction with the qualifications of both the national and international experts. The focal points also indicated that the engaged national experts were among the best in their field in their countries.

Some of the interviewed professionals indicated that need to further engage the energy sector into the transition toward IWRM approaches. For example, as hydroelectric power capacity in the region is expanding, economic development and energy security concerns need to be considered along with sound environmental management. I also had the feeling that water and

sanitation infrastructure improvements are being carried out concurrently with water policy reform, but not in all cases on a collaborative basis. This seems to be partly due to limited information flow between the various agencies involved in water sector issues.

The interviewed stakeholders pointed out that they were especially appreciative of the opportunities facilitated by the project for bringing together regional counterparts. The chances for such meetings are limited due to the geopolitical issues in the region, and the regional meetings have provided constructive venues for exchange of experiences and information.

The interviewed people who participate in the IWRM Academy were very pleased with the process and spoke highly of the knowledge that they obtained. There was also overwhelming strong support for the IWRM Masters curriculum that the project is helping to facilitate. There is a commonly recognized need for developing professional capacity in the region. With respect to capacity building needs, I did observe that several of the interviewed professionals indicated the some of the regional rivers are self-purifying. This concept is a misleading and does not adequately reflect the ecological resilience of the ecosystems.

The local contractors involved in the demonstration project stressed appreciation for the training and skills obtained in bio-monitoring and other ecological assessment methods promoted by the activities at the pilot sites.

Collaboration between the project and the UNDP country office initiatives was found to be limited and could be strengthened. There are complimentary objectives between the project and country programs, but synergies have not been adequately shared.

Based upon interview and document review evidence during the evaluation mission, both the implementing agency (UNDP-RBEC) and the executing agency (UNOPS) have been actively engaged in the project. There are open lines of communication, and the IA and EA have strived to provide strategic assistance and facilitate the efficient implementation of the project. Significant amount of time has been spent by the PCU in resolving administrative shortcomings, such as the erroneous initialization of the project budget onto the Atlas system. The EA should have made necessary corrective actions earlier, and thus possibly could have avoided some administrative inefficiency. The IA could have also provided clearer instructions to the PCU on co-financing monitoring.

Annex 4: List of Project Documents and other Publications Reviewed

Project Formulation and Background

- GEF Project Development Facility, Request for PDF B Proposal Approval, , Agency Project ID 2272, Reducing Trans-boundary Degradation of the Kura-Aras River Basin , February 1, 2005
- GEF Project Identification Form, Reducing Trans-boundary Degradation of the Kura-Aras River Basin, May 22, 2008
- Project Document: Reducing Trans-boundary Degradation of the Kura-Aras River Basin
- Transboundary Diagnostic Analysis, January 2007
- Preliminary Strategic Action Programme for the Kura Aras Basin, January 2007

Project Management

- Project Inception Report, July 2011
- Project Steering Committee Report, May 21-22, 2012
- Project Implementation Report, APR/PIR (June 2012)
- Work Plan and Budget Revisions with Notes, February 2013
- Work Plan 2013-2014
- Quarterly Report, 2011 Q3
- Quarterly Report, 2011 Q4
- Quarterly Report, 2012 Q1
- Quarterly Report, 2012 Q2
- Quarterly Report, 2012 Q3
- Quarterly Report, 2012 Q4
- Weekly Report, Sep 24-28, 2012
- Weekly Report, Nov 5-9, 2012
- Weekly Report, Nov 19-23, 2012
- Weekly Report, Nov 26-30, 2012
- Weekly Report, Feb 4-8, 2013
- Offline Risk Log, August 23, 2012

Project Procurement (representative sampling)

- Terms of Reference, International Individual Consultant, Senior Biomonitoring Ecological Flows Expert
- Individual Contract Agreement, Senior Biomonitoring Ecological Flows Expert, 2011/IICA-SP/29427/Amendment 3
- Terms of Reference, IWRM Expert, Republic of Armenia
- Individual Contract Agreement, IWRM Expert, Republic of Armenia, 2011/LICA-SP/29940/Amendment 2

Project Outputs: TDA

- Transboundary Diagnostic Analysis, Update, draft, April 2012
- TDA 2012, Chapter 3.1, Physical Setting
- TDA 2012, Chapter 3.2, Human Setting
- TDA 2012, Chapter 3.3, Institutional Setting
- Desk Study – Climate Change, Final Draft for Approval, January 2013
- Desk Study – Hydrology, Final Draft for Approval, January 2013

Project Outputs: IWRM/SAP

- Regional Capacity Needs Assessment for Integrated Water Resources Management, January 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Welcome, April 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Introduction, April 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Water Quality Monitoring AZ, April 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Water Quality Monitoring GE, April 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Data Management, Parts 1, 2, 3, 4, April 2012
- UNDP-GEF EU Kura Aras IWRM Academy, First Training Report, Spring 2012
- UNDP-GEF EU Kura Aras IWRM Academy, River Basin Ecology, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Environmental Flows, Principles, Approaches, Calculations, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, River Ecology and Environmental Flows, Relevance in IWRM, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Introduction to Floods, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Floods, Droughts, Risks in IWRM, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Case Study: Lake Nasser Flood and Drought Management, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Climate Change in the Caucuses, Armenia, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Climate Change in the Caucuses, Azerbaijan, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Climate Change in the Caucuses, Georgia, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Climate Change's Relevance in IWRM, August 2012
- UNDP-GEF EU Kura Aras IWRM Academy, Block I Report, August 2012

Project Outputs: Stakeholder Involvement

- UNDP-GEF Kura Aras NGO Forum 2012, Press Release, March 2012
- UNDP-GEF Kura Aras NGO Forum 2012, Introduction and Civil Society Role, March 2012

- UNDP-GEF Kura Aras NGO Forum 2012, Challenges to link biodiversity concerns with water management decision making in the Kura-Aras river basin, March 2012
- UNDP-GEF Kura Aras NGO Forum 2012,Civil Society Involvement in the EIA/ESIA Process in the EU and USA, March 2012
- Concept Note for an IWRM Masters Degree Program, Armenia, Azerbaijan, Georgia, 2012
- Regional Needs Assessment Survey Summary for IWRM Masters Degree Program, Armenia, Azerbaijan, Georgia, 2012

Project Outputs: Demonstration Project

- UNDP-GEF Kura Aras Demonstration Project, Inception Workshop Report, November 2011
- UNDP-GEF Kura Aras Demonstration Project, Press Release announcing training on Environmental Flows, Rapid Ecological Assessment and Biomonitoring, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Rapid Ecological Assessments, Principles and Approaches, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Examples of Rapid Ecological Assessments, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: REAs Linking Water Quality and Quantity with Ecosystem Conditions, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: REAs Data Collection and Indicator Metrics, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: REAs Data Integration and Management, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Environmental Flows Principles, Approaches, and Calculations, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Using Environmental Flows to Evaluate Water Policies, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Biomonitoring in the Water Framework Directive, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Biomonitoring Indicators and Monitoring Design, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Biomonitoring Sampling Procedures, March 2012
- UNDP-GEF Kura Aras Demonstration Project, Training: Macro-invertebrate Monitoring in the River Nile, March 2012

Other Publications Reviewed

- UNDP Country Programme Action Plan between the Government of the Republic of Armenia and UNDP, 2010-2015
- UNDP Country Programme Action Plan between the Government of Georgia and UNDP, 2011-2015

- UNDP, Republic of Azerbaijan, Project Document: Integrating Climate Change Risks into Water and Flood Management by Vulnerable Mountainous Communities in the Greater Caucasus Region, 2012-2017.
- ENVSEC in the South Caucasus, an Overview of Projects
- UNDP/Sida, Reducing Trans-Boundary Degradation of the Kura-Aras River Basin, project overview
- ENVSEC Program, UNECE-OSCE Project, Identification of the Legal and Institutional Needs for Accession and Implementation of the UNECE Water Convention by Georgia, Cost Analysis, August 2009
- Water Governance in the Western EECCA Countries, TACIS/2008/137-153 (EC), Project Completion Report, 21 June 2010
- EU Kura III - Trans-Boundary River Management Phase III for the Kura River basin – Armenia, Georgia, Azerbaijan, Final Steering Committee Meeting, January 2013
- GWP CACENA, 2009. Central Asia & Caucasus: Regional review of water supply and sanitation from IWRM perspective (#395)
- USAID South Caucasus Water Program, project reports and work plans

Annex 5: Ethics Statement by Evaluator

United Nations Code of Conduct for Evaluations

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded

2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.

3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and: respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.

4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.

5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.

6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study limitations, findings and recommendations.

7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

Name of Consultant: **James Lenoci**

I confirm that I will abide by the United Nations Code of Conduct for Evaluation outlined above.

Signed at Budapest on 2013 April 21.

Annex 6: Recommended Clarifications to Strategic Results Framework

No.	Indicator Description	Targets		
		Project Inception	Mid-Term PM/CTA Recommendations	Mid-Term Evaluator Comments
Objective: To create an enabling framework for the long-term, sustainable integrated management of the Kura-Aras River Basin following IWRM principles				
1.0	Finalized TDA with the number of desk studies conducted to fill gaps and number of interventions identified	Completed TDA with at least 3 main gaps filled on water quantity, hydrological flow data, land-based source of pollution, and river biodiversity by June 2013	Study on national hotspots and regional water quality also made.	
		Identification of at least 10 short, medium and long term interventions and pre-feasibility studies of priority interventions identified from TDA by September 2013	Unchanged	
2.0	Budget commitments at national level to IWRM Plans and regional SAP	Amount from national budgets (total intersectoral) and donors allocated to support IWRM plans and SAP activities as appropriate by March 2014	Unchanged	The March 2014 date does not seem achievable. Recommend clarifying this point, as under Outcome 1.
	Number of agreed points in M&E framework	Commitment to National Monitoring and Evaluation Framework in place by March 2014	Unchanged	Recommend clarifying the term "commitment".
	Number of common and collaborative policies	At least 4 common national IWRM policies from between all countries by March 2014	Unchanged	Recommend clarifying the expectations regarding the 4 common policies.
3.0	Number of Stakeholder groups involved in water resource planning process	At least 12 stakeholder groups involved in IWRM planning by December 2012	Unchanged	
	Number of Public awareness events or publications	At least 15 Public awareness events each year, etc	Development of a regional IWRM Master's Curriculum with major regional universities.	
	Number of Stakeholders involved in project activities	At least 2 NGO Forum Meetings held by July 2013	Unchanged	
4.0	Number of decision support assessments criteria for water resources management *identified*	Assessments on ecological flows and river system ecology information status conducted in each country by March 2014	3 scenarios for river flow variations and their implications on the biophysical and ecosystem function agreed by March 2014	Recommend clarifying who is expected to agree to the 3 scenarios and their implications. This target should also be added under Outcome 4.
	Ecological flows- rapid assessment of river ecology at sensitive sites		Guidelines for designing a long-term Monitoring Program approved by the PSC by March 2014	As approval of the SAP is recommended to be achieved before March 2014, it would also be advisable to indicate that the PSC should approve the guidelines for designing a long-term Monitoring Program earlier than March 2014.
Outcome 1: Completion of Transboundary Diagnostic Analysis				
1.1	Completed TDA with gaps filled for water quantity, hydrological flow data, land-based source of pollution, etc.	Gap analysis and desk studies to complete draft TDA from PDF-B by September 2012	Unchanged	
		Study of anticipated climate change scenario impacts at the national and regional levels pertaining to water resources by June 2013 in line with National IWRM Plans	Unchanged	
		Assessment of water quantity variation by season and flow regimes with baseline and 2-5 year increments by January 2014	Unchanged	

Annex 6: Recommended Clarifications to Strategic Results Framework

No.	Indicator Description	Targets		
		Project Inception	Mid-Term PM/CTA Recommendations	Mid-Term Evaluator Comments
		National Level study of flood plain forests in Azerbaijan by January 2014	Unchanged	
			Additional desk studies to address: gender mainstreaming, developmental trends analysis, and national and regional water quality hotspots reports by June 2013	Will the TDA include information on landfills and contaminated sites, as indicated in the Project Document?
1.2	Environmental and Water Resources Status baselines established based on desk studies	3 sets of commonly accepted baselines for environmental and water resource status by June 2013	Unchanged	
	Development of SAP priorities, to be carried out in close coordination with national IRWM teams and other regional projects	2, 5, 10 and 20 year for SAP activities including M&E by March 2014	2-year timeframe unlikely.	
1.3	Number of parties in agreement on common priority Transboundary issues	3 countries and all Steering Committee Members in agreement on final priority transboundary issues by May 2013	Unchanged	It would be advisable to remove the term "countries", as the TDA is expected only to be approved by the PSC.
	Identified immediate and root causes	3 Immediate and 3 root causes of each priority issue identified in line with IWRM best practices by December 2013	Unchanged	
		Set of alternatives interventions for each priority issue by March 2014	Recommend completing by Oct 2013	It would be advisable to indicate what form of feedback is required from the PSC members, as PSC meetings are scheduled in May 2013 and May 2014. Will these interventions be the basis of the SAP?
1.4	Final TDA revised and updated	Government and Steering Committee approval of Final TDA by June 2013	Recommend removing government, SC implies this and as it is not a political document the TDA does not require government approval beyond the PSC	
		At least 15 recommendations for the SAP translated into regional languages by March 2014	Recommend eliminating this target.	
1.5	Number of copies of Final TDA disseminated	At least 50 copies of the TDA in local languages shared with at least 20 different stakeholder groups, in electronic format by January 2014	At least 50 copies of the SUMMARY TDA , with recommendations for the SAP in local languages shared with at least 20 different stakeholder groups, in electronic format by January 2014	
	Number of visitors to webpage with Final TDA	At least 20 hits on website with Final TDA by March 2014	Unchanged	The website might not be the most visited source. For example, there might be more exposure through social media.
Outcome 2: Preparation of the National IWRM Plans and Strategic Action Programme (SAP)				
2.0	Capacity Needs Assessment for IWRM implementation and capacity building efforts	Completed IWRM Capacity needs assessment by October 2011	Unchanged	
		Training modules developed that are regionally specific by December 2011	Unchanged	
		At least 3 trainings held by October 2012	Unchanged	

Annex 6: Recommended Clarifications to Strategic Results Framework

No.	Indicator Description	Targets		
		Project Inception	Mid-Term PM/CTA Recommendations	Mid-Term Evaluator Comments
2.1	Percent of National IWRM plans budget to be committed by governments	At least 50% of budget for National IWRM Plans activities committed to by governments within the next national budget cycle following project completion. (Within 5 years)	IWRM Plans for AZ and GE accepted by key agencies with plans to link into budget sector development within 5 year budget cycles, and additional funding for IWRM activities being sought nationally and internationally	SAP activities will be on 2, 5, 10, and 20 year timelines. It might be sensible to link the SAP budget cycles correspondingly to these timeframes?
2.2	Number of Ministries supporting SAP in each country	At least 3 Ministries in each country supporting the SAP by March 2014	At least 1 ministries in each country with plans aligning to SAP implementation by March 2014	
	Percent Support for SAP from Steering Committee	100% support for SAP by Steering Committee By May 2014	Project Steering Committee approves SAP by May 2014	Recommend obtaining PSC approval before the end of 2013.
2.3	Number of P, SR, and ES indicators agreed to within the M&E Framework	At least 12 agreed indicators for the M&E Framework by March 2014	Unchanged	Does "agreement" refer to the PSC?
2.4	Number of donors attending conference held to mobilize resources for SAP and IWRM Plan implementation	At least 5 International and bilateral organizations attending donors conference by March 2014	Unchanged	Recommend holding the donor conference before the end of 2013, allowing more time for follow-up
	Amount pledged by donors as a result conference	At least 20% of project budgets pledged by donors within 3 months of donor conference by May 2014	Support for 20% of SAP activities supported by donors within 6 months of donor conference	Project could help facilitate donor follow-up if conference was held earlier.
Outcome 3: Basin wide stakeholder involvement activities				
3.1	Number of attendees at the Kura-Aras NGO Forum and number of meetings held	At least 2 NGO Forum Meetings with at least 21 participants at each meeting the first held in March 2012, and again in March 2013	At least 2 NGO Forum Meetings with at least 21 participants at each meeting the first held in March 2012, and again in July 2013	
	NGO Forum Representative Attendance at Steering Committee Meeting	At least 1 Steering Committee meeting with NGO Forum representative attending by May 2013	At least 1 Steering Committee meeting with NGO Forum recommendations included for PSC by July 2013	
	Number of Stakeholder Advisory Group meetings and number of inputs/recommendations at each meeting	At least 3 Stakeholder Advisory Group Meetings held and at least 10 comments/ recommendations in from each meeting with the first by August 2012, the next in August 2013 and a final meeting by March 2014	Clarification: Stakeholder Advisory Group Meetings / *National Water Policy Dialog Meetings (NWPD)*	
	Number of stakeholder groups represented in the Stakeholder Advisory Group	At least 10 stakeholder groups represented in the Stakeholder Advisory Group with schedule above	Unchanged	
3.2	Number of awareness raising and education activities for Stakeholders	At least 15 public awareness raising events each year	Unchanged	
	Number of Communities participating in activities for improved water conditions	At least 3 stakeholder group educational outreach activities conducted with 1 per year in line with NGO Forum	In line with PSC decision, hold at least 2 meetings with university officials from all three universities to discuss common interests for IWRM MSc	
3.3	University IWRM Curriculum developed and supported	3 sets of IWRM Curriculum based on capacity needs assessment findings for use at National Universities by October 2013	Regionally accepted IWRM MSc Curriculum agreed by National Universities by Oct 2013.	Recommend clarifying what form of agreement is expected by the universities. Is agreement of the curriculum the main target for this indicator?

Annex 6: Recommended Clarifications to Strategic Results Framework

No.	Indicator Description	Targets		
		Project Inception	Mid-Term PM/CTA Recommendations	Mid-Term Evaluator Comments
Outcome 4: Demonstration Projects on conflicting water use				
4.1	Pilot demonstrations for the Kura-Aras basin to assess conditions for integrated water resource management development	3 sets criteria for setting ecological flows agreed	Recommend replacing with ones below.	
	Number of assessment criteria for ecological flows at key locations in established	3 sets of ecological flow assessment methods agreed	Recommend replacing with ones below.	
			3 Baseline Data Collection Program for Environmental Flow and Ecosystem Function Reviews designed and implemented, with at least 4 field surveys at pilot sites in each country completed	The work plan for this component includes developing a data base and purchasing equipment. Both of these activities could offer long-term benefits. Recommend incorporating the data base and equipment into the targets.
			Training in Bio-monitoring and Rapid Ecological Assessment completed for at least 21 participants from 3 countries	
			3 country assessment reports on biological monitoring & environmental flows approved by the PSC, including scenarios for river flow variations and their implications on the biophysical and ecosystem function	The indicator implies that assessment criteria will be established. Recommend clarifying this and indicating who are expected to agree to the criteria.
			Guidelines for designing a long-term Monitoring Program prepared and *approved by the PSC by March 2014*	Are these guidelines required when agreeing upon the National M&E framework? If yes, earlier approval should be obtained.
			Trained teachers of at least 5 schools in each country have implemented the school aquatic monitoring program	
Outcome 5: Effective project management				
5.1	Number of full time staff in Project Coordination Unit	3 full time staff hired within three months of project commencement	Unchanged	
	Appointment of National Project Coordinators in each country		Unchanged	
5.2	Number of meetings of the Stakeholder Advisory Group	3 meetings of Stakeholder Advisory Group within 3 years	Unchanged	
5.3	Number of Friends of the Project (FoP) representatives at group meetings	4 Donor initiatives harmonized at the national and regional level	Unchanged	Indicated that 6 initiatives were harmonized by Dec 2012. Please add details on these 6 initiatives; this information would be useful to document in the MTE report.
5.4	Inception meeting and number of Steering Committee meetings held	Inception meeting held within 3 months of project start	Unchanged	
		At least 1 Steering Committee Meeting held every year	Unchanged	

Annex 7: Breakdown of Project Implementation Costs

Note: Values in USD

Description	Budget Project Doc	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2009-12 Mid-Term	Expected 2013	Expected 2014	Expected Total 2009-2014
Component 1: TDA									
International Consultants	**190,000**	0	8,100	49,465	91,352	148,917	44,900	22,450	216,267
Local Consultants	**140,000**	0	0	54,979	45,826	100,805	31,628	15,814	148,247
Travel	**30,000**	0	0	27,885	720	28,605	18,200	2,200	49,005
Contractual Services	**140,000**	0	0	99	0	99	0	0	99
Equipment	**0**	0	0	2,955	0	2,955	0	0	2,955
Rental & Mainten-Premises	**0**	0	0	0	0	0	0	0	0
Miscellaneous (F&A 7.5 % and Miscell. 0.54 % for UNOPS)	**20,000**	0	644	23,003	20,758	44,405	13,421	6,064	63,890
Training, Workshops and Conferences	**0**	0	0	0	0	0	0	0	0
Total Component 1:	**520,000**	**0**	**8,743**	**158,387**	**158,656**	**325,786**	**108,149**	**46,528**	**480,464**
Component 2: IWRM/SAP									
International Consultants	**345,000**	0	3,725	9,684	181,698	195,106	147,528	53,150	395,784
Local Consultants	**605,000**	0	0	64,635	91,266	155,901	143,630	26,815	326,346
Travel	**170,000**	0	0	6,244	60,622	66,866	87,701	35,000	189,567
Equipment	**0**	0	0	0	1,818	1,818	0	0	1,818
Office Supplies	**0**	0	0	0	1,179	1,179	0	0	1,179
Rental & Mainten-Premises	**0**	0	0	0	0	0	0	0	0
Miscellaneous (F&A 7.5 % and Miscell. 0.54 % for UNOPS)	**60,000**	0	1,706	12,097	74,683	88,486	68,236	28,204	184,926
Training, Workshops and Conferences	**0**	0	0	0	0	0	2,200	2,200	4,400
Component 2 Total:	**1,180,000**	**0**	**5,431**	**92,659**	**411,265**	**509,356**	**449,295**	**145,369**	**1,104,020**
Component 3: Stakeholder Involvement									
International Consultants	**30,000**	0	3,725	22,759	15,470	41,954	50,425	25,213	117,591
Local Consultants	**85,000**	0	0	12,535	26,596	39,131	27,278	13,639	80,048
Travel	**45,000**	0	0	19,160	24,033	43,193	47,000	23,224	113,417
Contractual Services	**0**	0	0	405	1,026	1,431	0	0	1,431
Equipment	**0**	0	0	1,712	1,295	3,007	0	0	3,007
Office Supplies	**0**	0	0	0	113	113	0	0	113
Rental & Mainten-Premises	**0**	0	0	4,375	6,619	10,994	40,000	20,000	70,994
Miscellaneous (F&A 7.5 % and Miscell. 0.54 % for UNOPS)	**40,000**	0	1,706	5,417	12,152	19,275	17,092	8,522	44,889
Training, Workshops and Conferences	**0**	0	0	0	0	0	0	0	0
Component 3 Total:	**200,000**	**0**	**5,431**	**66,362**	**87,304**	**159,097**	**181,795**	**90,598**	**431,490**

Annex 7: Breakdown of Project Implementation Costs

Note: Values in USD

Description	Budget Project Doc	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2009-12 Mid-Term	Expected 2013	Expected 2014	Expected Total 2009-2014
Component 4: Demonstration Project									
International Consultants	**170,000**	0	5,588	2,584	80,968	89,140	86,800	28,900	204,840
Local Consultants	**420,000**	0	0	3,492	53,139	56,631	46,640	23,320	126,591
Travel	**60,000**	0	0	3,176	28,287	31,463	27,104	19,000	77,567
Contractual Services	**0**	0	0	849	20,822	21,671	89,000	0	110,671
Equipment	**60,000**	0	0	0	1,716	1,716	40,000	0	41,716
Office Supplies	**0**	0	0	84	125	209	0	0	209
Rental & Mainten-Premises	**0**	0	0	421	770	1,191	0	0	1,191
Miscellaneous (F&A 7.5 % and Miscell. 0.54 % for UNOPS)	**30,000**	0	2,559	3,954	28,467	34,980	24,163	5,972	65,115
Training, Workshops and Conferences	**0**	0	0	0	0	0	0	0	0
Component 4 Total:	**740,000**	**0**	**8,147**	**14,560**	**214,294**	**237,002**	**313,707**	**77,192**	**627,900**
Component 5: Project Management									
International Consultants	**95,000**	0	0	47,187	35,931	83,118	20,000	10,000	113,118
Local Consultants	**90,000**	0	0	0	9,328	9,328	470	235	10,033
Travel	**30,000**	0	0	0	9,598	9,598	0	0	9,598
Contractual Services	**0**	0	1,125	0	875	2,000	0	0	2,000
Equipment	**0**	0	0	0	10,792	10,792	3,100	1,550	15,442
Office Supplies	**15,000**	0	0	0	2,380	2,380	2,100	1,050	5,530
Rental & Mainten-Premises	**0**	0	0	0	10,925	10,925	0	0	10,925
Miscellaneous (F&A 7.5 % and Miscell. 0.54 % for UNOPS)	**30,000**	4,569	89	59,696	20,391	84,745	3,156	1,578	89,479
Training, Workshops and Conferences	**0**	0	0	0	0	0	0	0	0
Component 5 Total:	**260,000**	**4,569**	**1,214**	**106,883**	**100,222**	**212,888**	**28,826**	**14,413**	**256,127**
GRAND TOTAL:									
International Consultants	**830,000**	0	21,138	131,678	405,419	558,235	349,652	139,714	1,047,601
Local Consultants	**1,340,000**	0	0	135,641	226,155	361,796	249,648	79,824	691,268
Travel	**335,000**	0	0	56,464	123,261	179,725	180,005	79,424	439,154
Contractual Services	**140,000**	0	1,125	1,354	22,723	25,202	89,000	0	114,202
Equipment	**60,000**	0	0	4,667	15,620	20,287	43,100	1,550	64,937
Office Supplies	**15,000**	0	0	84	3,798	3,882	2,100	1,050	7,032
Rental & Mainten-Premises	**0**	0	0	4,796	18,314	23,110	40,000	20,000	83,110
Miscellaneous (F&A 7.5 % and Miscell. 0.54 % for UNOPS)	**180,000**	4,569	6,704	104,167	156,451	271,891	126,066	50,339	448,296
Training, Workshops and Conferences	**0**	0	0	0	0	0	2,200	2,200	4,400
GRAND TOTAL:	**2,900,000**	**4,569**	**28,967**	**438,852**	**971,741**	**1,444,129**	**1,081,772**	**374,100**	**2,900,000**

Annex 8: Project Co-Financing

Note: Values in USD

Source	Type	Project Preparation						Project Implementation		
		Expected			Realized as of 2012 Jun 30 APR/PIR			Expected	Realized as of:	
									APR/PIR	MTE
		PDF A	PDF B	Total	PDF A	PDF B	Total		2012 Jun 30	2012 Dec 31
GEF Grant:										
GEF Grant	Grant	25,000	698,328	**723,328**	Not Reported	Not Reported	**721,696**	**2,900,000**	**1,028,696**	**#REF!**
Co-Financing:										
Republic of Armenia	In-kind							Not Reported	Not Reported	371,090
Republic of Azerbaijan	In-kind							Not Reported	Not Reported	558,800
Georgia	In-kind							Not Reported	Not Reported	247,280
Government Contributions Total:	In-kind				14,000	145,000	**159,000**	**2,265,000**	Not Reported	**1,177,170**
Other Sources:										
OSCE	In-kind							90,000	0	0
UNDP/OSCE (ENVSEC)	In-kind							120,000	0	120,000
EU Kura II	In-kind							7,200,000	0	6,406,123
EU Kura III	In-kind								0	1,350,000
EU Water Governance in Western EECCA	In-kind								0	2,025,000
NATO	In-kind							135,000	0	135,000
FINLAND	In-kind							1,050,000	0	0
Government of Sweden	Cash				100,000	0	**100,000**	0	0	0
UNDP Regular Resources	Cash				0	125,000	**125,000**	0	0	0
Unspecified*	In-kind				19,450	594,427	**613,877**	0	2,002,123	0
Total Co-Financing:					**133,450**	**864,427**	**997,877**	**10,860,000**	**2,002,123**	**11,213,293**
Total Project Cost		**25,000**	**698,328**	**723,328**			**1,719,573**	**13,760,000**	**3,030,819**	**#REF!**
Leveraged Resources:										
EU, support IWRM academy	Cash									75,000
Private US, REA-Biomon. training	In-kind									14,000
Finnish Gov. (SYKE Env. Institute) REA-Biomonitoring training	In-kind									16,000
Cumulative as of June 2012									100,000	
Total Leveraged Resources:									**100,000**	**105,000**
Associated Financing										
USAID Clean Energy and Water Project	In-kind									3,920,000
Total Associated Financing:										**3,920,000**

Notes:

Government in-kind co-financing is monitored in detail. Information provided at MTE for co-financing realized from other sources based on interview evidence.

*The 3 million USD of co-financing indicated in the 2012 APR/PIR split as follows: 997,877 USD for Project Preparation and 2,002,123 for Implementation. The source of the 613,877 USD in-kind, unspecified co-financing for project preparation assumed to be the EU Kura II project, as this was running at the time of project preparation.

Annex 9: Evaluation of Progress Towards Achieving Project Objective and Outcomes

Indicator	Description	Mid-Term Evaluation			
		Estimated Progress Achieved	Proportion of Budget	Weighted Status	Summary
Objective: To create an enabling framework for the long-term, sustainable integrated management of the Kura-Aras River Basin following IWRM principles		**40%**	**1**	**100%**	
1	Finalized TDA with the number of desk studies conducted to fill gaps and number of interventions identified	**60%**			Good progress has been made on the updated TDA, stakeholder involvement has been broad and constructive, and decision support assessment criteria are being developed under the demonstration project component. Approval of the national IWRM plans and regional SAP during the second half of the project will help facilitate budget commitments for implementation of both the national plans and the SAP.
2	Budget commitments at national level to IWRM Plans and regional SAP	**0%**			
	Number of agreed points in M&E framework	**0%**			
	Number of agreed points in M&E framework	**0%**			
3	Number of Stakeholder groups involved in water resource planning process	**50%**			
	Number of Public awareness events or publications	**50%**			
	Number of Stakeholders involved in project activities	**50%**			
4	Number of decision support assessments criteria for water resources management *identified*	**40%**			
	Ecological flows- rapid assessment of river ecology at sensitive sites	**40%**			
Outcome 1: Completion of Transboundary Diagnostic Analysis		**60%**	**0.18**	**11%**	
1.1	Completed TDA with gaps filled for water quantity, hydrological flow data, land-based source of pollution, etc.	75%			Parties agreed to common transboundary issues and the identified immediate and root causes at PSC meeting in May 2012. Draft TDA was submitted in 2012 and the final version is expected to be approved during PSC meeting in May 2103. Following approval of the TDA, the project will facilitate dissemination of the document and the findings contained within it. Baselines for hydrology, climate change, water quality, gender mainstreaming, and sectoral trends are established pending approval from PSC.
1.2	Environmental and Water Resources Status baselines established based on desk studies	75%			
	Development of SAP priorities, to be carried out in close coordination with national IRWM teams and other regional projects	30%			
1.3	Number of parties in agreement on common priority Transboundary issues	100%			
	Identified immediate and root causes	100%			
1.4	Final TDA revised and updated	75%			
1.5	Number of copies of Final TDA disseminated	0%			
	Number of visitors to webpage with Final TDA	0%			
Outcome 2: Preparation of the National IWRM Plans and Strategic Action Programme (SAP)		**33%**	**0.41**	**13%**	
2.0	Capacity Needs Assessment for IWRM implementation and capacity building efforts	100%			Successful capacity building realized through the IWRM Academy; 62 regional professionals have been trained. National IWRM plans are nearly complete for AZ and GE and will be presented at the May 2013 PSC meeting, once finalized and agreed within the specific country. The Arpa River basin management plan for the Republic of Armenia is approximately 30% complete at mid-term, and completion is expected within the scheduled timeframe. In an effort to link the approved national IWRM plans, the project will coordinate national and international consultations in completing the SAP during the second half of the implementation phase, and facilitate approval of the program and donor pledges for financing part of the implementation.
2.0	Capacity building for IWRM	100%			
2.0	National IWRM Plan Stage 1 and 2 Completed by National Experts in Preparation for SAP for AZ	100%			
2.0	National IWRM Plan Stage 1 and 2 Completed by National Experts in Preparation for SAP for GE	100%			
2.0	Arpa River Basin Management Plan for Armenia in lieu of IWRM Plan	30%			
2.1	Percent of National IWRM plans budget to be committed by governments	30%			
2.2	Number of Ministries supporting SAP in each country	0%			
	Percent Support for SAP from Steering Committee	0%			
2.3	Number of P, SR, and ES indicators agreed to within the M&E Framework	0%			
2.4	Number of donors attending conference held to mobilize resources for SAP and IWRM Plan implementation	0%			
	Amount pledged by donors as a result conference	0%			
Outcome 3: Basin wide stakeholder involvement activities		**60%**	**0.07**	**4%**	Stakeholder involvement has been active since project inception; for example, the project plays an active role in UNECE organized national water policy dialogues, which function as Inter-ministerial Coordinating Committees. The project has also engaged the Kura-Aras NGO Forum, concurrent with the Project Steering Committee meetings. The Steering Committee approved reallocating some of the resources in this outcome toward the development of university IWRM curriculum in each of the three beneficiary countries. The project has facilitated preparation of a draft curriculum, and discussions with for a partnership with UNESCO-IHE significantly enhances the sustainability of this outcome.
3.1	Number of attendees at the Kura-Aras NGO Forum and number of meetings held	50%			
	NGO Forum Representative Attendance at Steering Committee Meeting	50%			
	Number of Stakeholder Advisory Group meetings and number of inputs/recommendations at each meeting	50%			
	Number of stakeholder groups represented in the Stakeholder Advisory Group	50%			
3.2	Number of awareness raising and education activities for Stakeholders	50%			
	Number of Communities participating in activities for improved water conditions				
3.3	University IWRM Curriculum developed and supported	90%			

Annex 9: Evaluation of Progress Towards Achieving Project Objective and Outcomes

Indicator	Description	Mid-Term Evaluation			
		Estimated Progress Achieved	Proportion of Budget	Weighted Status	Summary
Outcome 4: Demonstration Projects on conflicting water use		**40%**	**0.26**	**10%**	
4.1	Pilot demonstrations for the Kura-Aras basin to assess conditions for integrated water resource management development	40%			
	Number of assessment criteria for ecological flows at key locations in established	35%			
4.1	Develop the Project work plan, including site selection and review and selection of appropriate methodologies				
	Inception Workshop report including project plan, by December 2011	100%			
	Demonstration sites selected, by February 2012	100%			
	Selection of methodologies to be tested, by February 2012	100%			
4.2	Develop and implement a Baseline Data Collection Program for Environmental Flow and Ecosystem Function Reviews				
	Design data collection program, by March 2012	100%			
	Purchase of Equipment, by April 2012	50%			The work plan for the demonstration project was successfully completed, and contracts with local companies in each of the three beneficiary countries have been signed to carry out the surveys. Pilot sites have been selected and 2 of the planned 5 surveys have been completed. During the second half of the implementation period, the surveys will be completed, a database will be developed, and equipment purchased for AZ and GE. Furthermore, guidelines will be developed for long-term monitoring and presented for approval at a workshop to be held in Spring 2014.
	Database designed, by May 2012	0%			
	2 trainings, by March 2012	100%			
	Field monitoring in 3 countries on selected sites, by May 2014	40%			
4.3	Undertake environmental flow and river ecology rapid assessments for selected sites during different seasons				
	Field monitoring executed in 3 countries on selected sites, by May 2014	40%			
	National and regional summary reports drafted, by May 2014	30%			
	Database filled, by May 2014	0%			
4.4	Develop and Provide Stakeholder Education Training Activities on biological and ecological monitoring				
	Curriculum developed, by March 2013	50%			
	Training conducted, by May 2013	30%			
	Monitoring implemented, by November 2013	0%			
	Lessons learned reviewed, by December 2013	0%			
4.5	Develop Guidelines for designing a long-term Monitoring Program to assess the impacts of changes in flows or other water management interventions on the river basin ecology				
	Guidelines delivered and approved, by April 2014	0%			
	Final workshop held and results disseminated, by May 2014	0%			
Outcome 5: Effective project management		**65%**	**0.09**	**6%**	PCU office in Tbilisi and satellite offices in Baku and Yerevan are fully staffed and efficiently operating. National project coordinators are qualified and actively working with national focal points and other project stakeholders. IA and EA are actively engaged in the project, providing strategic guidance and facilitation of project administration. Stakeholder Advisory Group and Stakeholder Committee functioning according to plan.
5.1	Number of full time staff in Project Coordination Unit	100%			
	Appointment of National Project Coordinators in each country	100%			
5.2	Number of meetings of the Stakeholder Advisory Group	50%			
5.3	Number of Friends of the Project (FoP) representatives at group meetings	25%			
5.4	Inception meeting and number of Steering Committee meetings held	50%			
Overall Project Outcomes, Mid-Term Evaluation:				**45%**	