



UNEP

United Nations Environment Programme

**Terminal Evaluation of the Project
“Promoting Payments for Ecosystem Services
(PES) and Related Sustainable Financing
Schemes in the Danube Basin”**

Vyara Stefanova

Evaluation Office

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Persina



Maramures



Ciocanesti



Rusenski Lom

Table of Content

ABBREVIATIONS	iv
PROJECT IDENTIFICATION TABLE	5
EXECUTIVE SUMMARY	6
I. INTRODUCTION	9
II. THE EVALUATION	10
III. THE PROJECT	11
A. Context	11
B. Objectives and components	12
C. Target areas	13
D. Milestones/key dates in project design and implementation	15
E. Implementation arrangements	15
F. Project financing	16
G. Project partners	17
H. Changes in design during implementation	18
I. Reconstructed Theory of Change of the project	19
IV. EVALUATION FINDINGS	21
A. Strategic relevance	21
B. Achievement of outputs	22
C. Effectiveness: Attainment of project objectives and results	27
D. Sustainability and replication	40
E. Efficiency	44
F. Factors affecting performance	44
G. Complementarity with UNEP strategies and programmes	58
V. CONCLUSIONS AND RECOMMENDATIONS	60
A. Conclusions	60
B. Lessons Learned	64
C. Recommendations	65
ANNEXES	67
Annex 1. Terms of Reference	67
Annex 2. Evaluation program, containing names of locations visited and names (and functions) and contacts (Email) of people met	82
Annex 3. Project reallocation and disbursement budget by 30 June 2014*	85
Annex 4. Summary of co-finance to the end of June 2014	86

Annex 5. Original project logframe	88
Annex 6 . Revised Project Logical Framework (after MTR)	91
Annex 7. Opinion of successes and strengths, failures and weaknesses of the project recorded During TE interviews (not edited and in no particular order)	96
Annex 8: Documents reviewed by the TE expert	99
Annex 9. Brief CV of the consultant	100

ABBREVIATIONS

BG	Bulgaria
CAP	Common Agricultural Policy
CRS	Center for Regional Studies
DBR	Danube Biosphere Reserve
DCP	Danube Carpathian Programme
DG	Directorate General
DRBMP	Danube River Basin Management Plan
EU	European Union
EC	European Commission
EIP	European Innovation Partnership
ES	Ecosystems Service
GEF	Global Environment Facility
HYR	Half Year Report
IC	International Consultant
ICPDR	International Commission for the Protection of the Danube River
IRBMP	Integrated River Basin Management Plan
MAES	Mapping and Assessment of Ecosystems and their Services
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
MTR	Midterm Review
MSP	Medium Size Project
OP	Operational Programme
PD	Project Director
PES	Payments for Ecosystems Services
PIR	Project Implementation Report
PM	Project Manager
PoM	Programmes of Measures
PSC	Project Steering Committee
RBMP	River Basin Management Plan
ROtI	Review of Outcomes to Impacts
RO	Romania
SF	Sustainable financing
SGP	Small Grants Programme
STAR project	Serbia Transitional Agriculture Reform project
TE	Terminal Evaluation
TEEB	The Economic of Ecosystems and Biodiversity
TOC	Theory of Change
TOR	Terms of Reference
UNEP	United Nations Environment Programme
WFD	Water Framework Directive (EU)
WWF	World Wide Fund for Nature / World Wildlife Fund
WWF-DCP	WWF Danube-Carpathian Programme
WWF-DCPO	WWF Danube-Carpathian Programme Office
WWF-EPO	WWF-European Policy Office
WWF- MPO	WWF - Macroeconomics for Sustainable Development Program Office

PROJECT IDENTIFICATION TABLE

Table 1. Project Summary¹

Project Title:	Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin		
Executing Agency:	WWF-DCPO – WWF offices in Vienna (Austria), Sofia and Russe (Bulgaria) and Bucharest (Romania)		
Project partners²:	Bulgaria: Ruse Municipality, Tzenovo Municipality, Dolna Mitropolija Municipality, Rusenski Lom Nature Park Directorate, Persina Nature Park Directorate, Friends of Rusenski Lom Nature Park Association , Nature Tourism Association; Romania: Environmental Protection Agency, National Water Authority Baia Mare Forest Authority, Ciocanesti Fish Farm, Iezer Calarasi Fish Farm		
Geographical Scope:	Regional		
Participating Countries:	Bulgaria, Romania, Information spread to: Serbia and Ukraine		
GEF project ID:	GEF 2806	IMIS number:	GFL/2328-27124A87
Focal Area(s):	Biodiversity, International waters	GEF OP #: 2	
GEF Strategic Priority/Objective:	BD2: Biodiversity: Mainstream Biodiversity in Production Landscapes/ Seascapes and Sectors IW2: Catalyze Transboundary Action Addressing Water Concerns	GEF date: approval	25 August 2009
UNEP approval date:	22 October 2009	Date of first disbursement:	22 October 2009
Actual start date:	October 2009	Planned duration:	48 months
Intended completion date:	31 December 2013	Actual or Expected completion date:	Project was extended till December 2014 ³
Project Type:	MSP	GEF Allocation:	USD 964,676
Expected MSP Co-financing:	USD 1,349,373	Total Cost:	USD 2,314,049
Mid-term review/evaluation:	May – July 2012	Terminal Evaluation (actual date):	May - August, 2014

¹ Information from the Terminal Evaluation TOR and additional information from project manager.

² As per project implementation reports (PIRs)

³ The project amendment ends on 31 December 2014. The legal instrument remains in force, after the project technical completion date of 30 June 2014 to allow for receipt for all terminal reporting

EXECUTIVE SUMMARY

1. The Danube PES project is classified as a Global Environment Facility (GEF) Medium-sized project (MSP) with a total GEF support of USD 964,676, and originally planned co-financing of USD 1,349,373, for a total project budget of USD 2,314,049. The United Nations Environmental Programme (UNEP) is the GEF Agency, and the project is executed by a regional non-governmental organization (NGO) The World Wide Fund for Nature (WWF) Danube-Carpathian Programme Office (WWF DCPO) and its national offices in Bulgaria and Romania.
2. According to the project document, the overall project goal is “*to secure global environmental benefits by mainstreaming payments for ecosystem services (PES) and sustainable financing (SF) schemes in integrated river basin management for large-scale international watersheds*”. The specific project objective after MTR revision is “*to demonstrate and promote Payment for Ecosystem Services (PES) and related financing schemes in the Danube River basin, and to other international water basins*”. The project strategy is to develop and promote PES and related sustainable financing schemes in Bulgaria and Romania, to build capacity of river basin managers and other key stakeholders in the Danube river basin and to share information and raise awareness of PES concepts, schemes and opportunities. The specific project objective was planned to be achieved through three main outcomes:
3. **Outcome 1: Models of public and private sector PES and related schemes developed and demonstrated within Danube basin in Bulgaria and Romania, and approach replicated in the wider region.**
4. **Outcome 2: Enhanced technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in Romania and Bulgaria.**
5. **Outcome 3: Increased availability of information on and awareness of, PES concepts, schemes and opportunities increased in Danube basin and beyond.**
6. According to GEF and UNEP evaluation policies, terminal evaluations are required practice for GEF funded MSPs, and the terminal evaluation was a planned activity of the monitoring and evaluation plan of the Danube PES project. This terminal evaluation reviews the actual performance and progress towards results of the project against the planned project activities and outputs, based on standard evaluation criteria: relevance, efficiency, effectiveness, and sustainability. The evaluation assesses project results based on expected outcomes and objectives, as well as any unanticipated results. The evaluation identifies relevant lessons for other similar projects in the future in the Danube river basin, other international river basins and elsewhere, and provides recommendations as necessary and appropriate. The evaluation methodology was based on a participatory, mixed-methods approach, which included three main elements: a) a desk review of project documentation and other relevant documents; b) interviews with key project participants and stakeholders; and c) field visits to the project pilot areas in Bulgaria and Romania. The evaluation is based on evaluative evidence from the start of project implementation (October 2009) through June 2014 (with expected project closure in December 2014). The desk review was begun in May 2014, and the evaluation field visits were carried out from June 10th to June 17th, 2014.
7. Evaluations per criteria: **Overall achievement and impact:** The overall rating for the Danube PES project based on the evaluation findings is **Highly Satisfactory**.
8. **Relevance: Highly Satisfactory.** The project’s objectives and implementation were relevant and have become even more relevant since project inception in the context of increased focus on ecosystems valuation and integration in international, national and local policies. Given the limited experience with PES schemes implementation in European context, the project is an important PES reference point for (a) national governments which have to address issues related to River Basin Management Plans and related Programmes of Measures, effective management of Natura 2000 networks, mapping and assessment of ecosystem services as well as local socio-economic issues in rural areas; (b) International Commission for the Protection of the Danube

River (ICPDR) and other Danube-wide bodies which are developing the second round of Danube RBMPs and have to develop and implement working instruments to achieve good water status; (c) European institutions looking for innovative models for water management through the European Innovation Partnership for Water Initiative; as well as (d) UNEP, GEF, and the PES-interested community from other international riverbasins.

9. **Efficiency: Highly Satisfactory.** The cost-efficiency of the PES project has been very good. The Project has been built-in WWF focal areas in the participating countries and benefitted from the existing studies relating to ecosystem services undertaken by WWF and others at the regional and national levels. WWF project team managed the financial resources carefully and the cost savings helped them to finalise the project activities in the most cost efficient way during the one-year no-cost extension.
10. **Effectiveness: Highly Satisfactory.** Unquestionably, the biggest success of the project is the identification, design, development, agreement and commencing the implementation of four distinct PES /SF schemes for a variety of ecosystem services in two countries for a period of four years. The project experience places WWF DCPO at the forefront of PES /SF field in Bulgaria and Romania as well as in Serbia, Ukraine and Europe in general. The first positive biodiversity results are recorded in Ciocanesti pilot area. The TE finds the delivered results of the project highly satisfactory, considering that the high turnover of governmental agencies staff in the PSC and despite that country ownership of the process can be strengthened.
11. **Sustainability: Likely.** Project sustainability is contingent on adoption, replication and up-scaling of the PES approach and the required financial, institutional and socio-political support and is rated as likely. The TE recognizes the fact that sustainability is a dynamic factor influenced by a broad range of constantly shifting factors. There are many challenges that may hinder the sustainability of projects outcomes like political instability, changes in climate, continuous migration of young people from rural areas, lack of infrastructure, and lack of motivation of the young and educated people. All of those were recognized by partners, but most of them were optimistic that the project results will be sustained.
12. **Lessons learnt:** A number of valuable lessons learnt are given in the MTR related to project design and the roles of GEF and UNEP; project management and implementation as well as demonstration sites. The lessons (some of which reinforce those of the MTR) that emerged during the TE are grouped in three categories: project management and implementation, stakeholder engagement, and PES concept and PES schemes. Key lessons are documented in the final section of the evaluation report.
13. The following are the recommendations of this evaluation report:
14. **Recommendation 1.** It is recommended that the project team focuses on preparing sound technical reports from each of the developed schemes, incorporating key steps in the specific PES scheme design, governance arrangements, implementation stages, accumulated funds, spending of funds for ecosystems management (if such has occurred), monitoring and evaluation arrangements⁴. The strengths and weaknesses of each pilot scheme should be articulated as well as its potential for up-scaling, replicating and mainstreaming into national policy. A specific focus should be placed on the potential for mainstreaming with clear and specific messages for policy makers.
15. **Recommendation 2.** It is recommended that the project team discusses and explains its project-increased understanding and experience of what a PES scheme is and what a sustainable Financing scheme is in the Bulgarian and Romanian contexts, giving the invested efforts of the team in reviewing and improving the schemes. On a more conceptual level, the TE is doubtful whether the Maramures and Rusenski Lom schemes are truly PES schemes⁵. The main concern of the TE is that the collected payments are going to be spent on improved tourism infrastructure such as trails

⁴ During the TE the project team was working on the technical reports and only drafts were available.

⁵ During the interviews (10-13 June 2014) Julio Tresierra also shared "Ecotourism is not a PES scheme, which is fine, because it is another financial mechanism to secure biodiversity benefit."

(in Maramures) and observation tower (in Rusenski Lom) and only limited funds will go to purely conservation activities. The TE finds that the connection between this type of spending and the ecosystem service is indirect and therefore, the TE recommends that this aspect is specifically addressed and explained in the final reports of these two schemes⁶.

16. **Recommendation 3.** It is recommended that WWF experts in Bulgaria and Romania develop short technical reports for the PES schemes which were not finally implemented such as the RO Iezer Calarasi and BG State Aid schemes. Lessons learnt from the “failed” PES schemes are particularly useful for future PES initiatives in both countries and the wider Danube region.
17. **Recommendation 4.** It is recommended that the WWF experts in Bulgaria and Romania elaborate two types of Lessons learnt synthesis papers: (a) A synthesis paper for future PES scheme developers, and (b) A synthesis paper for Policy makers
18. **Recommendation 5.** It is recommended that the project team translates the technical reports and the Lessons learnt synthesis papers in the national languages in Bulgaria and Romania, alongside the English versions. This will enable the experience transfer to non-English speaking stakeholders in the country who are the majority of the target group.
19. **Recommendation 6.** It is recommended that the project team continues its efforts to influence the decision making processes in both Bulgaria and Romania by communicating widely and intensively the Lessons learnt synthesis papers at policy events in the remaining project implementation period. The final versions of the OP Fisheries, Environment and Rural Development as well as the 2nd round of DRBMP are also under intensive reviewing by end of 2014 and early 2015, and this opportunity should not be missed. Additionally, the team should ensure their official submissions to the relevant government institutions.
20. **Recommendation 7.** It is recommended that the PD and PM appreciate and acknowledge active participation of PSC members, especially from government institutions by providing them UNEP/WWF certificates or diplomas. This is instrumental in two directions – on the one hand, it recognizes past involvement, on the other hand, can maintain motivation for future mainstreaming of PES into national policy, which is a longer-term process.
21. **Recommendation 8.** It is also recommended that the WWF experts in Bulgaria and Romania introduce long-term monitoring of the environmental, social and financial impact of the schemes. WWF team has already included the monitoring of PES pilot schemes and sites in its development strategy. WWF should raise additional funding to continue assessing the capacity and mainstreaming potential of the implemented and promoted PES schemes to deliver efficiently and effectively the target ecosystem services.
22. **Recommendation 9.** It is recommended that UNEP undertakes a post project evaluation of the environmental impacts of the project and the associated operational costs (e.g. 5 years after its completion) in order to understand better the impacts of the GEF investments and to use them for future policy developments and projects support. Having in mind the time, efforts and costs that it took to start the pilot schemes, the TE shares the concerns expressed in the academic literature whether PES schemes are an effective, long-term and sustainable global tool for financing biodiversity conservation and preservation of ecosystem services and thus recommends monitoring and assessment of its real environmental, social and financial impact.

⁶ The conclusion that collected payments are going to be spent on improved tourism infrastructure and limited funds will go to purely conservation activities is based on the draft technical reports given to the TE

I. INTRODUCTION

23. This report is for the Terminal Evaluation of the GEF project “Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin” (Project ID: GEF 2806), hereby referred to as the “Danube PES project”. The project actual start date was in October 2009, with an intended completion date at the end of December 2013. The Danube PES project was granted a no-cost extension and the expected completion date in 31 December 2014.
24. The Danube PES project is classified as a Global Environment Facility (GEF) Medium-sized project (MSP) with a total GEF support of USD 964,676, and originally planned co-financing of USD 1,349,373, for a total project budget of USD 2,314,049. The United Nations Environmental Programme (UNEP) is the GEF Implementing Agency, and the project is executed by a regional non-governmental organization (NGO) the World Wide Fund for Nature (WWF) Danube-Carpathian Programme Office (WWF DCPO) and its national offices in Bulgaria and Romania.
25. According to the project document, the overall project goal is “*to secure global environmental benefits by mainstreaming payments for ecosystem services (PES) and sustainable financing (SF) schemes in integrated river basin management for large-scale international watersheds*”. The specific project objective after MTR revision is “*to demonstrate and promote Payment for Ecosystem Services (PES) and related financing schemes in the Danube River basin, and to other international water basins*”.
26. In line with the UNEP Evaluation Policy⁷, the UNEP Programme Manual and the UNEP Evaluation Manual⁸, the Terminal Evaluation of the project “Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin” is undertaken to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The evaluation has two primary purposes:
 - i. To provide evidence of results to meet accountability requirements; and
 - ii. To promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, GEF and executing partners WWF-DCPO and the relevant agencies in stakeholder countries (e.g. Romania and Bulgaria) in particular.
27. Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation.

⁷ <http://www.unep.org/eou/StandardsPolicyandPractices/UNEPevaluationPolicy/tabid/3050/language/en-US/Default.aspx>

⁸ <http://www.unep.org/eou/StandardsPolicyandPractices/UNEPevaluationManual/tabid/2314/language/en-US/Default.aspx>

II. THE EVALUATION

28. According to GEF and UNEP evaluation policies, terminal evaluations are required practice for GEF funded MSPs, and the terminal evaluation was a planned activity of the monitoring and evaluation plan of the Danube PES project. The UNEP Evaluation Office initiated the terminal evaluation shortly after the project no-costs extension was granted, therefore there are still six months of project implementation and closure activities ahead (up to December 2014). This terminal evaluation reviews the actual performance and progress towards results of the project against the planned project activities and outputs, based on standard evaluation criteria: relevance, efficiency, effectiveness, and sustainability. The evaluation assesses project results based on expected outcomes and objectives, as well as any unanticipated results. The evaluation identifies relevant lessons for other similar projects in the future in the Danube river basin, other international river basins and elsewhere, and provides recommendations as necessary and appropriate.
29. In addition to assessing the main GEF evaluation criteria, the evaluation provides the required ratings on key elements of project design and implementation. Further, the evaluation will assess the project in the context of the key GEF operational principles such as country-drivenness and stakeholder ownership.
30. The evaluation methodology was based on a participatory, mixed-methods approach, which included three main elements: a) a desk review of project documentation and other relevant documents; b) interviews with key project participants and stakeholders; and c) field visits to the project pilot areas in Bulgaria and Romania. The evaluation is based on evaluative evidence from the start of project implementation (October 2009) through June 2014 (with expected project closure in December 2014), and includes an assessment of issues prior to approval, such as the project development process, overall design, risk assessment and monitoring and evaluation planning. The official project reporting documents are for the period up till July 2013⁹. The desk review was begun in May 2014, and the evaluation field visits were carried out from June 10th to June 17th, 2014. The list of the stakeholders interviewed is included as Annex 2 to this evaluation report.
31. All evaluations face limitations in terms of time and resources available to adequately collect and analyse evaluative evidence. Also, as is understandable, some documents were available only in the national languages – Bulgarian and Romanian (e.g. specific policy positions and proposals) and the evaluator relied on summaries of the Romanian project team and the available online translators, both of which ensured that language was not a barrier to the collection of evaluative evidence. At the same time, the language barrier meant that some additional interviews cannot be made via Skype or telephone as interpretation should have been necessary. Altogether, the evaluation challenges were not significant, and the evaluation is believed to represent a fair and accurate assessment of the project.
32. The evaluation was conducted in accordance with the UNEP and GEF monitoring and evaluation policies and procedures, and in-line with the United Nations Evaluation Group norms and standards.

⁹ Draft PIR or HYR for 2014 were also reviewed by the TE.

III. THE PROJECT

A. Context

33. The Danube is the most international river basin in the world. The river passes through 10 countries on its 2,780 km journey from the Black Forest to the Black Sea, and drains a total area of 801,463 km² (10% of the European continent), including the territory of 19 countries. The Lower Danube and the Danube Delta still possess a rich and unique biological diversity that has been lost in most other European river systems and also provide multiple ecosystem services, such as biodiversity conservation, recharging of ground water, water purification, pollution reduction, flood protection and support for socio-economic activities such as fisheries and tourism. The Lower Danube stretches from the Iron Gates on the border between Romania and Serbia to the Danube Delta and the Black Sea, and flows for the most part along the Romanian and Bulgarian borders.
34. According to the International Commission for the Protection of the Danube River (ICPDR), some 80% of the historical floodplains in the Danube basin have been lost over the last 150 years. Among the remaining 20% the areas along the Lower Danube between Bulgaria and Romania and in the Danube Delta are among the largest and more ecologically valuable. They play an important role in hydrological processes, in particular in flood protection, recharging of groundwater as well as for habitat and species diversity. Many of these wetlands are under pressure from navigation, infrastructure development and agriculture as the countries are increasingly integrated into the European Common market and global economy. Intensification of farming in highly productive areas and abandonment of extensive farming practices in marginal ones could lead to significant biodiversity loss in both countries.
35. The project addresses major priorities related to environment and rural development of the focal countries of Romania and Bulgaria, including National Biodiversity Conservation Strategies and Plans (NBSAPs), and helps meet commitments under the Danube River Protection Convention and the Lower Danube Green Corridor Agreement (both focal countries are signatories, as is Ukraine). The project also helps support the implementation of key pieces of EU policy and legislation that have been adopted in both countries, including the Water Framework Directive, the EU Birds Directive, EU Habitats Directive, as well as the EU Common Agricultural Policy and EU Cohesion Policy.
36. The Payment for Ecosystem Services (PES) is a new market mechanism in which service suppliers are paid by beneficiaries to manage the ecosystems in such a way to enhance or continue the ecosystem service provision. PES can be used not only to fund ecosystem restoration through the purchase of ecosystem services but also to improve rural conservation and rural livelihoods. The project has become more relevant since it was originally designed, with the completion of the UNEP- and EU-endorsed 'The Economics of Ecosystems and Biodiversity' (TEEB) initiative. This study, with its series of widely acknowledged reports (including for policy makers), highlights the need for valuation of ecosystem services and their incorporation into national economic modeling and decision-making.
37. Sustainable Financing (SF) for biodiversity conservation means that the Ecosystems Service (ES) is directly generated by the user through managing the ecosystem and respecting environmental safeguards. The generation of the ES becomes a core business of the user, ensuring a financial flow to the user is re-invested in the sustainable management of the ecosystem (like tax incentives, trust funds, "debt for nature" swaps, certification and labeling, etc.). The project however is focused on promoting and testing PES approach and financial opportunities to support PES-like schemes. The original project objectives were revised after the MTR and SF was replaced with PES related financial schemes.
38. In 2012, the European Commission (EC) launched the MAES (Mapping and Assessment of Ecosystems and their Services) initiative to support the development of a coherent analytical

framework to be applied in all Member States, and aimed at achieving Action 5 - Target 2 objectives under the 2020 EU Biodiversity Strategy¹⁰ to restore at least 15 % of degraded ecosystems by 2020 and to maintain the ecosystems and their services. The strategy proposes that a strategic framework is developed by Member States, assisted by the Commission, to set priorities for ecosystem restoration at EU, national and sub-national levels by 2014. The countries have to map and assess the state of ecosystems and their services, and to better integrate the value of ecosystem services into national and EU accounting and reporting systems. PES is identified as one of the direct instruments with the greatest potential to support ecosystem restoration.

39. The project was designed to be implemented over a 4-year period, and officially started in October 2009, with a planned finishing date of end of December 2013. After the Midterm review (MTR), the project asked for 1 year no-cost extension till the end of 2014, which was granted. Key actors in the project are UNEP as the implementing agency; WWF Danube Carpathian Programme (WWF-DCP) as the executing agency, with participation of national government agencies, notably the Executive Agency for Fisheries and Agriculture in Bulgaria and the Romanian National Water Authority and a variety of local stakeholder groups.

B. Objectives and components

40. According to the project document, the overall project goal is “to secure global environmental benefits by mainstreaming payments for ecosystem services (PES) and sustainable financing (SF) schemes in integrated river basin management for large-scale international watersheds”. The specific project objective after MTR revision is “to demonstrate and promote Payment for Ecosystem Services (PES) and related financing schemes in the Danube River basin, and to other international water basins”.
41. The specific project objective was planned to be achieved through three main outcomes:
- Outcome 1: Models of public and private sector PES and related schemes developed and demonstrated within the Danube basin in Bulgaria and Romania, and the approach replicated in the wider region.**
- Outcome 2: Enhanced technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in Romania and Bulgaria.**
- Outcome 3: Increased availability of information on, and awareness of, PES concepts, schemes and opportunities increased in Danube basin and beyond.**
42. The project is structured in three main components (presented in Table 2): 1) to develop and promote PES and related sustainable financing schemes in Bulgaria and Romania; 2) to build capacity of river basin managers and other key stakeholders in the wider Danube river basin; and 3) to share information and raise awareness of PES concepts, schemes and opportunities.

Table 2. Project components, expected outcomes and outputs

Component	Expected Outcomes	Expected Outputs
1) Design, development and promotion of PES and other sustainable financing schemes in Bulgaria and Romania.	1. Models of public and private sector PES and related schemes developed and demonstrated within Danube basin in Bulgaria and Romania, and approach replicated in wider region.	1. Demonstration of implementation of public and/ or private payments for Danube-related ecosystem services in Romania and Bulgaria. 2. Replication of PES approach in the wider Danube basin.
2) Capacity building for river basin managers and other key stakeholders in the wider Danube river basin.	2. Enhanced technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in Romania and Bulgaria.	1. Capacity building for PES/SFs for key stakeholders in Romania and Bulgaria. 2. Key policies in Romania and Bulgaria effectively support the provision of Danube-related ecosystem services.

¹⁰ Mapping and Assessment of Ecosystems and their Services, An analytical framework for ecosystems assessment under Action 5 of the EU Biodiversity Strategy to 2020, Discussion Paper, European Commission, April 2013.

3) Availability of information on and awareness of PES concepts, schemes and opportunities.	3. Increased availability of information on, and awareness of, PES concepts, schemes and opportunities increased in Danube basin and beyond.	1. Best practices and lessons learned are documented, distributed and discussed within Danube region and beyond.
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Source: Project document and the Revised logframe

C. Target areas

43. The project design was focused at the national levels in Bulgaria and Romania, with some outreach activities in Ukraine and Serbia, and the wider Danube river-basin. However, it also includes local level activities where pilot PES schemes are tested and demonstrated.
44. The local target areas are the pilot areas promoting and demonstrating the feasibility of PES/ SF in the Lower Danube river basin. Five pilot sites of different sizes, locations and ecosystem services in Bulgaria and Romania were selected for the purpose (presented in Table 3 and on Map 1 below). All five pilot sites are Natura 2000 areas and are home to species of global importance such as Egyptian vulture, White-tailed eagle, Black stork, Pygmy cormorant, Ferruginous duck, Greater white-fronted goose, Red breasted goose, Dalmatian pelicans, and Corn crane, as well as Brown bear, Wolf, Lynx, and the European ground squirrel.
45. In Bulgaria, the pilot PES schemes were tested and demonstrated in Russenski Lom Nature Park and Persina Nature Park along the Danube. In Romania, the selected pilot sites are Maramures, Ciocanesti, and Iezerul Calarasi.

Table 3. Danube PES and SF Pilot Sites

Pilot site	Type*	Country	Size (ha)	Ecosystem service in pilot PES/SF schemes
Russenski Lom NP	PES	Bulgaria	3,408	Regulating service: Habitats maintenance Cultural services: Landscape beauty
Persina NP + Karaboaz PA	SF	Bulgaria	21,762 + 12,200	Regulating service: Water regulation and Carbon sink in wetlands vegetation
Maramures	SF	Romania	45,000	Cultural services: Landscape beauty
Ciocanesti	PES	Romania	255	Regulating service: Water quality, Habitat maintenance Biodiversity: Wetland bird species/ Mosaic wetlands
Iezerul Calarasi**	PES	Romania	530	Regulating service: Water quality, Habitat maintenance Biodiversity: Wetland bird species/ Mosaic wetlands
	Total area in Bulgaria		37,370 ha	Total project area with PES/SF schemes 82,625 ha
	Total area in Romania		45,255 ha	

* As defined by project team

** This PES scheme was not implemented thus is not included in the RO and total area calculation.

Map 1: Pilot sites: Rusenski Lom & Persina, Bulgaria; Maramures, Ciocanesti & Iezer Calarasi, Romania

The Danube PES project, area map



46. **Russenski Lom Nature Park** is located in the northeast of Bulgaria, in the canyon-like valley of the Russenski Lom River, the last major tributary of the Danube in Bulgaria, before it flows into the Black Sea. The area comprises a natural complex of ecological, historical and cultural significance. Russenski Lom with its four rivers features unique nature, history and traditions. It generates income for 35,000 people living on agriculture, forestry and tourism. The pilot site is part of two Natura 2000 sites (more than 32,000 ha) and an important Bird Area with about 200 nesting bird species. Russenski Lom pilot site covers 3,408 ha, which is the entire area of Russenski Lom Nature Park.
47. **Persina Nature Park** is situated along the Bulgarian section of the Lower Danube and covers an area of 21,762ha with a complex of islands. It includes the biggest Ramsar site of Bulgaria and features 475 higher plants species and over 200 species of birds, most of them of high conservation value such as Pygmy cormorant, Ferruginous duck, or White-tailed eagle. In total 1100 animal species, including three endemic to the Danube region, have been identified.
48. The upland Carpathian mountain plateau **Oas Gutai in Maramures**, a region in North Romania, is characterized by a mosaic landscape of grassland and forest habitats, and a network of high altitude wetlands. The region has maintained healthy populations of brown bear, wolf, and lynx. The thirteen small communities and the city of Baia Mare with a population of 150,000 profit from the ecosystem services of the area – carbon capture and storage and in particular its recreational values: elements of authentic archaic life integrated in nature and consisting of UNESCO heritage wooden churches, massive carved wooden gates, mills and brandy distilleries powered by water, handicrafts made of natural materials, and agro-pastoral traditions expressed by extensive agriculture practices, healthy and tasty local food, and local festivals. The pilot site area was extended to cover the valleys between Mara and Cosau River, close to Rooster's Peak Nature Reserve.
49. **Ciocanesti** pilot site is located on the Romanian Lower Danube, within the former Danube floodplain in Calarasi County. Much of the former mosaics of wetlands and natural channels, reed beds and patches of natural floodplain forest have been lost, but some remain, especially around the highly productive fishponds. These ponds contribute considerably to the local economy but at the same time also to biodiversity conservation. Ciocanesti fishponds cover an area of 255 ha and are a Natura 2000 and potential Ramsar site. They are an important place for migration of 20,000 birds, feeding place for the two endangered species Pygmy cormorant and Ferruginous duck. The carbon storage potential of these wetlands has an estimated value of 9,400 Euro per year.
50. **Iezer fishponds** in Calarasi County, Romania, extend over an area of 530 ha and are protected under Natura 2000. One thousand pelicans from Srebarna Nature Reserve use the site for feeding. It is also an important wintering place for around 29,000 individuals of the Greater white-fronted goose and 5,200 individuals of the Red breasted goose, globally threatened species.

D. Milestones/key dates in project design and implementation

51. The project key milestone dates are shown in table 4 below. The project was originally intended to be submitted under the GEF-3 replenishment with an estimated starting date of 1 April 2006, but it was ‘postponed’ due to changes within the GEF and its funding. The development period from PDF-A approval to GEF approval was 51.5 months, and another 4 months were required to reach actual project start. The first full-team meeting was held on 12-13 January 2010, and the first Project Steering Committee (PSC) meeting was held on 27 May, 2010, both of them in Russe, Bulgaria. Therefore, practically speaking, project activities began in early 2010, approximately 56 months after PDF-A approval¹¹. Previous GEF program evaluations have determined that the average for GEF MSPs from PDF-A to implementation start (up to 2006) was approximately 30 months¹² - thus this project was almost twice above average in this respect. This project PDF-A approval to project operational closing will span through a total period of 115.5 months, almost 10 years.

Table 4. Project Key Milestone Dates¹³

Milestone	Expected date [A]	Actual date [B]	Months (total)
1.PDF-A Approval	Not Applicable	14 May 2005	
2.First GEF Review	Not Specified	15December2005	7 (7)
3.PIF Approval	Not Specified	19February 2009	38 (45)
4.Council Notification	Not Applicable	7 August 2009	6 (51)
5.GEF Approval	August 2009	25 August 2009	0.5 (51.5)
6.UNEP Approval and First Disbursement	Not Specified	22 October 2009	2 (53.5)
7.Project Official Start	1 January 2010	1 January 2010	2 (55.5)
8.Mid-Term Review	May 2012	July 2012	30.5 (86)
9.Terminal Evaluation Completion	December 2013	7 August 2014	24.5 (110.5)
10.Project Operational Completion	31December2013	31December2014	5 (115.5)
11.Project Financial Closing	Not Specified	31December2014	1 (115.5)

E. Implementation arrangements

52. The GEF Implementing Agency for the project was the United Nations Environment Programme (UNEP). In this capacity, UNEP had overall responsibility for the implementation of the project; project oversight, and co-ordination with other GEF projects.
53. The UNEP/GEF co-ordination was to involve monitoring implementation of the activities undertaken during the execution of the project and was to be responsible for clearance and transmission of financial and progress reports to the Global Environment Facility. UNEP was to retain responsibility for review and approval of the substantive and technical reports produced in accordance with the schedule of work. The project implementation and coordination arrangements were designed to ensure effective project execution across the different participating countries, issues and stakeholders.
54. The WWF-DCPO, as the Executing Agency (EA) of the project, was responsible for administrative and financial management of the project and timely production of financial and progress reports to UNEP. The regional management structure of the project is located in the WWF office in Ruse, Bulgaria, where the Project Manager (PM) is based and responsible for the management of all project activities, and coordinating and supervising the national teams in the participating countries, as well as conducting stakeholder outreach, and managing national and international consultants and contractors. Supervision and financial management are coordinated by the WWF-DCPO office based in Vienna (Austria) through the Project Director and WWF

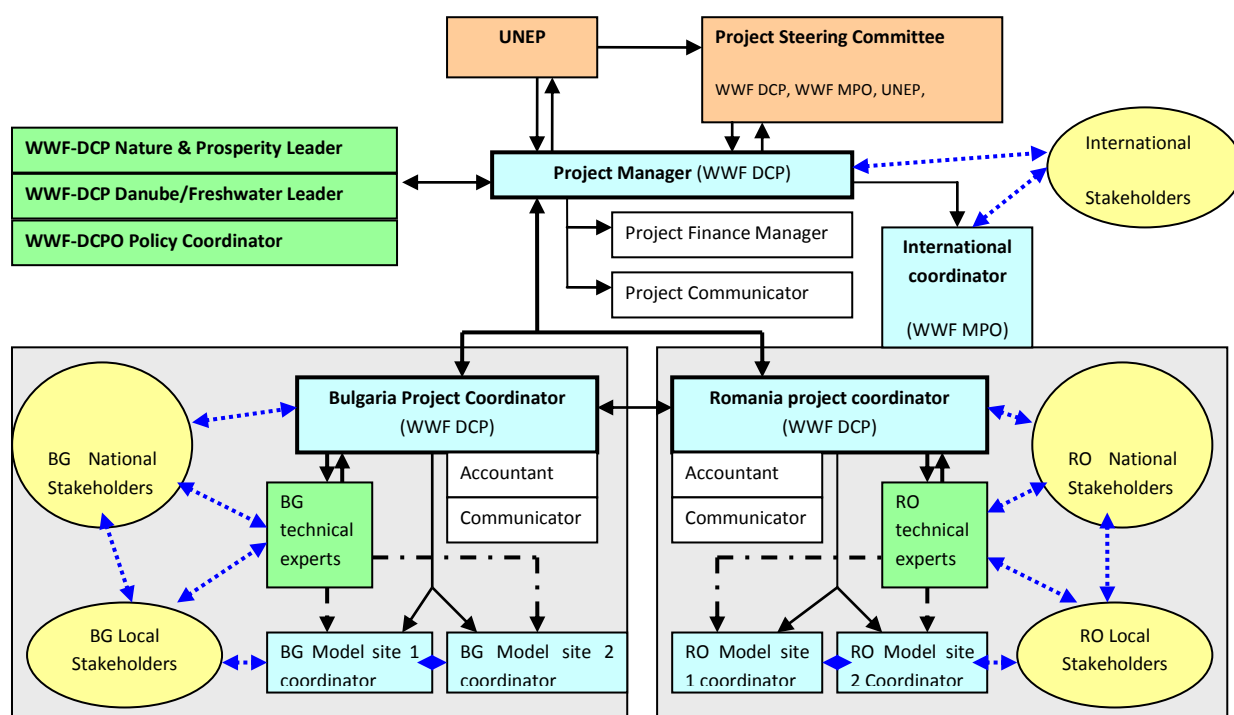
¹¹ The approval of the project only took 53.5 months

¹² GEF Evaluation Office, 2007, “Joint Evaluation of the GEF Activity Cycle and Modalities”, Evaluation Report No.33, Washington D.C.

¹³ Sources: the GEF online repository: [http://www.thegef.org/gef/sites/thegef.org/files/repository/Regional_08-07-09_ID2806_Promoting_Payments_Environ_Svcs_PES_Danube_Basin\(1\).pdf](http://www.thegef.org/gef/sites/thegef.org/files/repository/Regional_08-07-09_ID2806_Promoting_Payments_Environ_Svcs_PES_Danube_Basin(1).pdf)

Finance Officer. The WWF team in Romania and Bulgaria has each been assigned a National Project Coordinator to manage the day-to-day interventions, inputs, and communications at the national level, in consultation with the Project Manager.

Figure 1. Project management structure



55. A Project Steering Committee (PSC), acting as the project’s oversight body, was established and was composed of representatives of UNEP-GEF, WWF-DCPO, representatives of relevant government agencies, private sector, other significant project co-financiers/partners as well as invited technical experts. The members of the PSC were assigned with a task to help assure inter-ministerial dialogue and inter-sectoral coordination within their countries, to ensure wide involvement of relevant ministries and government departments, and to ensure high-level government acceptance of the PES concept and outcomes of the project as a step towards sustainability. The PSC was scheduled to meet annually to monitor past progress in project execution, and to review and approve annual work plans and budgets.

F. Project financing

56. Table 5 presents a summary of expected financing sources for the project as presented in the Project Document. GEF was to provide USD 964 676 (41.7% of the total project cost) of external financing to the project. The project co-financing of USD 1 349 373 (58.3% of the total project cost) was expected to be supported by WWF and participating partners in the form of cash and in-kind, respectively. This puts the estimated total cost of the project to about USD 2314049.

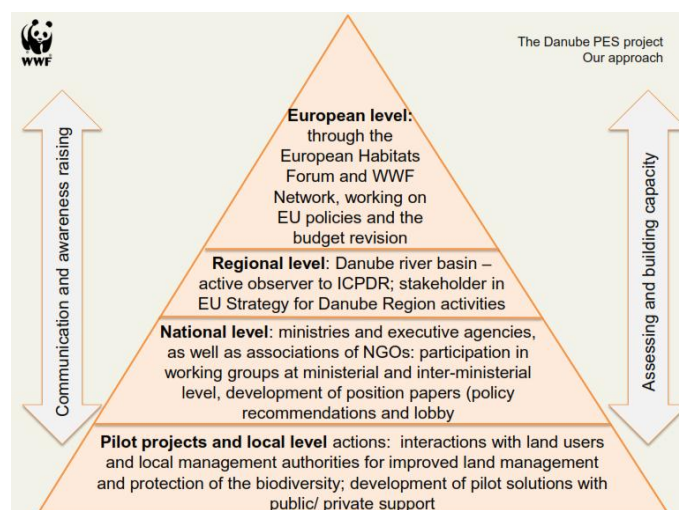
Table 5. Estimated project cost

Variable	Mode of payment	USD	Share of total %
GEF Trust Fund	Cash	964,676	41.7
Co-financing	Cash and in-kind		
WWF	Cash	1,104,173	48.1
Participating partners	In-kind	245,200	10.2
Sub-total		1,349,373	58.3
Total		2,314,049	100

G. Project partners

57. The project engaged a large number of stakeholders due to the project's purpose and implementation approach (Figure 1) and the number of countries involved (Bulgaria and Romania, where the project was fully executed; Ukraine and Serbia, where initial steps for PES scheme development were taken as well as Austria, where WWF DCPO headquarters are located). Thus, project stakeholders are classified into four main groups according to the Project Document:
- Participants: WWF program offices, mainly WWF DCPO – executing agency; WWF MPO - especially involved in project design and the early phases of project implementation; and WWF-European Policy Office (WWF-EPO), and the WWF Global Freshwater Program – involved in specific policy issues.
 - Project partners actively involved in the project: these groups include pilot project actors, involved directly in the development and implementation of the project, in-kind contributors to the project, such as International Commission for the Protection of the Danube River (ICPDR), national and local government agencies in;
 - Bulgaria (Bulgarian Ministry of Environment and Water – Danube River Basin Directorate, Bulgarian Ministry of Agriculture and Forestry – Rural Development and Investment Directorate, Directorate of Nature Park “Rusenski Lom”, Directorate of Nature Park “Persina”, Friends of Rusenski Lom Nature Park Association, 8 small and medium enterprises in the field of tourism), Municipality of Ruse,
 - Romania (Ministry of Agriculture, Forests and Rural Development of Romania, Ministry of Environment and Waters of Romania, Romanian Ecotourism Association, Municipality of Baia Mare, Maramures County Council and info Tourism Office), as well as local stakeholders (e.g. Ferma Piscicola – Ciocanesti (Piscicola-Ciocanesti fish farm, local guesthouses and tour operators, city halls, local NGOs),
 - some stakeholders from Serbia and Ukraine, Executive agencies for Fisheries and Agriculture in both countries and Danube river basin managing authorities;
 - Recent and ongoing conservation programs and projects in the Danube Basin for active networking, particularly the programs and projects undertaken by the three main GEF agencies (UNEP, UNDP and the World Bank);
 - Institutions and experts active in (sustainable) financing and payments for ecosystem services-related issues.

Figure 2. Implementation approach of Danube PES project



Source: Todorova, M., 2014, Presentation at Closing Conference 10-13 June, 2014, Maramures

H. Changes in design during implementation

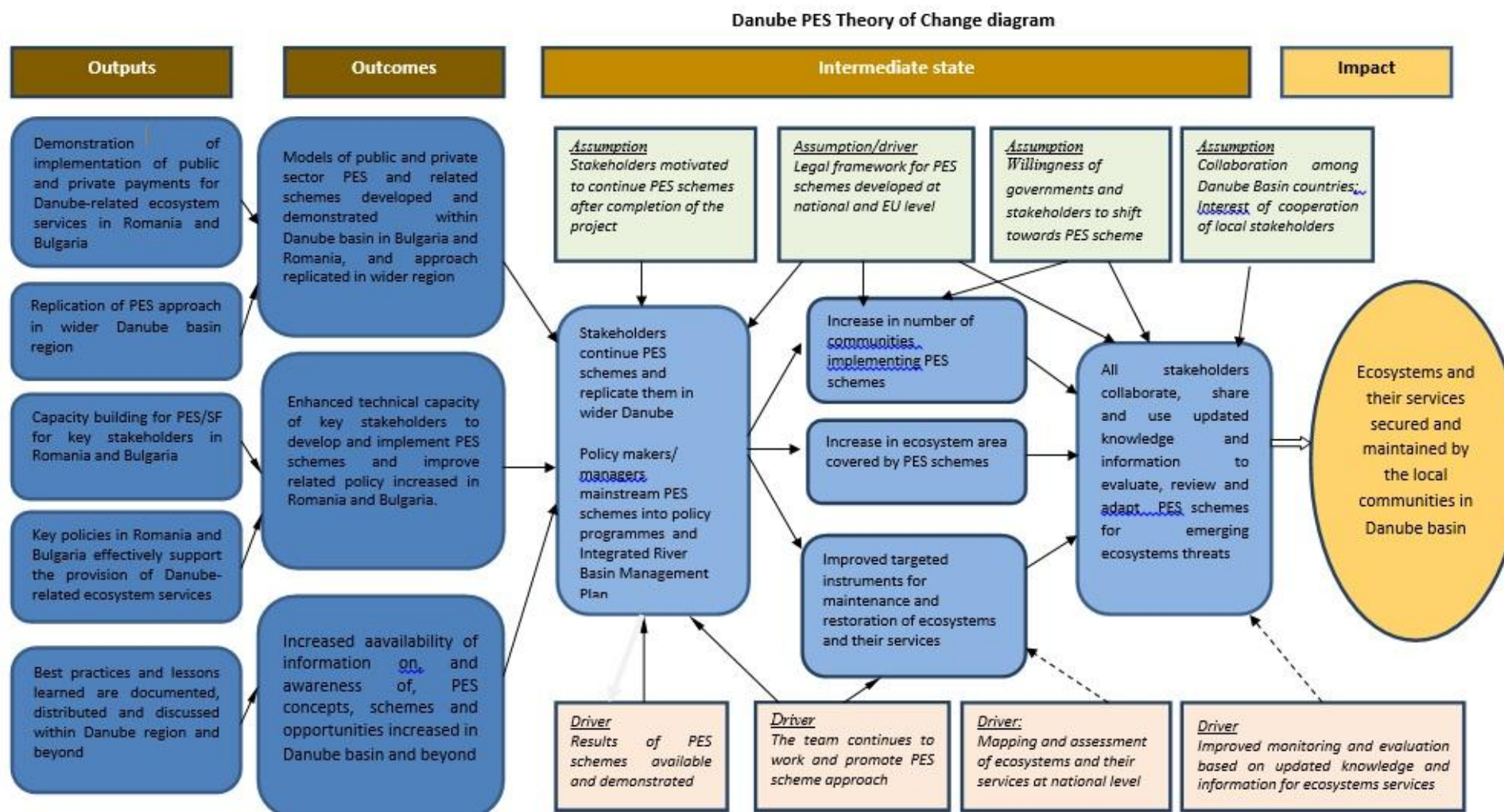
58. The project MTR was undertaken two and a half years into implementation of the project from May to July 2012. It identified a number of weaknesses and challenges in project design that needed to be addressed in order to ensure more effective delivery, sustainability and impact of project results. According to the MTR the project design was ambitious and was not likely to attain its outcomes within the original timeframe. The MTR has eight main recommendation, namely:
- 1) Refocus on priority areas and cut less important activity sets;
 - 2) Review and revise project objectives, outcomes and logframe and M&E system;
 - 3) Strengthen delivery, impact, sustainability and replication potential of the PES scheme demonstrations;
 - 4) Improve communication and mainstreaming of project results;
 - 5) Improve engagement and uptake of results with the private sector;
 - 6) Guarantee project staffing and strengthen management for remainder of project;
 - 7) Develop project sustainability plan with the possibility for a 6-12 month no-cost project extension;
 - 8) Develop framework for best capturing results, experiences and lessons learned generated by project.
59. It was recommended that the project should review sets of project activities and redesign the work plan to ensure that the following priorities are addressed: a) demonstration level activities, b) regional and national and policy activities related to revision of river basin management plans, c) other national-level activities dealing with opportunities for mainstreaming the PES approach, e.g. measures to promote environmentally responsible aquaculture, and then (if resources permit) d) EU policy level work. The MTR recommended that a review and revision of project objectives, outcomes and logframe and M&E system should be done. The review identified that local ownership of the PES and decision making by local stakeholders were weak at demonstration sites. It called for improvement of communication and mainstreaming of project results which were designed during the inception phase. Staff dedicated for project implementation was also an issue as the same staff had several other responsibilities.
60. The project management agreed with recommendations provided in the MTR report and developed a Management response to address them. The logical framework, workplan and budget

were revised and/or optimised according to recommendations and progress on related response was reported together with the Half Yearly Reports.

I. Reconstructed Theory of Change of the project

61. The Danube PES project logical intervention approach, or theory of change, is the expression of the strategy chosen to achieve the objectives. Based on the objective and strategy chosen, the project inputs and activities are designed to produce the outputs and outcomes required to eventually achieve the impact level results. The Danube PES project Log-frame was revised during MTR. This reconstructed Theory of Change (Figure 3) is developed for the needs of the terminal evaluation based on the revised log-frame.
62. The theory of change is based on the premise that the enhanced capacity of key stakeholders to develop and implement PES schemes, the raised awareness and the increased availability of information on PES schemes, based on the project pilot PES schemes will enable their replication in a wider region and mainstream them in the Danube integrated river basin management plan. Based on this premise the global environmental benefit (GEBs) has to be seen in the context of securing and maintaining the ecosystems and their services by the local communities in the Danube basin.
63. Usually, mainstreaming projects that involve changes in legislation and policy frameworks are beyond the immediate control of the project, because policy changes have to be approved by governments and involve debates and reviews that are beyond the control of the project. The innovative nature of the PES approach meant that it could not have been predicted how long it would take to deliver the project goal. It is therefore recommended that such projects include a post-project monitoring of environmental impact and global environmental benefits (GEB).
64. Important drivers towards project impact include development of legal framework for national and EU level, distribution of best practices of demonstration PES schemes, and mapping and assessment of ecosystems and their services (Figure 3). The likelihood that the impact will be achieved depends on a number of assumptions including willingness of the Governments to mainstream PES schemes into policy and decision-making and overall river basin management plans, collaboration among Danube countries and interest and motivation of the stakeholders to continue to apply PES schemes.

Figure 3. Danube PES project Theory of Change Diagram



IV. EVALUATION FINDINGS

A. Strategic relevance

65. The need for valuation of ecosystem services and their incorporation into national economic modelling, decision-making and planning that was highlighted by the UNEP- and EU-endorsed ‘The Economics of Ecosystems and Biodiversity’ (TEEB) initiative made the project more relevant since it was originally designed (see paragraph 35). Furthermore, in 2012, the European Commission (EC) launched the MAES (Mapping and Assessment of Ecosystems and their Services) initiative to support the development of a coherent analytical framework to be applied in all Member States, and aimed at achieving Action 5 - Target 2 objectives under the 2020 EU Biodiversity Strategy¹⁴ to restore at least 15 % of degraded ecosystems by 2020 and to maintain the ecosystems and their services. The strategy proposes that a strategic framework be developed by Member States, assisted by the Commission, to set priorities for ecosystem restoration at EU, national and sub-national levels by 2014. At European level, the relevance of the project was confirmed by its selection as a case study for DG Environment project “Screening of regulation for innovation impacts in the field of water, as part of the European Innovation Partnership (EIP) on Water”.
66. At national level, the countries have to map and assess the state of ecosystems and their services, and to better integrate the value of ecosystem services into national and EU accounting and reporting systems. Payments for Ecosystem Services (PES) are identified as one of the direct instruments with the greatest potential to support ecosystem restoration. National ministries of environment in Bulgaria and Romania develop their methodologies and implementation plans in coordination and consultation with the Danube PES team – in Romania, Danube PES project team is supporting certain steps in the national MAES, and in Bulgaria, the team provides consultation support to the MAES planning process.
67. The Danube PES project is also very relevant to the planning and revision of the Danube river basin management plans where specific Programmes of Measures (PoM) have to be developed and, hopefully, implemented in the coming years. All national policy interviewees stated that the project was ahead of time in terms of promoting and implementing PES and thus it is very useful and informative both with its successes and weaknesses. The experience from the practical implementation of the diversity of PES schemes tested is highly appreciated.
68. At pilot schemes level, the stakeholders and partners in the PES schemes consider it highly relevant for their needs – not only enabling local people and businesses to do good for their local environment, but also to increase their knowledge and understanding on the interconnection between their daily activities and nature; as well as to help them work together in the design, management and implementation of their local PES schemes. A WWF interviewee stated that PES schemes are specifically relevant for areas where there are not so many other economic opportunities (no young people, no financial investments). They are a successful model for conservation of nature, traditions, culture and people.
69. At Danube river basin level, the results of the Danube PES project are feeding in the second round of DRBMPs, providing particular input in the economic assessments and the development of programmes of measures.
70. At international river basin perspective, the project is particularly relevant being implemented in two countries in the most international river basin in the world with the diversity of PES and SF schemes tested – biodiversity conservation and traditional landscapes, wetlands management and carbon sequestration. The project relevance to other international river basins is reinforced by the expressed

¹⁴ Mapping and Assessment of Ecosystems and their Services, An analytical framework for ecosystems assessment under Action 5 of the EU Biodiversity Strategy to 2020, Discussion Paper, European Commission, April 2013.

interest of Mekong river basin via WWF Vietnam to invite the PM for a three-week mission to work with the local team on assessing PES feasibility in the Mekong Delta and train their staff on PES.

71. The project was developed prior to the publication of UNEP-approved programme framework, but it related to UNEP's work on Ecosystem services and economics' (ESE) aims to support its effort in building capacity of stakeholders to generate scientifically credible information required for integrating an ecosystem service approach into national economic and development frameworks. The UNEP/GEF portfolio in PES schemes at that time was growing with several projects that were moving towards implementation: Payment for Ecosystem Services in Las Neblinas, Dominican Republic; Global-Project for Ecosystem Services (ProEcoServ); and Argentina: Establishment of Incentives for the Conservation of Ecosystem Services of Global Significance.
72. The project is relevant to GEF Strategic Objective (SO2) Biodiversity: Mainstreaming Biodiversity in Production Landscapes/Seascapes and Sectors as well as International Waters SO2: Catalyze Transboundary Action Addressing Water Concerns. In line with the GEF BD Focal Area Strategy, the proposed project aims to: "mainstream biodiversity conservation and sustainable use into production sectors that impact biodiversity" and design "PES schemes to compensate resource managers for off-site ecological benefits"; and also provides "information on the value of biodiversity and its contribution to national development or to the ongoing operations of a business and its dependent on biodiversity". Regarding the GEF IW Focal Area Strategy, the project approach conforms with the GEF approach for "integrated, ecosystem-based approaches to management of transboundary water resources" by "placing human activities at the center of the transboundary waters... so that multiple benefits may be sustained".
73. Based on the assessment of project relevance to local and national priorities and policies, priorities related to relevant international commitments, and to GEF strategic priorities and objectives, overall project **relevance** is evaluated as *Highly Satisfactory*.

B. Achievement of outputs

74. The evaluation of the achievement of outputs and activities is based on the revised logical framework (logframe) after MTR. All activities and outputs were necessary and appropriate, and formed a series of logical, sequential steps towards achievement of the project outcomes and objectives. Outputs were produced in a timely manner (following the initial delays in the development of PES schemes).
75. The initial delays were partly due to the changes in the staff that prepared the project document and application both in WWF DCP and the member of WWF MPO who was supposed to provide PES technical guidance to the project team. Partly, it was to the lack of clear conceptualization of what PES was and what SF was. The MTR and interviews with PD, PM, national coordinators and others revealed that PES concept was a very innovative and ahead of time for both participating countries. All of the above resulted in a significant delay in implementation of the developed PES concepts. The project team engaged an expert from WWF Netherlands to solve this problem after the MTR. He provided the much needed guidance and support in the two countries.
76. Table 6 summarizes the achievement of revised project outputs within the three project components. This review of the project implementation progress is based on the post-MTR revised workplan, since activities prior to MTR were evaluated in the MTR. After the MTR the project manager produced a synchronizing table for the original and revised workplan for the ease of tracking project activities. The activities completed at MTR stage were not transferred in the revised workplan for the post-MTR phase.

Table 6. Achievement of project outputs and activities up to 30 June 2014

Outputs	Expected completion date	Status at 30 June 2013 (%)	Deliverables and TE comments	Progress rating
Output 1.1: Demonstration of implementation of public and/ or private payments for Danube-related ecosystem services in Romania and Bulgaria				
Activity 1.1.1.: Identify and engage with key stakeholders for each project in Romania and Bulgaria	Jun 2014	100%	Engagement with local stakeholders in pilot PES sites was broadened with the Architects' Chamber of Romania and Center for Ecology and Tourism in Maramures, Fisheries Local Action Group "Calarasi Dunare" in Ciocanesti, Group of beekeepers in Rusenski Lom. WWF team contribution and engagement with local development is recognized and very highly appreciated in the pilot sites. Project team members have regular contacts (at least 1 per month, but usually 1 per week) with local stakeholders (interviews held during the TE) which are much appreciated and valued. The project developed a database with 1,050 contacts (350 new contacts after MTR stage). In 2013, meetings were held with scientist from the national academies of science in both countries to discuss mapping and assessment of ecosystem services at national level (reported in HYRs).	HS
Activity 1.1.2.: Training and awareness raising for local stakeholders on Danube-related ecosystem services and the PES schemes in Romania and Bulgaria	Jun 2013	100%	The information and awareness training was done by presenting the project and the PES concept in more than 230 trainings and workshops. The project team took all of the opportunities to raise the awareness of local stakeholders for PES schemes. The following capacity building events were held at local level: carbon and tourism in Russenski Lom (Bulgaria), environmental issues and PES functioning in Persina (Bulgaria), tourism and biodiversity in Maramures (Romania), water and biodiversity indicators in Ciocanesti (Romania).	HS
Activity 1.1.3.: Targeted awareness raising among business players and other key stakeholders regarding value of ecosystem services	Jun 2013	100%	The biggest event was the high level conference "Saving Resources: Moving towards a resource-efficient, green economy in the Danube region", held in April 25, 2013 and hosted by WWF DCPO team in Bulgaria. The Bulgarian President, the EU Commissioner on Environment and the Executive Conservation Director of WWF International participated, together with more than 300 participants from the Danube region.	HS
Activity 1.1.4.: Design, develop, and assist implementation of PES schemes with national and/ or private financing	Dec 2013	100%	Three private-funded PES schemes were developed: Maramures (Romania) and Rusenski Lom (Bulgaria) focus on responsible tourism investing back in nature; Persina (Bulgaria) focuses on biomass management. The fourth pilot site Ciocanesti (Romania) tests public payment for aqua-environmental practices in Romania. Technical reports (drafts) with the main lessons learnt were produced for the 4 pilots. The PES scheme in Iezerul Calarasi was not successful but it still produced important lessons learnt especially with relevance to the importance of clarity of land ownership.	HS
Activity 1.1.5.: Monitoring and adaptation of schemes	Jun 2014	90%	The design and development of the PES schemes took longer than initially anticipated, therefore the start was delayed till after the MTR. The actual PES schemes implementation began in 2013. The Danube PES team monitors the implementation of the schemes in Maramures and Russenski Lom. The funds gathered in Maramures (570 EUR) will be used for thematic trail in Craiasca Forest Nature Reserve. The funds gathered in Russenski Lom (495 EUR) will be used for	S

			<p>conservation activities for European Souslik. PES scheme participants understand that funding mechanism for the Schemes have to be diversified - proposals for new promotional materials, as well as introducing entrance fees for Nature park visits (Russenski Lom) were given during the interviews. The Partnership agreement for Persina PES pilot site was signed in January 2014 and the first reed mowing took place this year. Ciocanesti pilot fish farm is approved by OP Fisheries 2007-2013 (Operation 2.1.4.1 – Environmental Protection) to test integration of responsible aquaculture measures into usual business management.</p> <p>Now it is important to introduce a long-term monitoring of the environmental impact of the schemes. WWF team has already included the monitoring of environmental and economic results of the PES pilot schemes and sites in its development strategy for the post-project period..</p>	
Output 1.2: Replication of PES approach in the wider Danube basin region				
Activity 1.2.1. Identify and work with key stakeholders to build their capacity on PES and sustainable financing schemes in Danube River Basin	Dec 2013	100%	<p>The PD and PM are actively collaborating with the ICPDR and its member countries and stakeholders. This provides them a direct outreach to wider Danube basin group of stakeholders and opportunities to put PES and related schemes on their agenda.</p> <p>In October 2013, PM attended the Assembly of the Eastern Partnership Civil Society Forum with 250 participants, held in Moldova. An explicit reference to ecosystem services and PES was made in the assembly's recommendations on the role of biodiversity and ecosystem services for society (WG3).</p> <p>Alberto Arroyo from the WWF EPO attended a meeting organised by the CEEWEB Academy on Preserving Europe's Ecosystems and Natural Capital – Tools and Processes in Theory and Practice in Hungary, and presented Danube PES schemes.</p>	HS
Activity 1.2.2. Develop two proposals for potential PES schemes for Serbia and Ukraine (based on the findings in the national PES needs reports)	Sep 2013	100%	<p>Two proposals for PES schemes for Ukraine were developed - a private payments scheme for freshwater ecosystem services in the Ukrainian Danube Delta. The goal of this scheme is to improve the management of 3,000 ha of commercial former floodplain areas (rice polders) adjacent to the Danube Delta Biosphere Reserve in Ukraine and the flow of their ecosystem services. WWF partners with Leski rice co, DBR, Ecoforpost co. and CRS in this proposal. The second one is a project concept (in partnership with UNEP) that targets six Eastern Partnership countries of the EU, including Ukraine, with the aim to perform TEEB scoping and country studies for improved policy-making.</p> <p>In Serbia potential PES schemes were proposed as a potential follow up of GEF project Serbia Transitional Agriculture Reform (STAR) – for water flow management and water quality (HYR7).</p> <p>The interviewees from both countries think that studies in Serbia and Ukraine have to be updated, the accumulated experience from Bulgaria and Romanian needs to be distributed more widely and the potential PES schemes should be explored further.</p>	S
Output 2.1: Capacity building for PES/SFs for key stakeholders in Romania and Bulgaria				
Activity 2.1.1.: Identify and survey key stakeholders and	Jun 2014	100%	<p>The initial identification and grouping of stakeholders in ProDoc was continuously updated and enlarged during project implementation. Thus, the list of contacts and stakeholders</p>	HS

their needs related to PES and sustainable financing schemes in Bulgaria and Romania			with interest in PES schemes in the two countries reached 750. In both Romania and Bulgaria, the contacts established were focused on the assessment of ecosystems and development of PES. The interest is rising due to the ambitious goal of the EU Biodiversity Strategy to assess and map (and in a next step value) ecosystem services in the EU until end of 2014. Currently, MAES methodology is being tested in the European Union (until September 2014). The aim is to assess the feasibility of national MAES work with existing data in 6 thematic areas: Forest, Freshwater, Marine and Agricultural Ecosystems, Environmental data of species and habitat inventory reported in the EU under the environmental legislation and Natural Capital Accounting. The PM represents WWF in 2 of the 6 thematic areas: Forests and Natural Capital Accounting. The capacity and methodology to assess ecosystems and their values was identified as priority need in both countries and the experience gained by the PES Danube project team is in high demand. National statistical offices in both countries are interested by the project valuation of ecosystem services, because valuation methods and measurements are key to development of environmental-economic accounts (currently pilot in BG and RO).	
Activity 2.1.2.: Training of key stakeholders from Bulgaria and Romania on PES and SF mechanisms (workshops) (training of trainees)	Jun 2013	100%	Two trainings of trainers were organized in 2013 with the participation of IC Julio Tressiera, which was very highly appreciated by all interviewees: <ul style="list-style-type: none"> • International workshop on ecosystem services and PES, on 24-25 April, in Bucharest for WWF staff, national authorities from RO and BG and journalists; • Round table for on ES and PES on 17 June in Sofia for statistical offices, ministries for environment and other representatives. 	HS
Activity 2.1.3.: Consulting support to key stakeholders in Bulgaria and Romania to develop national PES schemes	Jun 2014	100%	The Environment Protection Agency in Romania, and WWF Danube PES team developed a joint proposal on mapping and assessment of ecosystem services (MAES) at national level. The role of WWF in Romania will be to provide expertise on the steps of this process. The proposal is considered as a follow up to Danube PES project. The Bulgarian Ministry of Environment developed a methodology for creating a Biodiversity and Ecosystem Services Platform. WWF BG provided support for the main steps in mapping, assessment of ES and PES development. Furthermore, Danube PES BG national coordinator sits in working group of BG Executive Forestry Agency, which has to develop a regulation for the rules and conditions for payment and compensation for the use of forestry ecosystem services. The deadline for this working group is 15.12.2014, which is within the extended timeline of the project. The experience of the Ciocanesti PES schemes was transferred to the measures for responsible aquaculture integration into usual business practices in OP Fisheries 2007-2013 (Romania: m.2.1.4.1 – Environmental Protection; Bulgaria measure 2.2.Aqua-environment (not operational at the moment)).	S
Activity 2.1.4.: Organize a study tour for key stakeholders to pilot PES sites in the Lower and Middle Danube basin-PSC IV	Oct 2014	100%	PSC meeting (IV) and project closing conference were held between on 9-13 June 2014 in Maramures (RO). The main projects results were presented and follow up activities were discussed. Field visit to Maramures pilot site was also organized.	HS

Output 2.2.: Key policies in Romania and Bulgaria effectively support the provision of Danube-related ecosystem services				
Activity 2.2.1: Develop a position paper on PES and SFM related to key ecosystem services	Dec 2012	100%	The project team contributed to developing position papers integrating the ES and PES as a part of national NGO coalitions in both Romania and Bulgaria. The team members' participation in different working groups at national level and contribution to inclusion of ES and PES concept in national policy documents is reported under this activity. This partially overlaps with activities reported under point 2.1.3.	S
Activity 2.2.2: Develop recommendations for integrating public and private-driven PES and sustainable financing schemes into related documents at Danube River Basin level	Jun 2014	100%	The project came into effect after the RBMPs and the corresponding programmes of measures were already in place. The PD states that the project aims to influence the 2nd round of revised RBMPs. The efforts of the project team are to integrate the concept in: i) the economic chapter; ii) the programme of measure. In the next round of Danube RBMPs PES approach will be included. Currently the PM sits in the ICPDR Economics Task Group. PD advocates project experience at different ICPDR meetings (advocating for floodplain restoration as a means for increasing ecosystem services and an appropriate mentioning of such measures in ICPDR reports). Both PD and PM attended the Economic Expert Group of the ICPDR (March 2014) and presented the results from the Danube PES project.	S
Activity 2.2.3.: Lobby work at national/ Danube basin level to incorporate outcomes/ PES into related policy documents	Dec 2014	80%	PD participated in a conference on streamlining EU Strategy for Danube Region (EUSDR) into programming of national EU funds (OPs), in Stuttgart, Germany. The initiative of DG REGIO hosted administration experts from 14 Danube countries and raised their awareness on how they can/should streamline EUSDR issues into national funding programmes.	S
Output 3.1.: Best practices and lessons learned are documented, distributed and discussed within Danube region and beyond				
Activity 3.1.1.: Outreach to three audiences: (a) technical; (b) major international development agencies, donor and NGOs s, and (c) major international environmental agencies, donors and NGOs	Jun 2014	90%	In 2013 the project team produced a Lessons learnt paper that was then presented at different events in collaboration with WWF and UNEP offices. It also includes contacts with PhD and MSc students, interested in project activities and results (five contacts with students from Austria, Belgium, the Netherlands, Bulgaria, Germany were reported in HYR8). DG Environment selected WWF Danube PES project as a case study for innovative solution to implement PES in Europe under a project "Screening of regulation for innovation impacts in the field of water, as part of the European Innovation Partnership (EIP) on Waters". Draft technical reports of the pilot PES schemes are produced by the project. Since the Lessons Learnt paper is one of the key capacity building outputs of the project, it is important that the paper is updated with a focus on policy development and expanded to include lessons from the Iezerul PES scheme which was not implemented.	S
Activity 3.1.2.: Produce and distribute a series of publications documenting the	Sep 2013	80%	More than 240 articles and publication related to PES concept were reported during the closing workshop (80 after the MTR). The project still has to produce its final Lessons Learnt papers by the end of the project by end December 2014.	HS

project experiences, lessons learned, and manuals on how to and best practices				
Activity 3.1.3.: Monitor and analyse level of understanding/ awareness of PES	Jun 2014	80 %	<p>The comparison of the scores of the mentioning of PES (done by searching keywords in internet) was developed by project communicator. It reveals that by the end of 2013 PES was mentioned 36 times compared to 8 times in 2009.</p> <p>The TE interviews of the stakeholders revealed that the understanding of what is a PES schemes varies, but the presented examples to a great extent correspond to the definition used by the project team. Therefore the TE considers that the understanding of the relevant stakeholders is increased compared to the MTR stage.</p> <p>Google analytical statistics show significant increase of the visits of PES project section of DCPO website between 2011 (0 page views) to 2013 (1,741 page views). The number of visits for 2014 is going to be higher, since currently (by end of June 2014) it is already 1,157.</p>	S

Source PIR 2012 - 2013, HYR 8, MTR, PSC meeting (10-13 June 2014) and field mission findings

77. Based on the summaries of the implementation of activities and outputs, the TE **overall rating for achievement of outputs** is *Highly Satisfactory*.

C. Effectiveness: Attainment of project objectives and results

i) Achievement of project outcomes and objective

78. The evaluation of effectiveness is based on the extent to which the outcomes and the revised objective (after the MTR) of the project were achieved. It has to be noted that even after the post-MTR revision of the logframe, the indicators for the project outcomes are identical to the output indicators per outcome.

79.

Outcome 1: Models of public and private sector PES and related schemes developed and demonstrated within Danube basin in Bulgaria and Romania, and approach replicated in wider region.

Outcome 1 has three indicators to measure progress on achievement:

- By the end of the project at least 2 national and 3 local PES schemes under implementation covering an area of at least 500,000 ha;
- By the end of the project at least 5 MoUs signed for public/ private partnerships covering PES schemes;
- At least 2 proposals for a PES scheme designed for Serbia and/ or Ukraine.

80. The first indicator of outcome 1 is related to three distinct aspects of PES schemes development: (1) two national PES schemes; (2) three local PES schemes, and (3) total area covered by PES schemes under implementation.

81. **At the level of national PES schemes**, the work of the project team was focused on introduction of ecosystems services (ES) and PES concept in the main policy documents and related legislation. **In Romania**, Ciocanesti PES pilot schemes is testing the national measures and payments for improving the quality of water and biodiversity in commercial fishponds. The measures for management of water quality and reed in fish basins elaborated in Ciocanesti pilot were integrated in responsible aquaculture measures guidelines for beneficiaries of Operational Program for Fisheries 2007-2013 (Measure 2.1 – Aquaculture, Action 2.1.4 – Measures for aquatic environment, Operation 2.1.4.1 – Environmental Protection) (WWF official letter 301/4.11.2013 to the General director of Romanian Fishery Agency).

82. In Bulgaria, the project has focused on voluntary (State Aid) scheme for replacement of the grain fodder used in the commercial fish ponds with less polluting granulated alternative. The difference in the fodder cost is to be compensated by the state. This scheme is still not operational in Bulgaria and according to the interviews held during the TE, its status is unclear¹⁵ and there is no evidence that it will be implemented. At the same time, some of the activities tested in Ciocanesti PES pilot scheme, such as stocking with non-commercial fish species, chess type reed cutting protected nets, etc., are introduced in the guidelines for the Aqua-environment measure of Fishery Operational Programme (F-OP) 2007 – 2013. Currently, this measure is also not running due to absorbed national budget of the F-OP.
83. Despite the lack of actual (Bulgaria) or minimal (Romania) implementation, the project team was successful in collaborating with the national authorities for the development of the proposal for the voluntary scheme and the guidelines for the Aqua-environment measures in Bulgaria and Romania. Therefore, TE finds that the activities and efforts of the Danube PES team for mainstreaming PES concept into national fisheries policies were successfully implemented upon the limits of their influence. It is also expected that the new Fisheries Operational Programmes in both countries will transfer the accumulated PES experience in the coming EU Funds programming period 2014-2020.
84. The national project leaders also report inputs and influence on the development of “Forest-environmental measures” under the National Rural Development Programmes in both countries¹⁶ despite that none of the tested PES pilot schemes is focused specifically on forests. However, at the beginning of the project forest-related PES scheme has been discussed in Bulgaria at least.
85. Overall, as regards the two national PES schemes under implementation, the project achieved one fishery PES scheme under implementation in Romania, one fishery PES scheme with pending implementation in Bulgaria as well as two potential forest-related national PES schemes under development.
86. **At the level of local PES schemes under implementation**, there are four functional PES/SF schemes developed by mid-June 2014:
- Persina Nature Park/Karaboaz, Bulgaria, which focuses on a biomass scheme based on wetland management, reed harvesting and production and sale of reed and agricultural waste briquettes and pellets for fuel (regulating ecosystem service through carbon sequestration and storage);
 - Rusenski Lom, Bulgaria, that is centred on a responsible nature tourism scheme at the Rusenski Lom Nature Park (cultural landscape value) and regulatory ecosystem services);
 - Mara-Cosau-Creasta Cocosului, Maramures, Romania, again focused on development of a responsible tourism or ecotourism scheme that provides funding for conservation and sustainable development activities for up to seven protected areas (cultural landscape value)¹⁷;
 - Ciocanesti, a privately managed fish pond, close to the north bank of the Danube River, south of Bucharest that breeds fish for other ponds (providing regulating and provisioning ecosystem services and one of only five fish breeding farms left in Romania).
87. Initially the project focused on one more pilot site in Romania
- Iezer, a similar public-private fishpond close to Ciocanesi (providing regulating and provisioning ecosystem services), which was dropped at MTR because of an unfinished privatisation status and unclear ownership that was hindering the participation in the Fisheries Operational Programme.

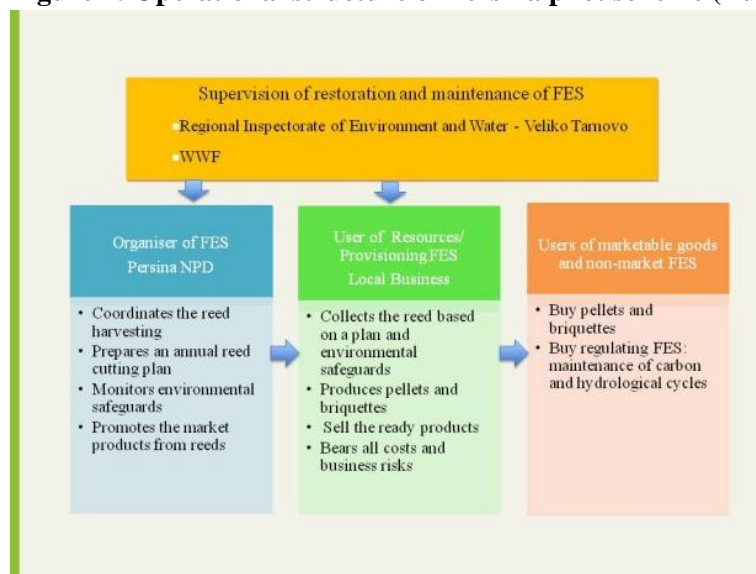
¹⁵ The EU membership of Bulgaria requires that all state aid schemes are officially notified and approved by European Commission. The state aid scheme was covering the period till 31.12.2013.

¹⁶ Presentations by BG and RO project coordinators during the Closing Conference in Maramures on 10-13 June 2014.

¹⁷ The initial idea had been to develop a water-related PES scheme for this site to encourage forest and farmland users to introduce management practices improving the water quality and quantity. This is an ecosystem service provided by land managers to water users in the city of Baia Mare, and the latter would pay to the service providers. A change in the status of the water company from a local private enterprise to regional status raised concerns over the funding for the planned PES scheme. Furthermore, the construction of a water treatment plant in the area reduced the stimulus for adhering to a PES scheme, and the idea was therefore abandoned.

88. At the stage of the TE draft, technical reports for all pilot sites were under preparation by the project team. The process of development and implementation of the schemes is described as well as monitoring framework and indicators and main lessons learnt and next steps. Upon finalisation the reports should be made available on project websites. It is recommended to have them at all three sites – in English language on the Danube-Carpathian eco-regional website (WWF-DCPO), as well as in Bulgarian and in Romanian websites.
89. **Persina pilot SF scheme (Bulgaria-BG)** covers the territory of Persina Nature Park - 21,762.2 ha and specifically targets the restoration of Kaikusha marsh (155.4 ha). The goal of this sustainable financing scheme is to support the restoration and sustainable management of wetlands in Persina Nature Park through integrating the value of non-market watershed regulating services into marketable goods provided by Kaikusha marsh, with the active involvement of local stakeholders. Following the MTR recommendations to assess the ecological impact harvesting of reeds from Kaikusha marsh, the team and MOEW experts developed guidelines on the sustainable use and management of biomass in Kaikusha. The team also assessed the viability of the market scheme from the business perspective and decided that in order to use optimally the production capacity it is necessary to either increase the intensity of biomass-collection from Kaikusha or expand to other territories such as Karaboaz protected zone (12,200.36 ha, including 5,293 ha arable lands, managed by private farmers), located to the west of Persina Nature Park. The logic of the market scheme is presented in Figure 4. The Partnership Agreement regulating the scheme was signed in Belene on 13 February 2014. Due to the warm winter season (2013-2014) cutting of the reed was not possible.
90. One of the main reasons for the delayed start of the scheme was the need to secure the initial investment. Danube PES team had developed two proposals on behalf of the farmer to find public funding for covering the scheme start-up costs. A first proposal, submitted under GEF Small Grants Programme (SGP) in Bulgaria was rejected (according to evaluators the proposal was not financially viable). A second proposal¹⁸ was submitted under the EU Operational Programme Human Resources 2007-2013 and it was approved. It included machineries with a smaller production capacity because the funding ceiling was lower. One machine for the production of pellets and one machine for the production of briquettes were purchased and installed at the end of 2013. The technical and consultancy support provided by the project team to the partner-farmer was critically important for the initiation of the scheme. The start-up costs and the technical support aspects need to be underlined and well-planned for future PES/SF schemes.

Figure 4: Operational structure of Persina pilot scheme (Bulgaria)

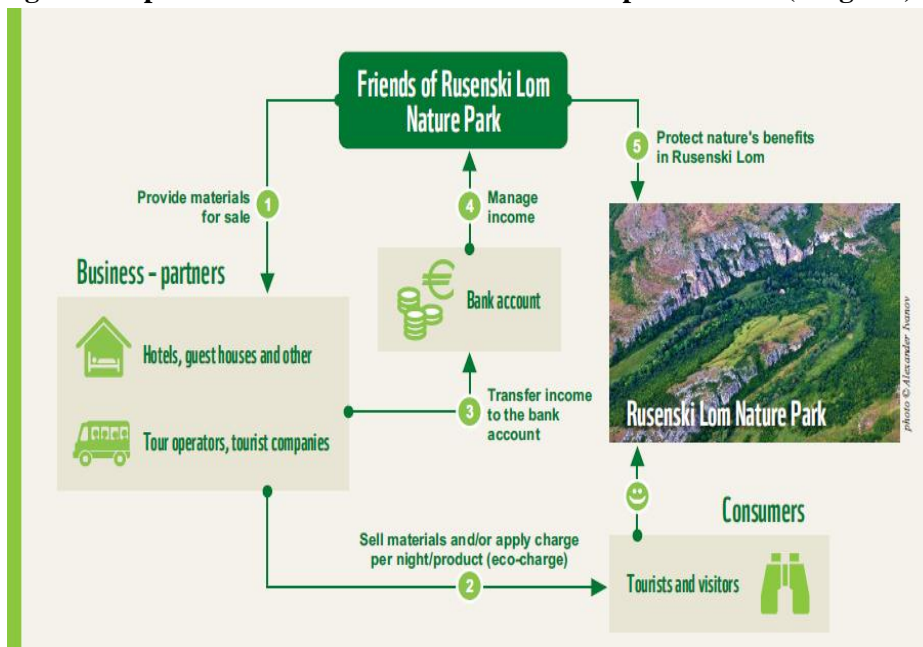


Source: Technical reports, produced by the project team

¹⁸ BG051PO001-1.2.03 Promoting start-up of projects for the development of independent economic activity

91. **Rusenski Lom pilot PES scheme (Bulgaria-BG)** covers the territory of Rusenski Lom Nature Park - 3408 ha. The actual pilot intervention area is smaller, nearly 10% of the total area - several settlements and their adjoining territories, where tourism is more intensive. The goal of this PES scheme is to enhance the protection and maintenance of the aesthetic value and biodiversity wealth of Rusenski Lom Nature Park through active involvement of the relevant stakeholders. The logic of the PES scheme, especially the case of providing post cards (promotional materials) as a PES-generating instrument, is presented in Figure 5. In this operational structure, the Club “Friends of Rusenski Lom Nature Park” as the manager of the scheme (seller of ES) provides promotional materials for sale to the business partners. The generated income is used exclusively for funding the management and conservation of aesthetic and biodiversity values for tourism. Promotion materials are sold at the accommodation places owned by the partners and by tour operators who are signatories to the Partnership Agreement. Alternatively, they can charge from 1% to 5% over the standard price of tourist services offered, with the knowledge and consent of the customer. The Partnership Agreement was signed on 11 December 2012. The signatories of the Agreement included eight tourism developers working on the territory of Rusenski Lom, as the buyers, and the Club “Friends of Rusenski Lom Nature Park”, as the seller. In 2013, three more tourist developers joined the voluntary agreement. Until mid June 2014, 478 postcards were sold and income of EUR 494 was generated. The money will be used for conservation activities for European Souslik.
92. One of the main difficulties faced by the team is the lack of legal and financial framework dealing with the treatment of costs for and benefits from nature management. The partnering businesses are mostly legal entities registered under the Trade Act in Bulgaria and their main activity is tourism. Costs for environmental services, such as aesthetic and biodiversity values cannot be justified as related to their main economic activities and cannot be deducted from the tax base and will increase the tax burden on the potential buyer. This limitation creates certain reservations among potential buyers and providers of ecosystem services.

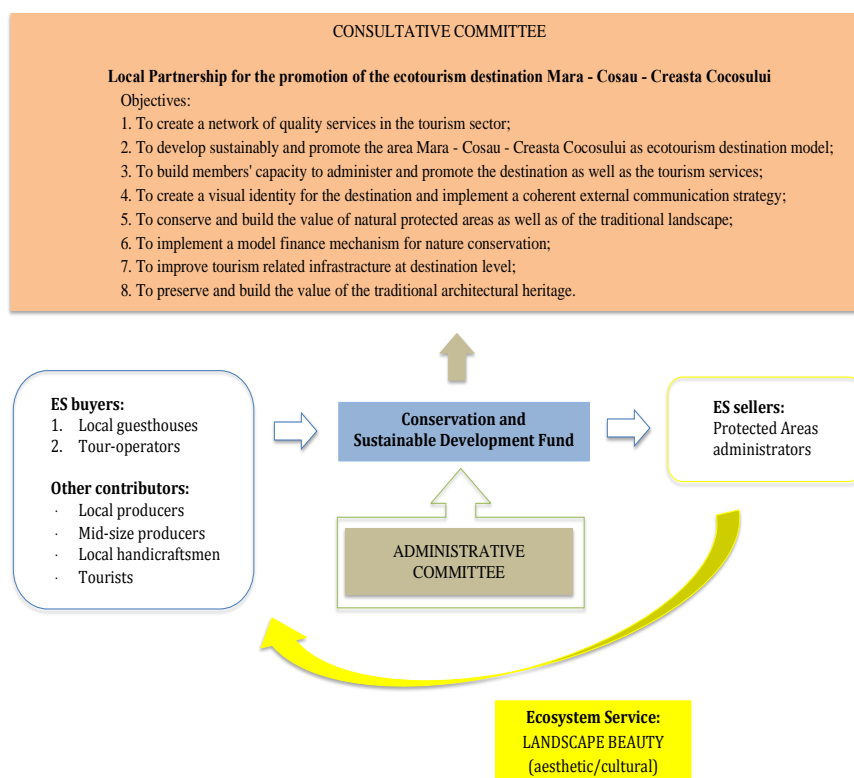
Figure 5: Operational structure of Rusenski Lom pilot scheme (Bulgaria)



Source: Technical reports, produced by the project team

93. **Maramures pilot SF scheme (Romania-RO)** initially covered an area of 7 target protected areas (26,665 ha), and was extended to cover the whole area of the first eco-tourism destination in Romania (45,000 ha). The design of the finance mechanism for nature conservation was focused on the repositioning of protected areas in the perception of local stakeholders through a development strategy as ecotourism destination. A Conservation and Sustainable Development Fund was established and administered by a local NGO (CET Maramures). The cooperation between CET, WWF DCP-Romania and Association for Ecotourism in Romania (AER) resulted in a signed Partnership Agreement on 10th May 2013. The operational structure of the financial mechanism is presented in Figure 6. Seven guesthouses and three tour operators joined the scheme and by mid June 2013, EUR 570 (sponsorship and donations contracts) were collected as contribution to maintenance of landscape beauty. The funds are used for a thematic trail in Craiasca Forest Nature Reserve. Also thanks to introducing PES and involving local tourism businesses in supporting the protected areas, Maramures was approved as a first eco-destination site in Romania.
94. The difficulties in the development and implementation of Maramures scheme were again related to the lack of legislative framework as well as to the importance of gaining the trust of the local business operators by highlighting a business case of relevance for them (local expert was hired to help the national coordinator) and to stimulate willingness of the operators to make donations for nature conservation activities.

Figure 6: Operational structure of Maramures pilot scheme (Romania)



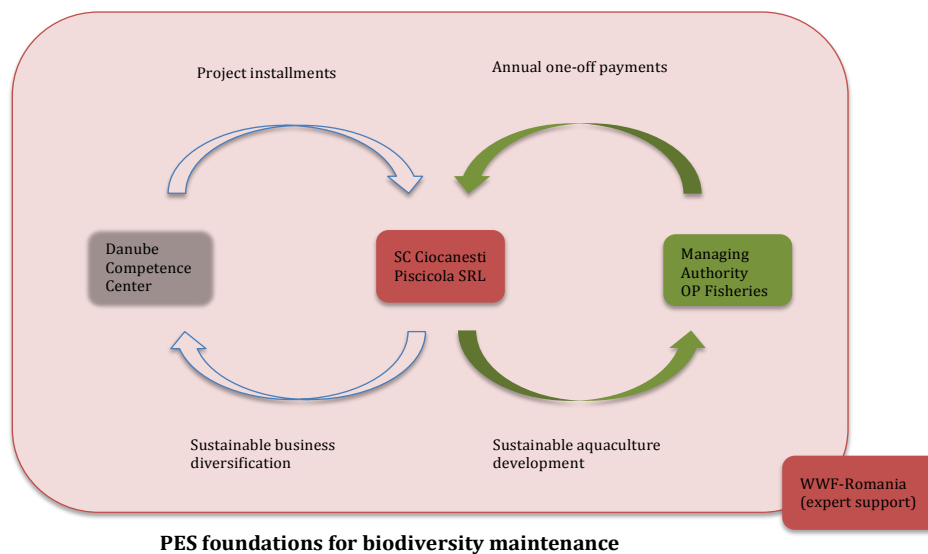
Source: Technical reports, produced by the project team

95. **Ciocanesti PES pilot scheme** covers an area of 255 ha, comprising 30 fishponds or wetlands. The purpose of the scheme is to mobilize public funds for water quality and the maintenance of biodiversity values in fish farm areas along the Lower Danube, by supporting management practices that improve the quality of environment important for birds, and prevent its further degradation from non-responsible

aquaculture practices. The measures tested in the scheme were integrated in OP Fisheries in Romania as described in paragraph 81. This is the only pilot scheme where positive environmental impact is already observed in the increased number of nesting birds and improved water quality. It is very important that the monitoring activities continue and the environmental impact is assessed after the end of the project. It is recommended that the relevant Romanian authorities support the processes which will also benefit national programmes on sustainable aquaculture and water-use, and its monitoring

96. The financial crisis and the lack of public funds compensating the loss from the cormorant birds eating fish (almost 70% of production) almost put the fish farmer out of business before the introduction of the scheme. The main challenge of the team was related to securing the public funds for investment costs for start-up activities of the scheme¹⁹.

Figure 7: Operational structure of Ciocanesti pilot scheme (Romania)



Source: Technical reports, produced by the project team

97. As regards the third aspect of the indicator, namely “at least 500,000 ha covered” by PES schemes under implementation, the area covered directly by project’s PES and SF schemes is 83,595 ha of which 46,225 ha in Romania and 37,370 ha in Bulgaria. The direct area coverage has been achieved at 17% which may be considered as under-achievement of this specific aspect of the indicator. However, the first two aspects of the indicator – the national and local PES schemes under implementation, are truly regarded as the most significant success of the project by most interviewed stakeholders. Aside from the limited amount of funds gathered they established local partnerships that are involved in practice in nature conservation activities. Furthermore, the implemented PES and SF schemes strengthen the understanding that nature conservation is not against development.
98. The PES and related SF schemes can be further replicated on 952,113 ha²⁰ in the two countries. Although there is interest in both national and local stakeholders to replicate PES schemes’ approach in

¹⁹ The first developed application for OP “Fisheries” in 2011 was not approved because the indicators were not considered robust enough. The fish farmer told the TE that he has not received any public funds yet and was tempted to transform the ponds into corn fields.

²⁰ In Bulgaria the schemes can be replicated on 408 975 ha (Lomovete protected site (33 451,13 ha) Bulgarka Nature Park (21 772.2 ha); Vrachanski Balkan Nature Park (28 844 ha); Zapadna Stara Planina protected site (220000ha), Natura 2000, Habitat Directive.

both countries, the achievement of the target of 500,000 ha will depend on further involvement of the project team in the design and implementation of potential PES schemes and will take longer than the five years of project implementation (4 plus one year extension).

99. On a more conceptual level, the TE is doubtful whether the Maramures and Rusenski Lom schemes are truly PES schemes²¹. The main concern of the TE is that the collected payments are going to be spent on improved tourism infrastructure such as trails (in Maramures) and observation tower (in Rusenski Lom). The TE finds that the connection between this type of spending and the ecosystem service is indirect and therefore, the TE recommends that this aspect is specifically addressed and explained in the final reports of these two schemes.
100. The TE fully agrees with the MTR observation that the schemes need to be able to show that they have positive impact on biodiversity and can contribute to global biodiversity benefits, so that their value for financing biodiversity conservation initiatives is proved and their replication or scaling up is justified. Although a monitoring framework and indicators were developed for each scheme, the TE strongly recommends developing a clear post-project monitoring plan for environmental impact of the schemes, with clearly defined responsibilities and commitments.
101. **As regards the second indicator of Outcome 1 “at least five MoUs signed for public/private partnerships”**, three Partnership Agreements were signed for the local PES schemes in Rusenski Lom, Maramures and Persina. The development of the national schemes under the Fisheries OP can also be considered as official agreement for the implementation of the schemes. Therefore, this indicator for achievement of Outcome 1 has been fulfilled.
102. **Regarding the third indicator for development of two proposals for similar schemes in Ukraine and Serbia**, two proposals for PES schemes for **Ukraine** were developed: (1) a private payments scheme for freshwater ecosystem services in the Ukrainian Danube Delta. The goal of this scheme is to improve the management of 3,000 ha of commercial former floodplain areas (rice polders) adjacent to the Danube Delta Biosphere Reserve in Ukraine and the flow of their ecosystem services. WWF partners with Leski rice co, DBR, Ecoforpost co. and Center for Regional Studies (CRS) in this proposal. (2) The second proposal is a project concept (in partnership with UNEP) that targets six Eastern Partnership countries of the EU, including Ukraine, with the aim to perform TEEB scoping and country studies for improved policy-making. **In Serbia** potential PES schemes were proposed as a potential follow up of GEF project Serbia Transitional Agriculture Reform (STAR) – for water flow management and water quality. However, the interviewees from both countries think that studies in Serbia and Ukraine have to be updated and the potential PES schemes should be explored further.
103. **Overall, Outcome 1 was successfully achieved** and completion is rated *Highly Satisfactory*.

Outcome 2: Enhanced technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in Romania and Bulgaria.

Outcome 2 has three indicators to measure progress on achievement:

- At least 2 follow-up proposals for new PES schemes in Bulgaria and/or Romania led by key stakeholders developed;
- PES concept integrated into documents feeding into mid-term review of the national Danube river basin management plans and associated programmes of measures;
- PES concept integrated into draft 2014-2020 Operational Programme for environment, fisheries and rural development for Bulgaria and Romania.

of wetlands where the Persina scheme could be replicated-(39,908 ha) In Romania the schemes can be replicated on 543,138 ha (94138 ha of commercial fishponds where the sustainable aquacultural practices could be applied, 9 microregions with average size of 46,000 ha that expressed the interest to become eco tourism destination, 35 000 ha of high nature value farmlands..

²¹ During the interviews (10-13 June 2014) Julio Tresierra also shared “Ecotourism is not a PES scheme, which is fine, because it is another financial mechanism to secure biodiversity benefit.”.

104. The first indicator of Outcome 2 has two aspects: (1) development of at least two follow-up proposals for new PES schemes in Bulgaria and Romania, and (2) that they are led by key stakeholders.
105. **In Romania** the National Environment Protection Agency and Danube PES team developed a joint proposal on mapping and assessment of ecosystem services (MAES) at national level. The project was expected to be funded under BIODIV priority program of the 2009-2014 European Economic Area (EEA) Financial Mechanism. The role of WWF in Romania was expected to provide expertise on the steps of this process. Furthermore, the Ciocanesti PES scheme was planning to enlarge its scope and include a component on ecotourism. A proposal to build small tourism infrastructure and improve tourism-related capacity was submitted to DCC Biodiversity and Tourism call for proposals. The Danube PES team also provides support to Padurea Craiului (Natura 2000 site in North of Apuseni Mountains, North-West Romania) for establishment of local partnership for ecotourism destination and project proposal for definition of a sustainable finance mechanism. Thus, at the time of TE, there were two proposals for new PES and SF mechanisms as well as one proposal for expansion of the PES scheme under implementation in Ciocanesti.
106. **In Bulgaria**, a project “Linking nature conservation to sustainable rural development project” is already funded by Bulgaria-Swiss-Cooperation Programme, which will replicate the Danube PES project schemes for responsible tourism. The team is already working on the development of the following new schemes (a) Conservation of grassland habitats by reducing the anthropogenic pressure from touristic activities; (b) Adoption of rare breeds – Staroplaninska sheep; (c) Conservation of water ecosystems; and (d) Conservation of forest ecosystems – restoration and maintenance in water supply zones. The team is also exploring the development of two potential carbon schemes: Voluntary offsetting of carbon from the transportation of goods by a local carrier and “Zero interest – zero emissions”.
107. Regarding the integration of PES concept into documents feeding into mid-term review of the national DRBMP and associated programmes, the project team is focused on the revised analysis report of DRBMP and Joint Programme of Measures that will feed then into the 2nd DRBMP. The efforts of the project team are to integrate the concept in: i) the economic chapter²²; ii) the financing of joint programme of measure²³. Currently the PM sits in the ICPDR Economics Task Group. The PD advocates project experience at different ICPDR meetings (e.g. advocating for floodplain restoration as a means for increasing ecosystem services and an appropriate mentioning of such measures in ICPDR reports). Both, the PD and PM attended the Economic Task Group meeting of the ICPDR in March 2014 and presented the results from the Danube PES project. The PD participated in a conference on streamlining EU Strategy for Danube Region (EUSDR) into programming of national EU funds (OPs), in Stuttgart, Germany. The initiative of DG REGIO hosted administration experts from 14 Danube countries and raised their awareness on how they can/should streamline EUSDR issues into national funding programmes. Although the results are not yet evident, the consultations with the relevant stakeholders for the integration of PES/SF mechanisms into Danube RBMP are initiated and on-going.
108. The project has also been seeking to mainstream the PES approach and measures into the associated national Danube River Basin Management Plans for Bulgaria and Romania, which are national plans required under the regional DRBMP (and EU WFD), and like the regional documents will also be reviewed and revised in 2013 and 2014. The review of the project HYRs and PIRs shows clear evidence of ongoing consultations on the integration of the PES approach between the two National Project Coordinators and the key government agencies (Danube River Basin Management Authority in Bulgaria and Romanian Waters in Romania). The Romanian team reported the first steps (related to aquatic ecosystem in the 2nd RBMP) to integrate Ecosystems Goods and Services approach into Water

²² The economic chapter of Danube RBMP is entitled “Economic Analysis of Water Uses” and corresponds to the requirement of article 5 and article 9 of WFD. Article 5 requires an economic analysis of water uses. Article 9 requires that by 2010, EU member-states take account of the principle of cost-recovery, including the environment and resource costs.

²³ The Joint Programme of Measures (JPM) of Danube RBMP builds upon the results of the pressure analysis and the water status assessment to develop measures of basin-wide importance oriented towards the agreed visions and management objectives. The Danube-wide JPM is firmly based on the national programmes of measures.

framework directive (WFD) during the project closing conference. Interviews with the representatives of the Romanian Waters administration pointed out that the project helped with studies and methodology for valuation of water ES.

109. Integration of PES concept into draft 2014-2020 Operational Programmes for environment, fisheries and rural development for Bulgaria and Romania absorbed a lot of efforts and time of the national coordinators. They aimed at influencing the decision making processes and introducing the PES concept into the new Rural Development programs as well as in OP “Environment” and “Fisheries”. A number of position papers and proposals were submitted to the relevant authorities. By the time of the TE all programmes are still in draft versions and are constantly changing. For example, the representative of Bulgarian Fishery Agency said that currently the OP “Fisheries” is re-drafted to correspond to the latest changes into EU legislative framework. However, the likelihood that the responsible aquaculture measures will be incorporated in the OP “Fishery” in both Bulgaria and Romania is very high.
110. Payments for Forestry ES are included in measure 15 “Environmental services and climate related forestry services” of draft Bulgarian Rural Development Programme 2014-2020. In addition, the Bulgarian Executive Forestry Agency created a working group (Order 417/4.6.2014) for development a Council of Ministers regulation for the rules and conditions for payment and compensation for the use of forestry ecosystem services. The Bulgarian national coordinator is a member of the working group and is bringing Danube PES project experience to its members.
111. The TE finds that the efforts and activities of the project team were well focused after the MTR. Still, TE considers that longer time is needed for mainstreaming the PES concept into policy and recommends that the project team continues its efforts to influence the decision making processes in both participating countries.
112. **Outcome 2 was successfully achieved** and completion is rated as *Satisfactory*.

Outcome 3: Increased availability of information on and awareness of PES concepts, schemes and opportunities increased in Danube basin and beyond.

Outcome 3 has two indicators to measure progress on achievement

- Project experiences and lessons learned ('how-to' manuals, good practices guidelines) captured and available to key regional stakeholders and international conservation and development community through project website;
- Increase in awareness scores of PES concepts, schemes and opportunities among pilot site communities, journalists and government agency staff (ministry of finance, agriculture and environment) in Bulgaria and Romania by mid 2013 compared with year 1 baseline.

113. As mentioned already in paragraph 88 lessons learnt are part of the technical reports of all sites. At the time of the TE, the reports are not yet published on the websites (considering that there are at least three individual websites – WWF DCPO website (regional), WWF Bulgaria and WWF Romania (both are in the national languages) managed by different communication officers). TE strongly recommends that the technical reports are made available on all three websites.
114. In 2013, the project team produced a Lessons Learnt Paper that has been presented at numerous events since then in collaboration with other WWF and UNEP offices. Furthermore, WWF Danube PES project was selected as a case study for an innovative solution to implement PES in Europe by the Directorate General for the Environment, under a project "Screening of regulation for innovation impacts in the field of water, as part of the European Innovation Partnership (EIP) on Waters.
115. The second indicator of outcome 3 is an increase in awareness scores of PES concepts, schemes and opportunities, journalists, government agencies staff in Bulgaria and Romania by mid-2013 compared with project year 1. The TE finds this indicator confusing/ not easily understandable and will assess it in two aspects:

- Increase in awareness scores and visits of the website compared to year 1, and
- Overall awareness and capacity building of the stakeholders.

116. The project awareness raising activities documents are carefully documented by the team. The project reported more than 240 articles and publications related to PES concept during the Closing Conference (80 of those after the MTR). The TE witnessed a major publication on PES concept (4 full pages, 2 of which was on the Danube PES project experience) in the Bulgarian ‘Capital’ daily newspaper edition of 26 July 2014.
117. Additionally, information about the project and PES concept was presented in more than 230 trainings and workshops for local and national PES schemes stakeholders; national river-basin management authorities; biodiversity experts; local, national and international NGOs; development experts and consultants as well as journalists. The project team took all opportunities to raise the awareness of local stakeholders. The major international events the project took part in/ or organised are summarized in box 1 below.

Box 1 Major international events with Danube PES project participation

2010	<ul style="list-style-type: none"> • Biodiversity event under Belgian presidency, Biodiversity post-2010 - Biodiversity in a changing world (BE) • 4th Autumn University of the WWF-France • Biodiversity and economy: towards a harmonious relationship? (FR) • Payments for Ecosystem Services -Towards an Implementation Strategy (DE) • WWF PES workshop in Serbia
2011	<ul style="list-style-type: none"> • UNECE and FAO, PES: What role for a green economy? • WWF PES workshop in Ukraine
2012	<ul style="list-style-type: none"> • WWF Workshop: PES & Sustainable Financing in the Integrated Management of International River Basins • WWF Side event to RAMSAR COP: Symposium on Business, Water and Wetlands • CBD Sub-regional Workshop on Valuation and Incentive Measures for Eastern Europe and Central Asia
2013	<ul style="list-style-type: none"> • WB/FAO: Serbia Transitional Agriculture Reform Project Stara Planina National Park GEF Program, Closing Workshop • WWF Saving resources. Moving towards a resource-efficient, “green” economy in the Danube Region • WWF Intl Workshop on Payment for Ecosystem Services / Ecosystem Services • FAO, Multi-Stakeholder Dialogue on Remuneration of Positive Externalities (RPE)/ Payments for Environmental Services (PES) • Annual Assembly "Eastern Partnership. Civil Society Forum"
2014	<ul style="list-style-type: none"> • CBD Workshop on Resource Mobilization for Central and Eastern Europe and Central Asia

Source: Todorova, M., 2014, Presentation at Closing Conference 10-13 June, 2014, Maramures

118. Google analytical statistics show significant increase of the visits of the PES project section of WWF DCPO website between 2011 (0 page views) to 2013 (1,741 page views). The number of the visits for 2014 is going to be more, since it was already 1,157 by end of June 2014.
119. A comparison of the scores of PES mentioning (done by searching keywords in internet) was developed by the project communicator. It reveals that by the end of 2013 PES was mentioned 36 times compared to 8 times in 2009.
120. The TE interviews of the stakeholders revealed that the understanding on what is a PES scheme varies, but the stated explanation correspond largely to the definition used by the project team. Therefore, the

TE considers that the understanding of the relevant stakeholders is increased compared to the MTR stage.

121. **Outcome 3 was successfully achieved** and completion is rated *Highly Satisfactory* upon publication of the technical reports for all PES/SF pilot schemes on the websites; and update, translation and publication of the Lessons Learnt Paper on the respective websites and its submission to the key public stakeholders and authorities.

122. **The achievement of project objectives is assessed towards the post-MTR revised project objective and its four indicators:**

The revised objective of the project is:

“To demonstrate and promote Payment for Ecosystem Services (PES) and related financing schemes in the Danube River basin, and to other international water basins”

It has four indicators:

- PES concept integrated into documents feeding into draft revised regional Danube River Basin Management Plans & Programme of Measures by the end of 2013;
- Increase of direct and indirect area under PES schemes within Bulgaria and Romania by end of 2013 compared to 2009 baseline;
- Increase in number of articles on PES in selected national newspapers/internet sites in Bulgaria, Romania, Serbia and Ukraine by end-2013 compared with project start;
- At least 1 international workshop held to disseminate project results and exchange experience on PES.

123. The first three indicators are repeating the indicators for the outputs and are discussed in section B. Achievements of outputs (para 73-109).

124. The last indicator is related to organization of at least one workshop for dissemination of the results and lessons learnt. The project organised two workshops - one in April 2012, a round table on Ecosystem Services and PES (discussed in MTR). The High level Conference “Moving towards Resource Efficient Green Economy” was held in April 2013 in Sofia (BG). It brought together the President of Bulgaria, Rosen Plevneliev, the European Commissioner for the Environment, Janez Potočnik and Lasse Gustavsson, Executive Director, Conservation of WWF International. They all emphasized the role of ecosystem services for greening economies and the importance of targeting funds for the restoration, protection and management of ecosystems. The TE finds this highly satisfactory, having in mind the time and the efforts needed for the organization of such high-level event, the public awareness gained as well as the support demonstrated from the politicians.

125. Overall the TE finds that the objective was achieved, considering also the fact that the PM is invited to share the experience gained by the PES project in Mekong river basin. The PM will have 2 missions to WWF Vietnam team in Ho Chi Minh City, and will deliver series of training in PES in the framework of the project “Developing a feasibility study/strategy for payment for ecosystem services in the Mekong Delta”. The PM’s main task will be to assess the feasibility of PES and sustainable finance schemes to be applied for the Mekong delta.

126. The TE fully agrees with the reason for the unavoidable delay outlined in paragraph 138 of the MTR. In fact, the TE finds the **delivered results** of the project *Highly Satisfactory*, considering that there is a very high turnover of the governmental agencies staff in the PSC and despite that country ownership of the process can be strengthened. The motivation of the representatives in the PSC varies and the TE recommends the project team to find a way to recognise the most active members of the PSC (for example, by a certificate, recognising their active participation and contribution to the project activities).

ii) Likelihood of impact using RoTI and based on reconstructed TOC

127. To assess progress made towards achievement of impact of project, a Review of Outcomes to Impacts (ROtI) analysis is made, and this analysis is described in the annex of the TORs of this terminal evaluation (Annex 6). The ROtI analysis identifies “intermediate states”, which are transitional conditions between the project’s immediate outcomes and the intended impact, and they are necessary conditions for achieving the impact of the project. It is theoretically possible to determine the Impact Drivers (significant factors that if present are expected to contribute to the realization of the intended impacts and can be influenced by the project, its partners and stakeholders) and the Assumptions (significant factors that if present are expected to contribute to the realization of the intended impacts but are largely beyond the control of the project). Based upon this analysis it is possible to recognize if the project has produced sufficient changes, and to identify the intermediate states.
128. The ratings for the Review of Outcome to Impact Analysis are provided in Table 5. The **overall rating for impact** of the project is **Highly Likely** (BA) and is based on the following:
- The project is the first in Europe where four PES pilot schemes (1 of which is tested at national level) have been successfully developed and implemented (although it took more time and effort than initially planned). First results are evident. Monitoring of the scheme is taking place, however the environmental impact is still to be monitored after the project completion.
 - There are several follow up projects both in Bulgaria²⁴ and Romania²⁵. Scaling up and replication of activities is on-going²⁶. Policy makers in the areas of biodiversity conservation, water management, aquaculture and forestry are in a process of mapping and assessment of ecosystem services and incorporating PES and SF as a tool for their sustainable use and management. WWF will continue to work in this field at national and international level (Developing a feasibility study/strategy for payment for ecosystem services in the Mekong Delta).

²⁴ OPERA project (BG and RO) (<http://operas-project.eu/>), Linking nature conservation to sustainable rural development project in Bulgaria, funded by Bulgaria-Swiss-Cooperation Programme in Bulgaria

²⁵ Project proposal (WWF, ROSA, NEPA) to perform MAES – Mapping and Assessment of Ecosystem Services in Romania (2020 Biodiversity Strategy, Target 2, Action 5) - *BIODIV priority program of the 2009-2014 EEA Financial Mechanism*; First steps to integrate Ecosystems Goods & Services approach into WFD – Romanian approach related to aquatic ecosystem for the 2-nd RBMP (WWF background support + ANAR/RO Waters); project approved under DCC Biodiversity and Tourism call for proposals to build small tourism infrastructure and build tourism related capacity for Ciocanesti pilot area

²⁶ Refer to BD tracking tool figures at project end.

Table 6: Results and ratings of Review of Outcome to Impact Analysis

Results rating of project: Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin							
Objective: To demonstrate and promote PES and related financing mechanisms in Danube River Basin and to other international water basins							
Outputs	Outcomes	Rating (D – A)	Intermediary	Rating (D – A)	Impact (GEBs)	Rating (A)	Overall
<p>Demonstration of implementation of public and private payments for Danube-related ecosystem services in Romania and Bulgaria</p> <p>Replication of PES approach in wider Danube basin region</p> <p>Capacity building for PES/SF for key stakeholders in Romania and Bulgaria</p> <p>Key policies in Romania and Bulgaria effectively support the provision of Danube-related ecosystem services</p> <p>Best practices and lessons learned are documented, distributed and discussed within Danube region and beyond</p>	<p>Models of public and private sector PES and related schemes developed and demonstrated within Danube basin in BG and RO, and approach replicated in wider region</p> <p>Enhanced technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in RO and BG.</p> <p>Increased availability of information on, and awareness of, PES concepts, schemes and opportunities increased in Danube basin and beyond</p>	B	<p>Stakeholders continue PES schemes and replicate them in wider Danube</p> <p>Policy makers/ managers mainstream PES schemes into policy programmes and Danube Integrated River Basin Management Plan</p> <p>Increase in number of communities implementing PES schemes</p> <p>Increase in ecosystem area covered by PES schemes</p> <p>All stakeholders collaborate, share and use updated knowledge and information to evaluate, review and adapt PES schemes for emerging ecosystems threats</p>	A	Ecosystems and their services secured and maintained by the local communities in Danube basin		Highly Likely
	<p>Rating justification: B</p> <p>Although capacity of BG and RO stakeholders has been raised; and recommendations and lessons learnt were presented to the ICPDR working groups; the project did not yet manage to incorporate PES schemes in Danube RBMP.</p>		<p>Rating justification: A</p> <p>Project outcomes have been scaled up or replicated in both BG and RO, where area and communities involved in PES schemes are increasing. Policy makers in Water management and Aquaculture in RO and Forestry and Aquaculture in BG are in a process of incorporating PES into the policy documents.</p>		<p>Rating justification: BA</p> <p>The BA rating corresponds to highly likely that GEBs will be achieved.</p>		

129. The overall rating on **effectiveness** is *Highly Satisfactory*.

D. Sustainability and replication

130. Project sustainability is contingent on adoption, replication and up-scaling of the PES approach and the required financial, institutional and socio-political support. According to the project document, the project will “initiate, develop and promote the long-term sustainability of all its outcomes through a combination of policy, institutional and financing mechanisms including: integration of project outcomes into existing policy and institutional frameworks; establishment of practical arrangements and mechanisms for sustainable financing and PES schemes; involvement of relevant institutions, agencies and stakeholders at river basin, national and local levels in project development and execution; and capacity building for relevant stakeholders both within the Danube and other river basins”.
131. The TE recognizes the fact that the sustainability is a dynamic factor influenced by a broad range of constantly shifting factors. There are many challenges that may hinder the project outcomes sustainability like political instability, climate changes, continuous migration of the young people from rural areas, lack of infrastructure; lack of motivation of the young and educated people. All of those were recognized by the interviewees, but most of them were optimistic that the project results will be sustained.
132. The major risks like climate change, global financial crisis, cuts in the EU/state aims were identified during the project design and the team continuously made efforts to minimise their effect on the project results.
133. Economic crisis became a hot issue, especially for depopulated rural areas, providing lower employment and investment opportunities. The team tried to mitigate that by working with local stakeholders showing them new business and market opportunities related to pilot schemes. For example, the team worked with tour-operators outside pilot areas to promote pilots in Maramures and Rusenski Lom; they ensured funding for the capital investments in Persina pilot site and secured funding for testing the developed measures in Ciocanesti pilot.
134. On national level the team intensified the links with national institutions and started working with them on mapping and assessment of ecosystem services, which is an important step for moving from pilot towards national level PES and/or other economic instruments for ecosystem services. This process and interactions supported capacity building and lobby for the integration of ecosystems services and PES at national and EU level.

i) Financial sustainability

135. The two national PES/SF schemes are reliant on public funding while three of the local PES/ SF schemes – in Rusenski Lom and in Persina (Bulgaria), and in Maramures (Romania) are private schemes. Ciocanesti PES scheme has a mixed character – it started as a private pilot scheme, and then its experience was taken at national level in Romania and Bulgaria. The assessment of their financial sustainability is based on these specificities.
136. The long term financial sustainability of the project depends generally on influencing the EU and national policy and decision makers to allocate sufficient funds to nature and water conservation activities and to recognize PES and other SF mechanisms as important tools for securing the maintenance and the restoration of the ecosystems. This is particularly important for the two national fisheries schemes as well as the proposed national forestry schemes. While this is still a big challenge, there is evidence that mapping and assessment of the ecosystems and their services will happen in both Bulgaria and Romania, since it is already on EU agenda. However, the TE doubts that this will be a priority in other non-EU countries such as Ukraine and Serbia. Still, there is a project proposal for MAES assessment in Ukraine and Serbia. There are certain concerns among regional stakeholders that the reduced EU leverage funding for nature conservation activities may hinder the long term sustainability of the project, and particularly the national level PES schemes.
137. The short-term sustainability of the PES and SF mechanisms differs for the different pilot areas. In **Ciocanesti and Persina pilot schemes** the continuation of the activities is dependent on the self-

motivation and financial stability of the entrepreneurs. Both of them expressed that their willingness to continue depends on securing public funds (in the case of Ciocanesti) or agreements with public administration for continuity of the schemes. **TE rating for these schemes is *Likely*.**

138. The continuation of the schemes in Maramures and Rusenski Lom depends largely on the involvement of WWF team after the project end. The project team is seen as a driving force for these schemes despite the large number of private businesses involved. As mentioned before those are focal areas of WWF in both countries and the presence of the team (at least for the short term) is granted. However, the limited funds gathered in the first year of implementation of the schemes and the still existing financial barriers may lead to decrease in the number of the participating stakeholders (which already happened in Maramures). **The TE rating for Maramures scheme is *Moderately likely*, while for Rusenski Lom scheme the rating is *Likely*.**
139. WWF DCP itself is highly committed to the promotion and implementation of the experience gained in Danube PES project in wider Danube region for conservation and restoration of ecosystems. That is evident from Strategic Objectives 3 and 5, the 3-year WWF Central and East Europe draft strategic plan (FY 2015-17) provided by the Bulgarian national coordinator.
140. The prospects for **financial sustainability** can therefore be considered *Likely*, contingent on the continued support by national governments and bilateral donors for initiatives for developing PES and other SF schemes.

ii) Socio-political sustainability

141. From the outset the project engaged with stakeholders at all levels, from local communities and authorities, NGOs and researchers to government departments and ministries in the two participating countries. Not only did this increase awareness and capacity within the countries but also promoted some degree of ownership of the project results, all of which contribute to socio-political sustainability.
142. During the TE expert visits to the two countries, it was notable that the interest and enthusiasm among local communities for continued involvement in maintenance and conservation of ecosystem services has increased. However, it is dependent on existence of appropriate institutional and policy framework that would allow them to be formally engaged without having any financial losses. The manager of Persina Nature Park expressed concerns that the regional development, demographic situation and the economic crisis may hinder the sustainability of the developed scheme.
143. At political level, the project document recognized that by working with various government ministries in charge of natural resources and land use, lessons learned from the field will be taken into account in policy development processes for nature conservation and sustainable management practices. Progress towards achievement of impact is dependent on the results being integrated into policies and programmes within the target countries and beyond. As mentioned before, there is evidence that this process is initiated in both countries (Working group on payment for forestry ecosystem services and RDP in Bulgaria, MAES project in Romania, Fishery OP in both countries). Interviews with the governmental PSC members confirmed that political changes cannot stop the integration process, although they can slow it down.
144. **Socio-political sustainability** is rated as *Likely*.

iii) Institutional framework

145. Existence of the appropriate institutional framework is critical for sustainability of project outcomes. As discussed before (paragraphs 66-68) in 2012 the European Commission (EC) launched the MAES (Mapping and Assessment of Ecosystems and their Services) initiative to support the development of a coherent analytical framework to be applied in all Member States. The Ministries of environment in both Romania and Bulgaria are undertaking actions to map and assess the ES and introduce ES and PES concept in the main policy documents and related legislation (that is already done in the Forestry act in

Bulgaria) and the TE holds the opinion the existing legal framework in the countries is supportive for the sustainability of the project results.

146. In both countries, the low awareness and capacity of the key stakeholders were recognised as a serious factor limiting the delivery of the PES approach at the beginning of the project. After the needs assessment analysis the project organised a series of trainings for the key institution of developing and implementing PES and SF schemes for the different ecosystems services. The loss of the institutional memory was a significant limiting factor at the beginning of the project, nevertheless, the involvement of the institutions in the project activities increased since 2012 onwards at national level. The interviews during the TE revealed that the commitment of local authorities is still insufficient. This was clearly communicated to the TE by the participants in some of the pilot schemes (Rusenski Lom and Maramures).
147. As mentioned above the commitment of WWF DCPO to the PES approach and building capacity for its adoption and implementation in the region is reflected in its new 3-year plan for CEE region. Much of the Danube PES project goals and activities form part of WWF DCPO strategy. The implementation of the project also helped in building the capacity within WWF DCP existing staff and partners. The staff experience is increasingly recognised at both national and international levels, proved by the numerous invitations received by the project staff members to share their experience.
148. The rating **on sustainability of institutional framework** is rated as *Likely*.

iv) Environmental sustainability

149. The Project Document identifies climate change as a ‘medium’ risk to delivery of project results. This is already a fact in Persina pilot site, where the warm winter season in Bulgaria prevented the mowing of the reed and postponed the implementation of the scheme. Environmental sustainability, however, also requires the appropriate policies, legislation, monitoring, enforcement, etc. to be in place. Large-scale climatic events and human pressures on the ecosystem could influence the environmental gains derived from the project.
150. The biodiversity benefits from Ciocanesti pilot site resulted in an increased number of bird species, nesting birds and improved water quality (measured by the project team in a different project). The environmental benefits and sustainability from the rest of the schemes remain to be seen and measured, however, the positive attitude and awareness of local communities is indicating a positive tendency as long as the expected project impact is that Danube ecosystem services are maintained by the local communities.
151. **Environmental sustainability** is rated *Likely*.

v) Catalytic role and replication

152. The project is a catalyst for development of PES and SF schemes not only in the participating countries but also at regional and international levels. Up to the knowledge of the TE this is the one of the first projects in Europe that is demonstrating that practical implementation of the PES schemes, including the potential for mainstreaming in public and private sectors and processes at local, regional, national and international levels. The importance of the dissemination of the lessons learnt among key stakeholders and institutions has been discussed earlier. Special attention should be paid to communication of PES importance to the general audience. Three of the interviewees (including project communicators) shared the opinion that the subject has to be made more attractive (the actual term used is ‘sexy’) for the journalists and VIPs, so that it can become self-sustained. It will be very important to extract the main steps and lessons learnt for the development and practical implementation of the PES and SF schemes and made it understandable to the general audience. It is worth mentioning that the local partner for Persina pilot scheme joined the project activities after attending a workshop on PES concept, organised by the project team in Pleven. The opinion of the TE is that WWF team is quite

experienced in raising awareness through various activities and this will only be of benefit for future promotion of the PES schemes approach.

153. Replication of the project activities at national and international level was already discussed in paragraphs 105, 106, and 125. It is highly satisfactory that WWF team replicated the experience of Danube PES project in both countries and internationally even before the end of the project.

154. It has to be noted also that PES continues to be a relatively new instrument, and its design, management and monitoring requires combined knowledge of economic, environmental and social sciences. Thus, in the replication activities all of these aspects need to be carefully considered. In the projects, where WWF Danube team is directly involved, the required technical expertise will be provided for, and thus will be key for their success. However, sometimes there are requirements for start-up costs for setting up and running the schemes, which will require external funding. Knowing where to find external funding and how to justify its importance is also very important. Thus, the involvement of experienced PES schemes manager is of crucial importance for the development of new schemes.

Box 2. Major follow up or replication projects with Danube PES project participation

Worldwide	<ul style="list-style-type: none"> Project manager has 2 visits to the project “Developing a feasibility study /strategy for payment for ecosystem services in the Mekong Delta” to assess the feasibility of PES and sustainable finance schemes to be applied for the Mekong delta.
Regional	<ul style="list-style-type: none"> OPERA project (Bulgaria and Romania) (http://operas-project.eu/), Mainstreaming biodiversity and Ecosystem Services into policymaking in the Eastern region - UNEP/WWF approach towards 2020 - project concept that targets six Eastern Partnership countries of the EU, including Ukraine, with the aim to perform TEEB scoping and country studies for improved policy-making
Bulgaria	<ul style="list-style-type: none"> Linking nature conservation to sustainable rural development project” is funded by Bulgaria-Swiss-Cooperation Programme – 6 PES schemes are under development National platform for ecosystem services and biodiversity, managed by the Ministry of Environment and water. The Platform provides funding for mapping, assessment of ecosystem services and PES and is funded by 2009-2014 EEA Financial Mechanism; Small-size project approved under Danube Competence Center, Biodiversity and Tourism call for proposals to develop a thematic trail for the European ground squirrel and link farmers applying extensive practices to tourism for Rusenski Lom pilot area
Romania	<ul style="list-style-type: none"> Project approved under Danube Competence Center, Biodiversity and Tourism call for proposals to build small tourism infrastructure and build tourism related capacity for Ciocanesti pilot area Support given to Padurea Craiului (Natura 2000 site in North of Apuseni Mountains – North-west Romania): establishment of local partnership for ecotourism destination, project proposal for definition of a finance mechanism Project proposal (WWF, ROSA, NEPA) to perform MAES – Mapping and Assessment of Ecosystem Services in Romania funded by BIODIV priority program of the 2009-2014 EEA Financial Mechanism;

155. A proposal was developed by WWF DCPO in cooperation with UNEP that targets all six Eastern Partnership countries of the EU with the aim to perform TEEB scoping and country studies, so that this information then is used for improved policy-making and development of instruments as PES.

156. Replication of project results in other international river-basins is taking place in Mekong river basin. Further possibilities for replication of the project results are identified by the WWF team – for example, the “Natural Water Retention Measures” opportunity with the EIP.
157. The rating for **catalytic role and replication** is *Highly Satisfactory*.

E. Efficiency

158. The cost-efficiency of the PES project has been very good. The project has been built in WWF focal areas in the participating countries and benefitted from the existing studies relating to ecosystem services undertaken by WWF and others at the regional and national levels. However, the technical reports for the PES pilot schemes reflect the relevance of the existing data and offer suggestions regarding what to do if such data is missing.
159. The project was designed to build on the existing internal expertise of the WWF staff (in both participating countries and internationally), which led to certain reallocation of costs. The interviewed WWF staff recognised as a barrier that the costs for external expertise for such an innovative project were insufficient (for example, experts for calculation of carbon stock in PES pilots). While it is difficult to judge which is the better option (more money for staff or more money for external experts), the TE holds the opinion that having sufficient funds for staff costs offers the staff the possibility to be engaged in the project almost fulltime with the related capacity and experience building-up.
160. WWF project team managed the financial resources carefully and the cost savings helped them to finalise the project activities in the most cost efficient way during the one-year no-cost extension. Furthermore, no losses due to the exchange rate were reported by the financial manager.
161. The TE fully agrees with the opinion of the MTR that a major feature that promoted efficiency is having the project embedded within WWF DCP team and activities. Almost all staff had considerable experience in other large scale conservation projects/ activities which was utilized by the Danube PES project.
162. An important factor that increased cost efficiency of staff time and travel funds was the use of Skype-tool for regular project on-line meetings, considering that the project team works in three different countries (Austria, Bulgaria and Romania) and in a number of local offices within the project countries.
163. The TE could not make a comparison in terms of costs and time over results ratios with other similar GEF projects, due to lack of data.
164. The **overall assessment for efficiency** is *Highly Satisfactory*.

F. Factors affecting performance

iii) Preparation and readiness

165. The project took 55.5 month from concept development to the beginning of implementation. This affected negatively the project for a number of reasons: (1) the policy development processes that it aimed to influence originally have passed and the momentum that has been created for PES schemes was lost in both national authorities and local stakeholders; (2) some of the key experts and decision makers from national institutions were replaced during government changes in that period; and (3) key staff in WWF that led the project proposal development has been changed both in WWF DCPO (staff left) and later on in WWF MPO (staff changed focus of work).
166. Thus, when the project started, the project management team was largely new to the project idea. This has led to an initial delay in the understanding of both the project logic and the PES schemes concepts. This delay was caught up only after the MTR.
167. WWF has developed an environmental and social safeguards system, which applies to all projects with GEF financing (www.panda.org/standards). The project document considers the project to have positive

environmental and social impacts due to developing and improving the targeting and use of payments for ecosystems services in the Lower and Middle Danube. The focus of the payment systems developed and supported by the project is on the one hand on biodiversity and water conservation and maintenance, e.g. through improved stewardship of natural resources and ecosystem services; and on the other hand on providing income and improving livelihoods especially for land owners and land users in rural areas, including e.g. farmers, fisheries managers and small-scale/local entrepreneurs.

168. The MTR presented a comprehensive evaluation of the project and made recommendations and suggestions to review and revise project objectives, outcome and logframe and M&E systems. In addition the MTR suggested refocusing the priority areas and cutting down on less important activities. The MTR finds the Danube PES project very ambitious and that the budget and the duration of the project are not enough to deliver its objectives and outcomes. In the MTR's view the project should have been a Full Sized GEF project with a timeframe 5-6 years and a GEF budget US D 3-4 million. The TE fully agrees with the MTR.
169. The TE shares the opinion that GEF mainstreaming projects implemented in a number of countries and in a number of policy fields should be developed as a rule as full-size projects with sufficient timeframes and budget allocations for the mainstreaming process. The approval of the Danube PES project as a Medium Size Project has contributed to both the ambition and the challenges of the project.
170. The management, execution and partnership arrangements described in the project document were satisfactory. The project required a range of knowledge and expertise that was not usually available within a single institution. WWF DCPO with its eco-regional and cross-sectoral focus managed to secure most of the required expertise in-house but has underestimated their need for specialized and focused training on the PES concept.
171. The majority of the project team suggested that innovative types of projects have to be recognized during the approval stage and a pre-phase (3-6 months) for building of sufficient understanding and conceptualization of the issues should be granted for such project. The TE fully agrees with that proposal. The TE interviews confirmed that after the corresponding training (continuous) all project team members and almost all stakeholders interviewed have a better understanding about what a PES scheme is but it took time and a number of training to achieve it.
172. The project also built on the understanding that local partners would be key to facilitate the execution of demonstration projects with the involvement of local communities. Partners at all levels from Danube - regional to local - are identified based on their respective expertise and comparative advantage, which is appropriate for a project of this nature and scale.
173. As regards stakeholders' identification prior to project implementation, the process was done in several steps reflecting the different stages of concept development, submission and re-submission the project proposal for funding. The project document provides evidence and records of the meetings and agreement with the different stakeholders during the different stages. Given the significant delay from concept development to actual implementation, some of the stakeholders were not able to participate in the project implementation as originally planned. At the same time, other stakeholders joined in and participated actively – e.g. the private farming company from Persina pilot. Overall, the four main groups of stakeholders that were originally identified in the project document are still highly relevant for the project. This is proven by the stakeholders' database with more than 1,000 contacts entries at international and national (Bulgarian, Romanian, Serbian and Ukrainian) levels that is created and maintained by the project team.
174. The national and Danube-wide institutional frameworks, governance structures and process as well as policies and related commitments are well analyzed in the project document and form the basis for the actual project implementation. Linkages with specific agencies (Environment, Water and/or Nature protection agencies) and institutions (Ministries of Environment, Agriculture and Forestry) were described in the project document as a strategy to sustain project results. Their involvement was secured by inviting them to join and participate in the Project Steering Committee during implementation.

175. The rating on **preparation and readiness** is **Moderately Satisfactory**. This reflects the weaknesses in the original project design and insufficient initial capacity of the staff and the stakeholders. Although the log frame was revised to reflect a more realistic design, the original design resulted in delays in development and implementation of the PES schemes, which required no-cost extension.

iv) Project implementation and management

176. The project follows largely the management structure as described in the project document (figure 1). The position of Project Director was introduced to institutionalize the responsibilities of WWF DCP team leaders. The role of the International coordinator from WWF MPO was reduced and the PD and PM took on most of his responsibilities. The PD was based in Vienna in WWF DCPO headquarters and the PM was based in Rusenski Lom, one of the project pilot areas. The National project coordinator as all other project staff are WWF DCPO employees and as such have other responsibilities too. On the one hand, this provides for sustainability of project results, whereby existing staff get their PES capacity built and improved, and continue to use it in future WWF projects. On the other hand, this is very demanding in terms of staff time and capacity where they have to cover other projects too.

177. The TE finds it very satisfactory that the PM has developed detailed ToRs for all of the project staff (e.g. more than 20 WWF experts) as well as a procurement plan for all external consultants.

178. Additionally, due to WWF environmental safeguards system, the team aimed to reduce business travel for staff meetings and instead utilized the available online communications (e.g. Skype conference calls). This did not only save on transport costs but produced a direct positive environmental impact from the project related to saved carbon emissions from travel. In addition keeping with WWF's travel policy and environmental management system, Gold Standard carbon offsets were purchased at the end of each year for all air travel.

179. The MTR provides detailed assessment of the project implementation and management arrangements at the design and the inception stage. As regards the project management, the MTR identified some challenges most of which revolved around the need to maintain and increase the capacity of the team. The MTR suggested that enough staff time especially of the National project coordinators and Demonstration staff coordinators (except Ciocanesti) needed to be ensured for the successful implementation of the project. In addition, the MTR suggested that a part-time person had to be employed to help the work of the PM., which was done for a period of 6 months after MTR. A local expert in Maramures was engaged to help the national coordinator in Romania. As a result the engagement of local people in Maramures significantly improved the relations and trust of local stakeholders.

180. As regards project implementation, the project team agreed with all MTR recommendations and revised the project logframe and objectives. In TE's view the two original project objectives were actually merged with the exception of the part "deriving lessons of relevance" (that is actually achieved). Thus, there is no significant difference between the original two objectives and the revised one, hence the level of project's ambition has been maintained even after the MTR. However, SMART indicators for the merged objective were introduced. The TE agrees that they were necessary since the project document contained indicators only at the outcomes level, which on the other hand are a repetition of the output indicators.

181. The work plan of the project was also revised after MTR. Some activities were cut down or reformulated and the project focus was strengthened. The activities that were implemented at the midterm stage were not transferred into the revised work plan. The TE finds this slightly confusing, but understands the logic of the project team to focus only on what had to be done in order to achieve project outcomes.

182. The project team recognises MTR recommendations as very helpful and during the TE interviews actually confirmed some of the MTR as recommendations for future GEF projects:

- At the project approval phase to check whether the goals and indicators included in the project are realistic and measurable, or
- To have the independent review at the inception phase of all projects with innovative approaches or too ambitious goals.

183. Table 7 summarizes the status of MTR recommendations at the time of the TE.

Table 7. Summary of the implementation status of MTR recommendations at TE time

MTR recommendation	Project team management response	Status at the time of TE
1. Refocus on priority areas and cut on less important activity sets	Agree	Project team clarified with UNEP TM boundaries for spending of the Project's GEF funds on EU-level activities. Revised work plan was developed that ensured that priority was given to demonstration level activities, regional and national and policy activities related to revision of river basin management plans and other national-level activities dealing with opportunities for mainstreaming the PES approach. TE holds the opinion that the recommendation is fulfilled.
2. Review and revise project objectives, outcomes and logframe and M&E system	Strongly agree	Project objectives, outcomes, logframe and M&E plan were revised. Synchronised table of the original and revised logframe and workplan was prepared by the PM. TE holds the opinion that the recommendation is fulfilled.
3. Strengthen delivery, impact, sustainability and replication potential of the PES scheme demonstrations	Strongly agree	The PES schemes were reviewed by the independent expert and following the recommendations standardised logframe for each PES scheme was developed. Three MoU for Rusenski Lom, Persina and Maramures pilot sites were signed and Consultative Committees were established. The project also developed follow up proposals for all of the sites. TE holds the opinion that the recommendation is fulfilled.
4. Improve communication and mainstreaming of project results	Strongly agree	The project developed and implemented revised communication plan, but the TE holds the opinion that further efforts are needed for successful completion of this recommendation (29% of the budget is yet to be spent on that component)
5. Improve engagement and uptake of results with the private sector	Strongly agree	The project team made efforts to improve the engagement of the private sector and managed to do that at pilot sites. The motivation of the private sector stakeholders varies and to a large extent it is influenced also by the economic crisis and limiting legislative arrangement that still exist in Bulgaria and Romania. TE holds the opinion that the team has undertaken the necessary steps to address the recommendation.
6. Develop framework for best capturing results, experiences and lessons learned generated by Project	Strongly agree	Project team developed a template for capturing lessons learnt, on the basis of which it produced Lessons learnt paper during project implementation. TE recommends that the team should develop Lessons learnt papers for each site by the end of December 2014 (Recommendations 1&3). TE holds the opinion that the recommendation is fulfilled upon the incorporation of the TE recommendations.

7. Guarantee project staffing and strengthen management for remainder of Project	Agree	Additional part-time person was employed to help the Project Manager for half a year. The main project experts reported that they dedicate more than 90% of their work time to the project activities (confirmed by the PD). TE holds the opinion that the recommendation is fulfilled
8. Develop project sustainability plan with the possibility for a 6-12 month no-cost project extension	Agree	The project was granted and implemented 12 months no-cost extension TE holds the opinion that the recommendation is fulfilled.

184. The adaptive management of the project can be assessed at two levels – national and local levels. At national level, as regards national policies and efforts to mainstream PES schemes, the team performed in a true adaptive management manner. It selected the national Operational Programmes that were most likely to adopt new PES schemes – the Fisheries OP, which were the last to be finalized for the 2007-2013 programming period of EU funds. The team made good use of the available room for Fisheries OPs’ improvement as opposed to National Rural Development Plans or OP Environment, where by 2009 all measures and schemes were agreed and the project had little opportunities to influence them. Thus, the successful proposal and approval of the national PES schemes is based on the adaptive actions taken by the team.
185. At local level, all interviewees found the management of the project very adaptive since the team was responsive to all needs of PES schemes’ stakeholders. Good examples are the two project proposals for biomass processing equipment that were developed by the team in order to secure the initial investments needed for the scheme in Persina pilot site and the engagement of legal experts for proposing solutions for the responsible tourism schemes in Maramures and Rusenski Lom. The annual working plans were updated quarterly by the PM and approved by the WWF-DCP PD, whose efforts for the successful project implementation are highly appreciated by the project team.
186. As regards the project steering and supervision, the PSC was established at regional level (see also para 55). It had 16 members: one representative of UNEP, three members of WWF DCPO and 12 high-level representatives from project countries’ institutions – deputy ministers, directors or heads of units (5 from Romania, 3 from Bulgaria, and two each from Serbia and Ukraine). The task of the PSC was to evaluate the project results and to elaborate recommendations for the implementation of the project activities by project organizations and partners. Reflecting the partnership nature of the project, the PSC decisions had to be achieved by consensus.
187. The PSC had 4 meetings (TE participated in the 4th meeting). In 2013, the PSC had two national meetings - one each in Romania and Bulgaria. This made it possible for the PSC members to focus more on the needs and the activities that had to be undertaken at national level. The TE holds the opinion that while the regional PSC meetings were important for the project’s overall management, the project could have benefitted more from holding annual meetings at national level of PSC members.
188. An important aspect of the PSC is that while the official members were high level representatives from national governments or institutions, in reality some of them changed due to governmental changes, and others sent experts to replace them. This resulted in a different composition of the PSC at each of its meetings, sometimes with ad-hoc members who were not motivated to participate actively in the discussions and formulations of recommendation. On the other hand, there were members of the PSC who participated in all PSC meetings and were effective in contributing to project steering and improvement.
189. At the level of the PES demonstrations sites monitoring committees were also established and active in the discussions and decisions about their local PES schemes. This offers possibilities to disseminate the results of the project more widely at local level.
190. TE rating on **project implementation and management** is *Highly Satisfactory*.

v) Stakeholder participation and public awareness

191. Project partners and stakeholders were initially identified during the PDF-A phase during multi-stakeholder consultations in the two countries. The project document lists the partners, but after the 3-years break between project design and implementation the arrangements had to be clarified or renegotiated during the inception phase. The partners were selected based on a number of pre-defined criteria, including presence and ongoing programmes in the countries and regions (WWF), relevance of mandate, goals and ongoing programmes (government agencies), ongoing activities and experience in the project sites (NGOs), and technical/scientific capabilities, ongoing activities, and availability of relevant data and information (academic/research institutions).
192. During project implementation, new stakeholders were identified either by the project team or through partners' recommendations. Some active partners in local PES schemes were identified during the training and capacity building seminars and workshops organized by the project team. Overall, the TE finds that the project team was open and actively involving new, PES-interested and committed stakeholders. An evidence for this approach is the stakeholders database, which was created and maintained by the team and now lists more than 1000 contacts.
193. The roles of the partners in the local PES schemes were specified in specific Partnership Agreements, which included WWF DCP as one of the partners.
194. The mix of partners was effective and efficient, with each partner making important contributions towards different aspects of the project, which were necessary for achievement of project outcomes. Based on interviews with partners during the conduct of the TE as well as examination of the progress reports, PIRs, and project accomplishments it was clear that the communication among the partners was very good, driven in part by their interest in and enthusiasm for the project. Although the project presented a very new PES concept, the appropriate choice of partners and collaboration between them was instrumental in the successful delivery of project outputs and outcomes.
195. UNEP was not directly involved in the implementation of the project and thus, its contacts with project stakeholders happened either through the Danube PES project team or directly, during the PSC meetings and the related field trips.
196. The TE fully agrees with the MTR view for the important role of the relations with the ICPDR for the adoption and institutionalisation of the Project results into Danube RBMP and considers the further involvement and participation of the PM and PD in the ICPDR working groups as crucial for successful accomplishment of the project long-term goal. Local communities also benefited from training workshops.
197. The ROI analysis recognizes the important role of stakeholders in making progress towards achievement of the GEBs through direct involvement in the implementation of the PES schemes.
198. The PM shared the opinion that one of the obstacles for better involvement of the government institutions was lack of coordination between the different departments of the institution – for example, if the participant is from the Water Directorate of the Ministry of Environment, it did not necessary meant that the project findings and developments would be communicated to the Nature Protection Directorate of the same ministry. This, coupled with the turnover in the experts who represented, for example, the deputy minister decreased the traceability of project information and development in some of the participating institutions. However, TE recognises that this is beyond the control of the project.
199. Significant efforts went into training of journalists in the PES concept and PES pilot schemes. One representative of national economic media from Bulgaria was a regular member of the PSC. This supported the targeting of activities aiming at raising public awareness within the countries during project implementation. National and regional meetings took place regularly in each country during the course of the project. This is discussed in para 117 since one of the revised outcomes of the project targets is an increase in public awareness and availability on more information for PES approach.

200. Interviews and discussions undertaken during the TE visits to the two countries revealed that the increase in the level of public awareness about PES schemes is attributed directly to the project, due to the very innovative character of the project for the two participating countries.
201. The overall rating on **stakeholder engagement** is rated as *Highly Satisfactory*.

vi) Country ownership and driven-ness

202. The project concept was initiated, developed and submitted for funding by WWF. Consultations at expert level have been held with representatives from the ministries of environment and agriculture and rural development, and their related agencies during the entire duration of project conceptualization. The institutional staff welcomed the project's expected contributions to countries' major priorities related to environment and rural development of the focal countries of Romania and Bulgaria, including National Biodiversity Conservation Strategies and Plans (NBSAPs); to commitments under the Danube River Protection Convention and the Lower Danube Green Corridor Agreement (both focal countries are signatories, as is Ukraine); to the implementation of key pieces of EU policy and legislation that have been adopted in both countries, including the Water Framework Directive, the EU Birds Directive, EU Habitats Directive, as well as the EU Common Agricultural Policy and EU Cohesion Policy. At the same time, it has been clear that governmental staff have been overwhelmed by requirements as a result of the initially forthcoming, and then recent accession to the EU. Thus, they have been unwilling to take direct commitment for the implementation of a new four-year, trans-boundary project for introducing an innovative concept like PES schemes.
203. The decision for this type of support of project implementation without direct involvement of governmental agencies has been seen back then as a win-win solution²⁷. It enabled the development and implementation of PES schemes in Bulgaria and Romania without requiring institutional staff's direct involvement. It also provided sufficient flexibility for the WWF Danube PES project team to test different development and implementation approaches for PES schemes outside the heavy governmental protocols.
204. Thus, officially, during the PDF-A phase, GEF Focal points in each participating country provided a letter of endorsement for the project and therefore committed to support the project activities in their countries. The countries' commitment to the project was re-stated during the re-submission phase, when the national governments were again asked if they would be supporting the project.
205. However, the interviews held during the TE confirm the MTR observation that the project is seen by the non-WWF interviewees as purely "WWF's project". The main reasons behind that (described in detail in the MTR) are:
- Extended start-up of the project;
 - The trans-boundary focus of the project;
 - Small scale of the project and implementation arrangements.
206. The prolonged approval of the project has led to lost hopes of stakeholders that participated in the project formulation during the PDF-A phase, including WWF team, governmental experts and local stakeholders alike. After the new window of opportunity for re-submitting the proposal opened, WWF team faced partners' disbelief that implementation was possible. The re-motivation period which has taken as long as the re-submission duration and the first years of project implementation aimed to overcome the de-motivation and to build confidence and capacity in stakeholders.
207. The TE opinion is that countries' institutional ownership corresponds to their agreed status in project implementation. They have no direct implementation responsibilities or indeed, direct funding; but they do participate in the PES capacity building through trainings and improved knowledge base. The institutions represented in the PSC took their oversight responsibility seriously and ensured that their

²⁷ Discussion with Yanka Kazakova, former WWF DCP Nature and Prosperity Team Leader who coordinated the Danube PES project proposal.

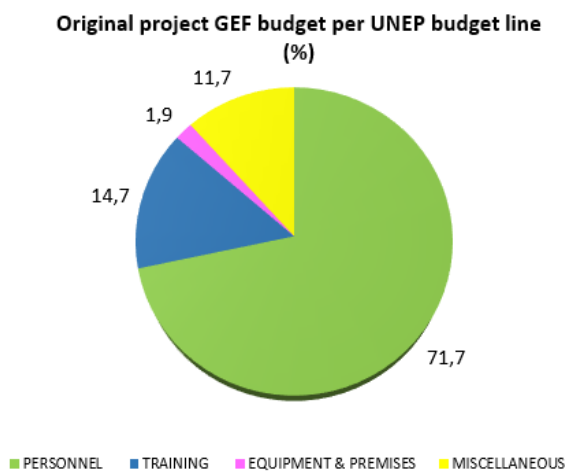
representatives participated in the PSC meetings. Some ministries have sent different experts to the different PSC meetings who lacked appropriate briefing or mandates about the project. Nevertheless, most of the government institutions participated actively in the project both during the PSC meetings and most importantly during the design and development of the national PES schemes. As explained in para 202 they find the experience of the project extremely important in line with several recent national commitments related to the EU strategic objectives such as implementation of the WFD and the Danube RBMP or the mapping and assessment of ecosystem services at national level.

208. The project’s contribution to the ongoing and planned programmes (operational programmes for Fisheries, Environment and Rural Development, MAES, revision of Danube RBMPs) in the countries strengthened the sense of ownership at national level. This was particularly notable during discussions between the TE consultant and Government officials and other national experts in both Bulgaria and Romania. Governmental officials from the Fisheries and Water management agencies were particularly interested to take project results and PES schemes recommendation further and integrate them in the new EU Funds programming period.
209. The TE opinion is that ownership at demonstration sites level is comparatively high in Rusenski Lom, Persina and Ciocanesti sites. It still needs to be strengthened in Maramures pilot site, where a couple of the initial PES scheme partners withdrew from the Maramures PES Partnership Agreement.
210. Overall, WWF team will continue to have important roles for ensuring the future sustainability of the local PES schemes. Probably the most important role will be to continue motivating and inspiring as well as moderating the discussions between local partners as WWF is seen as knowledgeable, objective, independent and impartial player. Another important role will be to provide technical support to local partners, for example, for developing new funding proposals or for reporting the PES scheme income and costs to the state tax authorities, etc.
211. The rating for **country ownership and drive-nness** is *Moderately Satisfactory*, based on limited role of national authorities, the continuing dependence of local partners on WWF support as well as the persisting notion about the project as “WWF’s project”.

vii) Financial planning and management

212. The project’s financial plan and a detailed budget (in UNEP format) are presented in the project Document. The total budget is USD 2,314,049 of which GEF contribution was USD 964,676, and a total co-financing of USD 1,349,373.

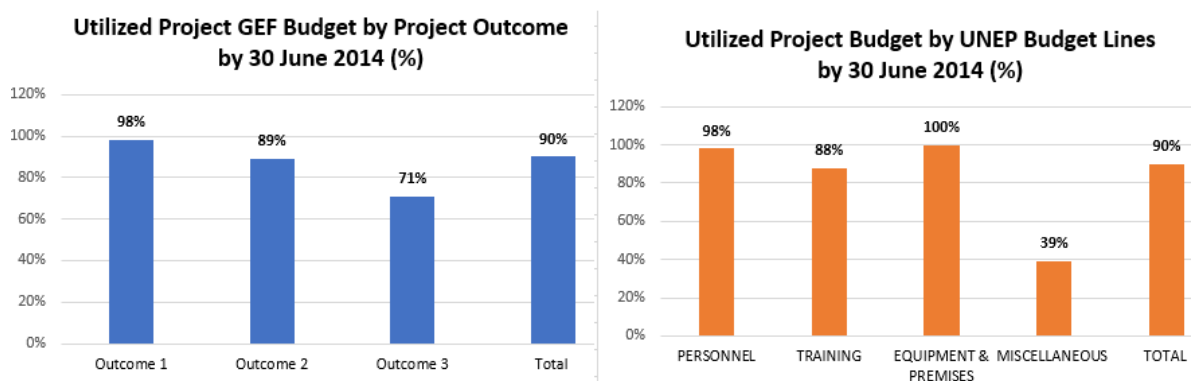
Figure 8. Allocation of Original Project GEF Budget per UNEP Budget Line



Source: ProDoc

213. The biggest share of the budget (65% of the GEF budget and 72% of the WWF financial contribution) goes for the personnel component. This is justified by the fact that a part of it is directed to provision of training courses and awareness raising as WWF experts accumulate a growing PES experience and knowledge, which is very important in a policy mainstreaming project. Additionally, this budget component contains also all staff travel on business.
214. The project focus on capacity building and training of key stakeholders was 14.7 % of the GEF overall budget. The publication of PES experience reports and communication materials as well as project evaluation and audits were planned and reported under the miscellaneous component, which justifies its budget share of 11,7%. The budget for equipment and premises was limited to 1.9%, thus keeping the main project focus on PES schemes development, capacity building and mainstreaming work.
215. The project GEF budget that was utilized by 30 June 2014 represents 90% from the total project cost. The spending per project outcomes is logically linked to the sequence of implementation of project activities and delivery of outputs and outcomes. The budget for Outcome 1 focused on developing and demonstrating PES schemes is already utilized at 98%. The budget for Outcome 2 directed to improving key stakeholders capacity is utilized at 89%. The budget for Outcome 3 is utilized at 71% and it is strongly recommended that this budget is used to produce lessons learnt and technical reports per project site and per policy domain (Recommendations 1, 2 &3).
216. The project budget utilization per UNEP budget line is the following: 98% of personnel costs (this includes also the business travel of staff and consultants); 88% of the training costs are utilized (which is corresponding to the utilization level of Outcome 2 budget); 100% of the equipment component; and 39% of the costs under miscellaneous component. This last component still has to be spent on the publication of PES experience reports (connected to Outcome 3) as well as audit and TE costs.
217. Overall, the level of budget utilization (90%) and the distribution of spending per budget line and outcomes reveals a well-managed project budget closely linked to the implemented activities and outputs and delivering the expected project outcomes and results.

Figure 9. Utilized GEF Project Budget per Project Outcomes and UNEP Budget Lines by 30 June 2014 (%)



Source: Reports by PM

218. Relatively small changes were made in the budgets of the different components during the inception phase and those were approved at the 1st PSC meeting in Bulgaria. The spending per year is generally high compared to the perceived initial delay of project outputs. After the MTR of project plan and the proposal for one-year no-cost extension to allow for more time to deliver project results, the budget was revised to accommodate the necessary costs for 2014 (the no-costs extension year). Thus, the budget spent in 2013 was only 70%, which allowed redirecting the costs for 2014. By 30 June 2014, the overall GEF budget utilization was 90%, which confirms the efficient delivery of the project.

Table 8: Share of GEF Funds Spending per Year

Year	2010	2011	2012	2013	30 June 2014
Share of planned budget spending	82 %	98%	90%	70%	65%

Source: HYRs, PIRs, financial quarterly reports and draft report for 2014

219. WWF provides quarterly reports to UNEP. At the time of TE, the last available quarterly report was for the period 1st Jan – 31st Mar 2014 and a draft for the period 1st Apr-30th June 2014. The cumulative unspent budget till 30st June 2014 was USD 97,665.35(10% of overall GEF budget), indicating that there are funds for successful completion of the project²⁸.
220. The table showing disbursement of GEF funds at TE stage in relation to the estimated start-up costs is included in Annex 3. The project work plan was revised after the MTR, but there were no budget transfers between the original and revised project components.
221. The project is audited annually by an international company, Price Waterhouse Cooper, which confirmed that the grant funds were “managed and expended in accordance with the project agreement terms” and did not have any further recommendations. The project financial officer shares that it will be more cost-efficient if audits are performed at midterm and final stage of the project instead of annually in projects where first annual audit report reports good management of funds and finance management systems.
222. The total co-financing was USD 1,349,373 and was verified by copies of co-financing statements annexed to the Project Document. According to it the cash co-finance is provided by WWF (48.1% of the total budget), while the in-kind²⁹ co-financing (10.2%) comes from partners - government institutions or agencies, NGOs, local authorities, and private companies.
223. The co-financing delivered by WWF by June 2014 was 109% of the anticipated at the project start.

Table 9. Summary of WWF co-finance (in cash) by end June 2014 (in USD)

WWF Co-financing	USD	% co-financing delivered
Anticipated in Project Document	1,114,173	
Anticipated in Inception Report	1,114,173	
Reported by June 2013	948,550	85%
Reported by June 2014	1,213,549	109%

Source: Data provided by the PM

224. Table 9 provides a summary of the reported partners’ co-financing based on information received by the PM at the end of June 2014. The overall contribution from partners exceeds the anticipated at the project start (USD 327,859 compared to USD 235,200). The co-financing from Bulgarian partners had doubled, while the Romanian co-financing was reduced by half. Some of the initially identified co-funding organisation failed to deliver the anticipated in-kind co-funding (Baia Mare Forest Authority, Romania; Dolna Mitropolia municipality, Bulgaria, but they were replaced by Ecologic Association, Romania and ‘Eko den’ private company, Bulgaria, which participated actively in the design and implementation of PES pilots. The biggest in-kind contribution came from a government institution - Rusenski Lom Nature Park directorate (47%) and the NGO Club “Friends of Rusenski Lom NP” (26%) in Bulgaria.
225. At the level of pilot areas, the biggest increase in co-funding provided (relative terms) is in Russenski Lom (BG), followed by Ciocanesti (RO), Maramures (RO), and Iezer (RO) (table 10). The actual co-

²⁸ During the Project Closing Conference, the PM reported the absorption rate of GEF funding by March 2014 at 83%; the total WWF co-funding by June 2013 at USD 881,845 (79%) and total partners’ in-kind contribution at June 2013 is USD 192,775 (78%).

²⁹ In-kind contribution includes staff time, office space and telephone, facilities, meetings space, provision of environmental economic data, maps and reports, vehicles, GPS etc.

financing for Persina has decreased (from USD 48,000 to USD 15,034) due to the decrease in the budgets of the two public partners – Dolna Mitropolia municipality and Persina Nature park directorate. However, the private partner in Persina pilot scheme has leveraged additional funding of USD 13,798,62 to support the necessary investments for the scheme (see Table 11).

226. The main difference in the committed and spent partners' co-finance is explained by the multi-annual duration of the project (five years after the no-cost extension) and the annual budgeting and financial cycle of the public partners.

Table 10. Summary of co-finance from partners by end June 2014 (in USD)

Cash and In kind Co-financing	Anticipated in Project Document	Anticipated in Inception Report	Reported (by June 2014)	% co-financing delivered
Cash - all countries	none	none	none	
BULGARIA				
Rusenski Lom pilot area				
Ruse Municipality	30,000	30,000	4,543	15 %
Tzenovo Municipality	18,000	18,000	1,661	9 %
Rusenski Lom Directorate	9,600	9,600	153,211	1596 %
Club Friends of Rusenski Lom NP	6,000	6,000	84,908	1415 %
Nature Tourism Association	12,000	12,000	14,406	120 %
Sub-total (1) Rusenski Lom	75,600	75,600	258,729	342 %
Persina pilot area				
Persina Directorate	36,000	36,000	12,036	33 %
Dolna Mitropolia Municipality	12,000	12,000	0	0 %
ET Eko Den	0	0	2,998	n.a.
Sub-total (2) Persina	48,000	48,000	15,034	31 %
SUB-TOTAL (3)=(1+2) BULGARIA	123,600	123,600	273,763	221 %
ROMANIA				
National level				
Environmental Protection Agency	73,200	73,200	10,069	13,75
Romanian Water Authority	12,000	12,000	7,351	61,25
Sub-total (4) RO national	85,200	85,200	17,420	20 %
Maramures pilot area				
Baia Mare Forest Authority	12,000	12,000	0	0,00
Ecologic Association	0	0	20,624	n.a.
Sub-total (5) Maramures	12,000	12,000	20,624	172%
Ciocanesti and Iezer Calarasi pilot area				
Ciocanesti Fish farm	7,200	7,200	13,350	185,42
Iezer Calarasi Fish farm	7,200	7,200	2,702	37,53
Sub-total (6) Ciocanesti/Iezer	14,400	14,400	16,052	223 %
SUB-TOTAL (7)=(4+5+6) ROMANIA	111,600	111,600	54,096	48 %
TOTAL (3+7)		235,200	327,859	139 %

Source: Data provided by the PM and TE calculations

227. The project mobilized additional leveraged funding of USD 18,560,241.94. This is funding which the project team reports as being influenced by the team experts. The Danube PES team role has been to steer the targeting of the public funds to the management, mapping and/or payments for ecosystem services in the project countries Bulgaria and Romania – e.g. aqua-environmental payments or forest-environment payments or mapping of ecosystem services at national level. The total sum of the leveraged public funding in Bulgaria and Romania is USD 18,272,085.52. The leveraged public funding is an indicator for the mainstreaming of PES in national biodiversity, fisheries and forestry policies. Despite its modest amount for a seven-year period (2014-2020) and for two countries, it reveals the governments’ commitments to provide public support for ecosystem services.
228. The Danube PES team was also successful in supporting the fundraising of PES scheme partners and stakeholders. A total sum of USD 288,156.42 was directed to support the PES schemes in Maramures and Ciocanesti, Romania, and Rusenski Lom and Persina, Bulgaria.

Table 11. Summary of co leveraged funding end of June 2014 (in USD)

Leveraged funding by source	USD
<i>Total Leverage Funding</i>	18,560,241.94
BULGARIA	TOTAL
<i>National level – Public Funding (sub-total)</i>	13,570 000
Executive Agency for Fisheries and Aquaculture, Bulgaria	1,850,000
Measure 15. Ecosystem services and climate and forest-protection-related services in the forestry sector, Bulgaria, Rural Development Programme 2014-2020, Art. 34, Regulation (EC) No 1305/2013	10,820,000
EEA / Norwegian Financial Mechanisms 2009 - 2014, Priority 3, Sectoral policies on systematic use of ecosystem services ³⁰	900,000
<i>Rusenski Lom pilot region(sub-total)</i>	8,676.8
The European Ground Squirrel experience, Danube Competent Centre	8,676.8
<i>Persina pilot region (sub-total)</i>	13,798.62
Establishment of an enterprise for the processing of agricultural biomass for the production of briquettes and pellets, Procedure BG51PO001-1.2.03, ESF Operational Programme Development of Human Resources	13,798. 62
ROMANIA -	TOTAL
<i>National level – Public Funding (sub-total)</i>	4,702,085.52
EU funds - OP Fisheries, Romania	124,996
Demonstrating and promoting natural values to support decision-making in Romania, EEA / Norwegian Financial Mechanisms 2009 – 2014	4,577,089.52
<i>Maramures pilot region (sub-total)</i>	121,101
Development of ecotourism destination Mara - Cosau - Creasta Cocosului, Romania NGO Fund	121,101
<i>Ciocanesti pilot region (sub-total)</i>	144,580
Protection and improvement of environment, natural resources and genetical diversity and management of the landscape and traditional activities in Piscicola Ciocanesti fish farm, OP Fisheries, Axis 2, Measure 2.1 – Aquaculture, Action 2.1.4 – Measures for aquatic environment, Operation 2.1.4.1 – Environmental Protection	110,614
Improving tourism accessibility to enjoy birds diversity at Ciocanesti fishfarm, Calarasi County, Romania, Danube Competent Center	33,966

Source: Data provided by PM in July 2014

³⁰ The budget for the component is specified in the Programme Agreement for Programme “Biodiversity and Ecosystem Services”, available at: www.eeagrants.org/programme/getagreement/BG03/EEA

229. During the TE discussions the PM recommended simplified procedure for financial management of the project – the work of the team was impeded till the budget revisions are incorporated in the financial data base, which is reported to take some time and created confusions for the valid budget for the period from the approved revision till its incorporation in the financial data base.
230. The TE rating on **financial planning and management** is **Highly Satisfactory** based on the substantial co-funding raised by WWF and sound management of project funds.

viii) UNEP supervision and backstopping

231. UNEP responsibilities and role as implementing agency are described in the Project Document and include: overall project supervision; monitor implementation of the activities undertaken during the execution of the project; provision of guidance on linkages with related UNEP and GEF funded activities; regular liaison with the executing agency and provision of assistance and advice on project management (e.g. revisions of work plan and budgets) and policy guidance in relation to GEF procedures, requirements and schedules; clearance and transmission of financial and progress reports to the GEF Secretariat; review and approval of all substantive reports produced in accordance with the schedule of work; and, participation in meetings and workshops as appropriate.
232. Up to the TE there were three successive Task Managers of the project within the UNEP Division of GEF Coordination that together with the Fund Management Officer (FMO) provided the oversight and the supervision of the project. The current TM was appointed at the end of 2013, after the former took to another assignment.
233. The oversight and supervision included supervision missions, active participation in the SC meetings, input during field missions on reports, working programme revisions and PIRs. PIRs showed if the project was achieving the technical outputs and eventually the expected outcomes. The PIRs provided detailed information on and assessment of project progress as well as actions needed to address identified problems. Three PIRs were prepared prior to the TE. For each PIR, the TM was responsible for giving an overall rating (using GEF 6-point scale system) of project progress towards meeting project objectives, on overall project implementation progress, monitoring and evaluation, as well as identifying actions required to address low ratings. The PIRs also included a detailed analysis of risks, and the TM was responsible for providing ratings on his/her assessment of risks to the project. Ratings assigned in the PIRs were realistic. All PIRs rated the overall status of the project as Satisfactory, commenting that towards the end the project is on track to reach High Satisfactory rate.
234. Both PD and PM informed the TE consultant that they had a very good working relationship with the TM and he provided also technical support to the project team and facilitated linkages with other relevant projects and contacts (he was helpful in identifying individuals to participate in the April 2012 workshop, and linked the PM with STAR project in Serbia), that enabled the project team to promote the PES approach and its adoption and use in the region. However, apart from the support it does not seem that there will be any technical review of the technical reports for each site, as stated in the project document.
235. The PM shares the opinion that future projects can benefit if a data-base with relevant GEF experts is created (similar to the projects data base that currently exist). This will enable the project teams to do easier identification of professional experts needed.
236. Financial records for the GEF funds were maintained by a Fund Management Officer (FMO). Oversight on the GEF funds administration was supported by the FMO.
237. The rating on **UNEP supervision and backstopping** is **Satisfactory**.

ix) Monitoring and evaluation

M & E Design

238. M&E design followed UNEP's standard monitoring and evaluation procedure. The original project log frame (or results framework) was included in the project document. A more detailed M&E plan with revised budget is included in part 6 of the Inception report of the project. The M&E plan identified the timeframe for M&E activities like PSC meetings, HYRs, PIRs, mid-term and final evaluations, audits and describes the responsibilities of the different parties included in the M&E process.
239. The MTR found a number of weaknesses in the original project's logframe like having two objectives instead of one, lack of objectively verifiable indicators, too ambitious outcomes, lack of quantitative baseline information for some of the indicators, etc. (see paragraphs 245 – 250 of the MTR report)
240. Following the recommendations of the MTR the logframe and the corresponding work plan were modified. The logframe was revised together with the MTR consultant. The outputs were changed and verifiable and specific indicators were included. The targets were made more realistic. Thus the logframe quality was significantly improved. The revised logframe has been used in the PIRs to report progress toward objectives. For introduction of the revised log frame and work plan reporting synchronizing tables were prepared by the PM.
241. The rating on **M&E design and arrangements** is **Satisfactory**, considering the significantly improved logframe after MTR.

M&E Plan Implementation

242. The M&E system envisaged in the inception report is operational and all required reports are produced (the final PIR was being drafted during the time of the TE).
243. The principal means of tracking progress were through the Steering Committee meetings, Project Implementation Reviews (PIRs) for each financial year, and Half Yearly Progress Reports (HYRs). The TE reviewed the first three PIRs of the project (FY2010-2011, FY2011-2012, FY2012-2013). All reports contained information of the progress of the project implementation and ratings against the corresponding sets of indicators and the achievement of the activities (in per cent). In addition to these, half yearly progress reports with detailed description of the half year results achieved were prepared (although not originally required for the project) by the PM. Both types of reports are very detailed and have a very good quality giving significant information for the project implementing status. Quarterly financial reports were also submitted by WWF DCPO.
244. In September 2012, a very detailed and comprehensive MTR report was produced. The MTR report contains eight recommendations that upon delivery will increase the likelihood that the project will be implemented successfully. Consequently, the PM developed a management response to those and is reporting the actions taken for their accomplishment in the PIR 3 report (which was not a requirement since the MTR rating was Satisfactory). It has to be noted that the 3rd PIR contains a detailed Lessons learnt section (as recommended by the MTR). The TE comments on the Lessons learnt are presented in paragraph 17 and 18.
245. The draft BD Tracking Tool (presenting status at the end of the project) was completed during the TE and was discussed with the PM. The TE holds the opinion that it is filled in correctly.
246. The rating on M & E implementation is **Highly Satisfactory**.

Budgeting and funding for M&E activities

247. The costed M&E Plan is presented in Annex 7 of the Project Document. The total cost for M&E activities is USD 227,571, including separate budget lines for MTR and TE as well as other activities.
248. The rating on **budgeting and funding for M&E** is **Highly Satisfactory**.
249. The **overall rating for M&E system** is **Satisfactory**.

G. Complementarity with UNEP strategies and programmes

Linkage to UNEP's PoW 2010-2011 and PoW 2012-2013

250. The PES Project was formulated some 4-5 years prior to the publication of the UNEP Medium Term Strategy (MTS) 2010-2013 and related biennium Programme of Work (PoW) for the period 2010-2011 and 2012-2013, but nevertheless the project results will contribute to the following cross-cutting priorities:
- climate change: increased carbon sequestration as a result of the biomass PES scheme at Persina, as well as potential carbon sequestration projects at Rusenski Lom and Maramures demonstration sites (only drafts at the time of TE) ecosystem management: while the integration of the Payment for Ecosystem Services approach into regional and national Danube RBMPs and associated programmes of measures is expected to happen after the end of the project, there are evidence that the capacity of key stakeholders to utilize ecosystem management tools is enhanced; the project also proposed aqua-environment measures that are currently applied at national level in Romania and affecting more than 94,138 ha of commercial fishponds; the project is exploring alternative financing approaches to address degradation of priority ecosystem services particularly for protected areas. The developed MoU for PES and PES like schemes clearly promote adaptive management, participatory decision-making and sustainable financing through payments for or investments in ecosystem services in order to reverse degradation and increase ecosystem resilience.
 - environmental governance: strengthened policies for achievement of environmental priorities, through identifying and addressing policy gaps with respect to the PES approach to improve integrated river basin management and EU payment mechanisms; improved institutional capacity in the area of protected area governance and management through development and training in PES approaches; and improved access to information on PES through project reports (lessons learnt, technical reports, case studies, guidelines, policy briefs, etc.) available through the project website.
251. At the time of the TE, the extent of these contributions cannot be measured, because the environmental impact of the PES schemes is yet to be monitored.

Alignment with the Bali Strategic Plan (BSP)

252. According to the MTR the PES project is contributing in a general sense to Objective A of the Bali Strategic Plan for Technology Support and Capacity-building, which was adopted in December 2004, through strengthening the capacity of the participating governments to achieve their environmental goals and targets, through individual and institutional capacity building. Technology support (Objective B) is being provided through the PES models being piloted and adapted at the demonstration sites, and through the promotion of the project results (case studies, lessons learned, etc.) through the project website and other communication modalities. The project also encourages a participatory and multistakeholder approach especially on local level (Objectives D and F). The TE evaluation shares the opinion of the MTR.

Gender

253. The project design did not explicitly make any provisions for consideration of gender. No specific lessons related to gender have been raised under the relevant sections in the PIRs, nor is there any monitoring of resource allocation according to gender in the M&E Plan. It happens that almost all the current WWF project implementation team is all women (including the Project Director, Project Manager and two National Project Coordinators, and all four Site Coordinators). However, this had not been intentional and there was equal gender representation among WWF technical experts working with the team. Among participants in the pilot PES schemes there is almost an equal representation of both genders. It is suggested that some gender indicators are addressed in the final project report.

South-South Cooperation

254. The Danube PES project did not explicitly aim to promote South-South cooperation, given that Bulgaria and Romania are the main target countries. However, the North-South opportunities are to

come from the sharing of project results with Mekong river basin: The PM was expected to have 2 missions to WWF Vietnam in Ho Chi Minh City, and to deliver a series of trainings in PES in the framework of the project “Developing a feasibility study /strategy for payment for ecosystem services in the Mekong Delta”. The PM main task was to assess the feasibility of PES and sustainable finance schemes to be applied for the Mekong delta.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

255. The GEF medium size project “Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin” was designed to develop and promote PES/SF schemes in Bulgaria and Romania. Specifically, it set out to build capacity of relevant stakeholders such as river basin managers and other national and local partners and to share the experience and information gained with stakeholders from Serbia and Ukraine, and other Danube countries as well as with other international river basins.
256. The major objective of the terminal evaluation was to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. These criteria are addressed in Part IV of this report.
257. The project’s objectives and implementation were relevant and have become even more relevant since project inception in the context of increased focus on ecosystems valuation and integration in international, national and local policies (para 66-74). Given the limited experience with PES schemes implementation in European context, the project is an important PES reference point for (a) national governments which have to address issues related to RBMPs and related PoMs, effective management of Natura 2000 networks, mapping and assessment of ecosystem services as well as local socio-economic issues in rural areas; (b) ICPDR and other Danube-wide bodies which are developing the second round of Danube RBMPs and have to develop and implement working instruments to achieve good water status; (c) European institutions looking for innovative models for water management through the European Innovation Partnership for Water Initiative; as well as (d) UNEP, GEF, and the PES-interested community from other international river basins.
258. Overall, all three project outcomes were successfully achieved and rated as **highly satisfactory**. However, additional efforts will be required by WWF DCP team after the project end in terms of post-project monitoring plan of environmental impacts of the pilot PES/SF schemes; continued policy advocacy for full mainstreaming of PES concept into policy; and up-date, translation and publication of technical reports and lessons learnt paper on all project websites and submission to key public authorities (para 88, para 99, para 111 and para 121).
259. Unquestionably, the biggest success of the project is the identification, design, development, agreement and commencing the implementation of four distinct PES /SF schemes for a variety of ecosystem services in two countries for a period of four years (para 79-121). The project experience places WWF DCPO at the forefront of PES /SF field in Bulgaria and Romania as well as in Serbia, Ukraine and Europe in general. The first positive biodiversity results are recorded in Ciocanesti pilot area (para 95).
260. Although the schemes became operational towards the final project year, there are important lessons learnt which are already being shared with the wider PES-interested community. At this stage of PES schemes lifecycle, they are mostly difficulties of schemes design and start-up such as the need to secure initial investment for improved and new equipment in Persina (para 90); or the general lack of legal and financial framework for treating the costs for and benefits from nature management in Rusenski Lom and Maramures (para 92 and para 94); or ensuring that public funding is actually spent, not only earmarked for PES (para 96).
261. The project team was also successful in developing two other PES schemes with partners but they were not implemented for reasons out of the team’s influence – the Iezer Calarasi scheme (RO) had unsorted ownership issues (para 87), and the voluntary (State Aid) scheme in Bulgaria for replacement of the grain fodder used in the commercial fish ponds with less polluting granulated alternative had not been open for implementation although the documentation and guidelines had been developed (para 82).

262. Two proposals for PES schemes in Ukraine and one proposal for Serbia were also developed. It is still not known if these proposals are going to be funded and implemented. In any case, national stakeholders from the two countries felt that the studies carried out by the project may need to be updated and the potential for PES schemes to be explored further (para 102). Overall, the role of Serbia and Ukraine in the project was as beneficiaries of Bulgaria and Romania PES experience, thus, there is a need for more intensive PES information sharing and capacity building.
263. The first steps for mainstreaming PES concept into national policies for fisheries as well as rural development were successfully implemented upon the limits of the team's influence. It was also expected that the new OPs Fisheries for both countries would transfer the accumulated experience from Ciocanesti pilot scheme in the 2014-2020 EU Funds programming period (para 83-84 and para 105 and 109).
264. WWF DCP experts are continuing their efforts to mainstream the PES approach and measures into the regional DRBMP and the associated national DRBMPs for Bulgaria and Romania, which were reviewed and revised in 2013 and 2014. The efforts at regional level were to integrate the concept in: i) the economic chapter; ii) the financing of joint programme of measure (para107). However, for full and meaningful PES mainstreaming into national policies longer period of time is needed and the experts need to continue their efforts in this direction post-project end.
265. The project awareness raising and capacity building activities were numerous – more than 230 trainings and workshops where PES was presented; more than 240 articles and publications produced and shared. However, it is not easy to track these events and activities for an outsider of the project given that there are three institutional websites – WWF DCP website (regional), WWF Bulgaria and WWF Romania (both are in the national languages) managed by different communication officers). Additionally, not all project publications and information materials are available in the two national languages, which is a hindering factor, especially for local stakeholders (para 116-120).
266. Effectiveness of the project is considered highly satisfactory. The TE finds the delivered results of the project highly satisfactory, considering that the high turnover of governmental agencies staff in the PSC and despite that country ownership of the process can be strengthened. The motivation of the representatives in the PSC varies and the TE recommends the project team to find a way to recognise the most active members of the PSC (for example, by a certificate, recognising their active participation and contribution to the project activities) (para 125-126).
267. The cost-efficiency of the PES project has been very good. The project has been built-in WWF focal areas in the participating countries and benefitted from the existing studies relating to ecosystem services undertaken by WWF and others at the regional and national levels. WWF project team managed the financial resources carefully and the cost savings helped them to finalise the project activities in the most cost efficient way during the one-year no-cost extension (para 158-164).
268. Project sustainability is contingent on adoption, replication and up-scaling of the PES approach and the required financial, institutional and socio-political support and is rated as likely. The TE recognizes the fact that the sustainability is a dynamic factor influenced by a broad range of constantly shifting factors. There are many challenges that may hinder the sustainability of project outcomes like political instability, changes in climate, continuous migration of the young people from rural areas, lack of infrastructure; lack of motivation of the young and educated people. All of those were recognized by partners, but most of them were optimistic that the project results will be sustained (para 130-157).
269. Ratings for the individual criteria are given in Table 12. The overall rating for the Danube PES project based on the evaluation findings is **Highly Satisfactory**.

Table 12. Summary Assessment and Ratings using Evaluation Criteria

Criterion	Summary Assessment	Rating
A. Strategic relevance	Based on the assessment of project relevance to local and national priorities and policies, priorities related to relevant international commitments, and to GEF strategic priorities and objectives as discussed in para 66 to 74.	HS
B. Achievement of outputs	Overall rating for achievement of outputs is highly satisfactory since at the time of the TE most of the outputs were delivered with the exception of the ones related to continuous lobby work and dissemination of project results that will run till the completion of the project (31 st December 2014) (para75 to 78)	HS
C. Effectiveness: Attainment of project objectives and results	The overall rating on effectiveness is highly satisfactory (para 79116) upon the completion of the conditions in para 88, 99, 111 and para 121	HS
1. Achievement of direct outcomes	There is clear evidence that the project outcomes have been successfully achieved in both participating countries (para 79-121)	HS
Outcome 1	Successfully achieved and completion is rated highly satisfactory, dependent on the preparation of the post-project monitoring plan of the environmental impact of the PES and SF schemes (para 79 - 103).	HS
Outcome 2	The efforts and activities of project team were well focused after the MTR and the outcome is successfully achieved (para 104 - 112).	S
Outcome 3	Successfully achieved and completion is rated HS upon publication of technical reports on the websites, update, translation and publication of a summary of the lessons learnt paper on the respective websites and its submission to key public stakeholders authorities (para 112-121).	HS
2. Likelihood of impact	It is highly likely that certain GEBs will be achieved (para 127-129) by the project	HS
3. Achievement of project goal and planned objectives	Although the capacity of the main stakeholders and river basin managers in both of the participating countries has been enhanced and project results are spread on international scale and the project is attracting interest at EU and worldwide level, the project results are not yet introduced in the 2 nd Danube RBMP. (para 122-126)	S
D. Sustainability and replication	The overall assessment of sustainability is Likely.	L
1. Financial	The prospects can be considered likely, contingent on the continued support by national governments and bilateral donors for initiatives for developing PES and other SF schemes.	L
2. Socio-political	Political changes cannot stop the integration process, but they can slow it down.	L
3. Institutional framework	The loss of institutional memory was a significant limiting factor at the beginning of the project, but improved since 2012 onwards at national level. The commitment of local authorities is still insufficient especially in Rusenski Lom and Maramures.	L
4. Environmental	Positive biodiversity benefits from Ciocanesti pilot site already observed. The other schemes' environmental benefits remain to be seen, however, the positive attitude and awareness of local communities is indicating a positive tendency as long as the expected project impact is that Danube ecosystem services are maintained by the local communities	L
5. Catalytic role and replication	The project is a catalyst for PES/SF schemes development not only in Bulgaria and Romania, but also at regional and international level – SR, UA, EIP, Mekong river basin.	HS

E. Efficiency	The project was embedded within WWF DCP team and activities and was designed in a way that profited from internal WWF expertise. The project team managed the financial resources carefully and the cost savings helped them to finalise the project activities in the most cost efficient way during the one-year no-cost extension	HS
F. Factors affecting project performance		
1. Preparation and readiness	This reflects the weaknesses in original project design and insufficient staff and stakeholders' capacity. Although the logframe was revised to reflect a more realistic design, the original design resulted in delays in development and implementation of the PES schemes, which required no-cost extension.	MS
2. Project implementation and management	The work plan of the project was revised after MTR. Some activities were cut down or reformulated and the project focus was strengthened. The team prepared management response to the MTR recommendations and managed to fulfil most of them by the time of the TE, which helped with the delivery of the outcomes.	HS
3. Stakeholders participation and public awareness	The project allowed for active involvement of relevant stakeholders. Some active partners in local PES schemes were identified during the training and capacity building seminars and workshops organized by the project team. Project team was open and actively involving new, PES-interested and committed stakeholders. Stakeholders database, with more than 1000 listed stakeholders is maintained by the team.	HS
4. Country ownership and driven-ness	The countries' institutional ownership corresponds to their agreed status in project implementation. They had no direct implementation responsibilities or direct funding; but are involved in the PES capacity building through trainings and improved knowledge base. The institutions represented in the PSC find the experience of the project extremely important in line with several recent national commitments related to the EU strategic objectives. The rating on country ownership and driven-ness is Moderately Satisfactory based on limited role of national authorities, the continuing dependence of local partners on WWF support as well as the persisting notion for the project as "WWF's project"	MS
5. Financial planning and management	The TE rating is Highly Satisfactory based on the co-funding raised and sound management of project funds.	HS
6. UNEP supervision and backstopping	UNEP played an adequate role in supervision and backstopping.	S
7. Monitoring and evaluation	The overall rating on M&E is based on M&E Implementation rating.	S
a. M&E Design	The rating is Satisfactory, considering the significantly improved logframe after MTR.	S
b. Budgeting and funding for M&E activities	Sufficient budget for M&E activities given the large number of project activities – including MTR and TE	HS
c. M&E plan Implementation	Progress and technical reports satisfactorily submitted and used to track project performance and progress.	HS
Overall project rating	Achievement of outcomes, effectiveness and efficiency are all highly satisfactory; sustainability is likely and monitoring and evaluation is satisfactory.	HS

B. Lessons Learned

270. A number of valuable lessons learnt are given in the MTR related to project design and review and the roles of GEF and UNEP; project management and implementation as well as demonstration sites. The following lessons (some of which reinforce those of the MTR) emerged during the TE:

Project Management and Implementation

271. The inception phase of innovative projects such as PES mainstreaming is particularly important not only for signing contracts and mobilizing the team, partners and budgets, but also for conceptual clarifications such as “what is a PES scheme and what is a SF scheme”; “what are the specific approaches for mainstreaming them in national policy and programmes”; “how shall we practically measure both the progress and achievement”, etc. The specific definitions to be used by the project have to be agreed at this stage.
272. The inception phase is also very important for training the project team on the new concept or innovative approach to be applied in the project in order to reach a common level of understanding and unified direction of team’s efforts.
273. Indicators and logframe need to be very carefully revised and evaluated at the beginning of the project to ensure their SMART-ness and verifiability. If necessary experts familiar with project implementation and the requirements of donor have to be used.
274. The actual environmental impacts of most four-year mainstreaming projects are only likely to come after the end of the project. Therefore, it is important to introduce specific arrangements where post-project monitoring of environmental impact is ensured in a meaningful way for the Implementing Agency and the Executing Partner.
275. For a project of this innovative nature, it is important to provide adequate and continuous technical support to the project team from the start (e.g., through involvement of specialized PES experts). Limited technical support during the first two years of the project hindered progress which was overcome when good expert with appropriate expertise was involved.
276. On-going communication among all partners involved in project implementation is crucial, especially when it involves many partners in several countries and sites. There must be a common understanding among all concerned about the expectations and implementation approaches, including clear articulation of roles and responsibilities.

Stakeholder engagement

277. Engagement and motivation of a wide cross-section of stakeholders at all levels - local communities, regional authorities, national governments and EU or international institutions is important in projects in which the achievement of the expected long term impacts is highly dependent on their actions.
278. Inputs of stakeholders and potential partners into project design but also project adaptations and flexibility are very important for projects whose implementation and execution rely on their involvement. This helps to ensure that the project’s design, objectives, activities, and expectations are in line with their capacity and capability, and promotes efficiency and ownership.
279. Mainstreaming projects usually require changes in legislation, regulatory framework or policy documents and their sustainability depends on the country ownership and willingness to introduce them. Therefore, it is very important to have active participation of the government institutions and motivation of key decision makers.
280. For future GEF projects, where the executing partner is an NGO and the governments have no direct funding, it is important that the implementing agency (UNEP or UNDP or else) use all its instruments to convince national governments to encourage high level representation in the PSC and improve country ownership of the project.

PES concept and PES schemes

281. PES is an innovative economic instrument but it is not applicable in all situations, and it is difficult to apply the same approaches for different pilot areas even when located in one geographical region or country. For example, it will be hard to develop the same PES scheme for all Natura 2000 sites in Bulgaria (e.g. Rusenski Lom and Persina). Another example is the difference of contexts in Ciocanesti and Iezer Calarasi fishponds, which made it impossible for the PES scheme to be implemented in Iezer.
282. The experience from the development of pilot PES schemes shows that it takes more efforts and time than initially planned or expected with a variety of emerging obstacles – lack of initial investments, lack of or inappropriate financial and tax regulations next to the low capacity, awareness and, sometimes, interest in nature conservation among decision makers. The real applicability of PES schemes for securing ecosystems services worldwide vis-à-vis the initial and total transaction costs for implementing them has to be further explored and assessed.
283. Public funding in Europe (e.g. EU funds) can support the investment costs of certain PES schemes, which is very important for their overall financial viability. The existing public instruments need to be explored sufficiently early in the scheme design stage in order to fund the initial capital investments and to provide for better readiness to participate in the PES scheme.

C. Recommendations

284. The project still has few more months of implementation as part of its one-year no-cost extension, therefore most of the recommendations are focused at this period:
 - 1) It is recommended that the project team focuses on preparing sound technical reports from each of the developed schemes, incorporating key steps in the specific PES scheme design, governance arrangements, implementation stages, accumulated funds, spending of funds for ecosystems management (if such has occurred), monitoring and evaluation arrangements³¹. The strengths and weaknesses of each pilot scheme should be articulated as well as its potential for up-scaling, replicating and mainstreaming into national policy. A specific focus should be placed on the potential for mainstreaming with clear and specific messages for policy makers.
 - 2) It is recommended that the project team discusses and explains its project-increased understanding and experience of what a PES scheme is and what a Sustainable Financing scheme is in the Bulgarian and Romanian contexts, giving the invested efforts of the team in reviewing and improving the schemes. On a more conceptual level, the TE is doubtful whether the Maramures and Rusenski Lom schemes are truly PES schemes³². The main concern of the TE is that the collected payments are going to be spent on improved tourism infrastructure such as trails (in Maramures) and observation tower (in Rusenski Lom) and only limited funds will go to purely conservation activities³³. The TE finds that the connection between this type of spending and the ecosystem service is indirect and therefore, the TE recommends that this aspect is specifically addressed and explained in the final reports of these two schemes.
 - 3) It is recommended that WWF experts in Bulgaria and Romania develop short technical reports for the PES schemes which were not finally implemented such as the RO Iezer Calarasi and BG State Aid schemes. Lessons learnt from the “failed” PES schemes are particularly useful for future PES initiatives in both countries and the wider Danube region.

³¹ During the TE the project team was working on the technical reports and only drafts were available

³² During the interviews (10-13 June 2014) Julio Tresierra also shared “Ecotourism is not a PES scheme, which is fine, because it is another financial mechanism to secure biodiversity benefit.”

³³ The conclusion that collected payments are going to be spent on improved tourism infrastructure and limited funds will go to purely conservation activities is based on the draft technical reports given to the TE

- 4) It is recommended that the WWF experts in Bulgaria and Romania elaborate two types of Lessons learnt synthesis papers: (a) A synthesis paper for future PES scheme developers, and (b) A synthesis paper for Policy makers.
- 5) It is recommended that the project team translates the technical reports and the Lessons learnt synthesis papers in the national languages in Bulgaria and Romania, alongside the English versions. This will enable the experience transfer to non-English speaking stakeholders in the country who are the majority of the target group.
- 6) It is recommended that the project team continues its efforts to influence the decision making processes in both Bulgaria and Romania by communicating widely and intensively the Lessons learnt synthesis papers at policy events in the remaining project implementation period. The final versions of the OP Fisheries, Environment and Rural Development as well as the 2nd round of DRBMP are also under intensive reviewing by end of 2014 and early 2015 and this opportunity should not be missed. Additionally, the team should ensure their official submissions to the relevant government institutions.
- 7) It is recommended that the PD and PM appreciate and acknowledge active participation of PSC members, especially from government institutions by providing them UNEP/WWF certificates or diplomas. This is instrumental in two directions – on the one hand, it recognizes past involvement, on the other hand, can maintain motivation for future mainstreaming of PES into national policy, which is a longer-term process.
- 8) It is also recommended that the WWF experts in Bulgaria and Romania introduce long-term monitoring of the environmental, social and financial impact of the schemes. WWF team has already included the monitoring of PES pilot schemes and sites in its development strategy. WWF should raise additional funding to continue assessing the capacity and mainstreaming potential of the implemented and promoted PES schemes to deliver efficiently and effectively the target ecosystem services.
- 9) It is recommended that UNEP undertakes a post project evaluation of the environmental impacts of the project and the associated operational costs (e.g. 5 years after its completion) in order to understand better the impacts of the GEF investments and to use them for future policy developments and projects support. Having in mind the time, efforts and costs that it took to start the pilot schemes, the TE shares the concerns expressed in the academic literature whether PES schemes are an effective, long-term and sustainable global tool for financing biodiversity conservation and preservation of ecosystem services and thus recommends monitoring and assessment of its real environmental, social and financial impact.

ANNEXES

Annex 1. Terms of Reference

Terminal Evaluation of the Project “Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin”

PROJECT BACKGROUND AND OVERVIEW

Project General Information³⁴

Table 1. Project summary

GEF project ID:	GEF 2806	IMIS number:	GFL/2328-27124A87
Focal Area(s):	Biodiversity International waters	GEF OP #:	2
GEF Strategic Priority/Objective:	BD2: Biodiversity: Mainstream Biodiversity in Production Landscapes/ Seascapes and Sectors IW2: Catalyze Transboundary Action Addressing Water Concerns	GEF approval date:	25 August 2009
Geographical Scope:	Regional	Countries:	Bulgaria, Romania,
UNEP Approval date:	22 October 2009	Date of First Disbursement:	22 October 2009
Actual start date:	October 2009	Planned duration:	48 months
Intended completion date:	31 December 2013	Actual or Expected completion date:	December 2013
Project Type:	MSP	GEF Allocation:	US\$ 964,676
PDF GEF cost:	USD 25,000	PDF co-financing:	USD 25,000
Expected MSP/FSP Co-financing:	USD 1,349,373	Total Cost:	USD 2,314,049
Mid-term review/eval. (planned date):	June 2012	Terminal Evaluation (actual date):	May 2014
Mid-term review/eval. (actual date):	May – July 2012	No. of revisions:	1
Date of last Steering Committee meeting:	29 – 30 May 2012	Date of last Revision*:	11 July 2013
Disbursement as of 31 January 2014 (UNEP):	USD 835,251.51	Disbursement as of 30 June 2013:	
Total co-financing realized as of 13 August 2013:	USD 891,569	Leveraged financing:	USD 1,974,996

Source: Project Document

A. Project Rationale

1. The concept of Payments for Ecosystem Services (PES) and Sustainable Financing (SF) schemes are attracting growing attention in conservation and development circles as promising solutions to improve rural conservation and rural livelihoods as well as to transform harmful production subsidies into helpful payments for ecosystem services. At the same time, there has been increasing interest in and support for Integrated River Basin Management (IRBM). While institutional frameworks for IRBM have been established in a number of river basins around the world, there is still limited experience with financing actual implementation of integrated river basin management planning. Generally, the project was to develop and share experience and learning on the role and contribution of PES to rural development and conservation in general, and to integrated river basin management in major river basins in particular. The project was to develop and demonstrate both national and local-level schemes of PES/SF mechanisms in the Lower Danube basin in Romania and Bulgaria, and integrate this approach into the River Basin Management Plans for the Danube and its sub-basins. A major focus for the project is on sharing this experience with other countries in the Danube River basin, especially Serbia and Ukraine, as well as with other major river basins and the international community.
2. Some major concerns of the Danube community presently include among others: (a) reducing poverty, of which a large part is rural poverty; and (b) ensuring environmental sustainability, of which a large part is rural environmental sustainability. In this regard, the concept of payments for ecosystem services (PES) has been gaining attention with many in the conservation and development movement touting PES schemes as the key to improve rural conservation and rural livelihoods as well as to transform harmful production subsidies into helpful payments for ecosystem services.

B. Project objectives and components

3. The overall development goal of the project is *“to secure global environmental benefits by mainstreaming payments for ecosystem services (PES) and sustainable financing (SF) schemes in integrated river basin management for large-scale international watersheds”*.

The specific project objective is:

“To demonstrate and promote Payment for Ecosystem Services (PES) and related financing schemes in the Danube River basin, and to other international water basins”.

4. The project was expected to achieve over a four-year period 3 outcomes as follows:

Outcome 1. Models of public and private sector PES and related schemes developed and demonstrated within Danube basin in Bulgaria and Romania, and approach replicated in wider region;

Outcome2. Enhanced technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in Romania and Bulgaria.

Outcome 3: Increased availability of information on and awareness of PES concepts, schemes and opportunities increased in Danube basin and beyond.

5. The project components are shown in Table 2. The planned outputs under each component, as per the Revised Logical Framework (logframe) Matrix are presented in Annex 8 of the TORs using the revised logframe.
6. Component 1 of the project in the revised logframe seeks to demonstrate the implementation of public and/or private payments for Danube-related ecosystem services in Romania and Bulgaria and to replicate the PES approach in the wider Danube basin region.

Table 2: Components and expected outcomes and outputs

Component	Expected Outcomes	Expected Outputs
Design, development and promotion of PES and other sustainable financing schemes in Bulgaria and Romania.	1. Models of public and private sector PES and related schemes developed and demonstrated within Danube basin in Bulgaria and Romania, and approach replicated in wider region.	1. Demonstration of implementation of public and/ or private payments for Danube-related ecosystem services in Romania and Bulgaria. 2. Replication of PES approach in the wider Danube basin region.
Capacity building for river basin managers and other key stakeholders in the wider Danube river basin.	2. Enhanced technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in Romania and Bulgaria.	1. Capacity building for PES/SFs for key stakeholders in Romania and Bulgaria. 2. Key policies in Romania and Bulgaria effectively support the

Availability of information on and awareness of PES concepts, schemes and opportunities.

3. Increased availability of information on, and awareness of, PES concepts, schemes and opportunities increased in Danube basin and beyond.

provision of Danube-related ecosystem services.

1. Best practices and lessons learned are documented, distributed and discussed within Danube region and beyond.

Source: Project document and the Revised logframe

7. Component two seeks to enhance capacity building for PES/SFs for key stakeholders in Romania and Bulgaria and further ensure that key policies in Romania and Bulgaria effectively support the provision of Danube-related ecosystem services. Component three also seeks to ensure that best practices and lessons learned are documented, distributed and discussed within Danube region and beyond.

Executing Arrangements

8. The *Implementing Agency* for the project was the United Nations Environment Programme (UNEP) as the GEF implementing agency. In this capacity, UNEP had overall responsibility for the implementation of the project; project oversight, and co-ordination with other GEF projects.
9. The UNEP/GEF co-ordination was to involve monitoring implementation of the activities undertaken during the execution of the project and was to be responsible for clearance and transmission of financial and progress reports to the Global Environment Facility. UNEP was to retain responsibility for review and approval of the substantive and technical reports produced in accordance with the schedule of work. The project implementation and coordination arrangements were designed to ensure effective project execution across the different participating countries, issues and stakeholders.
10. The WWF-DCPO, as the executing agency (EA) of the Project, was responsible for administrative and financial management of the Project and timely production of financial and progress reports to UNEP. The regional management structure of the Project is located in the WWF office in Ruse, Bulgaria, where the Project Manager (PM) is based and responsible for the management of all project activities, and coordinating and supervising the national teams in the participating countries, as well as conducting stakeholder outreach, and managing national and international consultants and contractors. Supervision and financial management are coordinated by the WWF-DCPO office based in Vienna (Austria) through the Project Director and WWF Finance Officer. The WWF team in Romania and Bulgaria has each been assigned a National Project Coordinator to manage the day-to-day interventions, inputs, and communications at the national level, in consultation with the Regional Project Manager.

Stakeholder Participation in Project Implementation

11. Due to the purpose and the number of countries involved in this project, the project engaged a large number of stakeholders classified into four main groups as follows:
- Participants: - WWF program offices, namely WWF DCPO, WWF-Macroeconomic for Sustainable Development Program Office (MPO), WWF-European Policy Office (WWF-EPO), and the WWF Global Freshwater Program; WWF MPO were especially involved in project design,
 - Project partners that were to be actively involved in the project - this groups includes pilot project actors, involved directly in the development and implementation of the project, in-kind contributors to the project, such as International Commission for the Protection of the Danube River (ICPDR), national and local government agencies in Bulgaria (Bulgarian Ministry of Environment and Water – Danube River Basin Directorate, Bulgarian Ministry of Agriculture and Forestry – Rural Development and Investment Directorate, Bulgarian National Agriculture Advisory Service, Directorate of Nature Park “Rusenski Lom”, Directorate of Nature Park “Persina”, 8 small and medium enterprises in the field of tourism), and in Romania (Ministry of Agriculture, Forests and Rural Development of Romania, Ministry of Environment and Waters of Romania, Romanian Ecotourism Association, Romanian National Agriculture Advisory Service, Municipality of Baia Mare), as well as local stakeholders (e.g. Ferma Piscicola – Ciocanesti (Piscicola-Ciocanesti fish farm) and some stakeholders from Serbia and Ukraine, Executive agencies for Fisheries and Agriculture in both countries;

- Recent and ongoing conservation programs and projects in the Danube Basin for active networking, particularly the programs and projects undertaken by the three main GEF agencies (UNEP, UNDP and the World Bank);
 - Institutions and experts active in (sustainable) financing and payments for ecosystem services-related issues;
12. Stakeholders for the project were therefore made up of institutions and experts that although not having a direct involvement in the Danube basin, were nevertheless an important source of experience and knowledge on sustainable financing, PES and/or watershed management issues (all stakeholders dealt with in the course of project implementation could be found in Project Database).

Project Cost and Financing

13. Table 3 presents a summary of expected financing sources for the project as presented in the Project Document. GEF was to provide USD964,676.00 (41.7% of the total project cost) of external financing to the project. This puts the project in the medium-size Project category. The project co-financing of USD1,349,373.00 (58.3% of the total project cost) was expected to be supported by WWF and participating Governments in the form of cash and in-kind, respectively. This puts the estimated total cost of the project to about USD2,314,049.00.

Table 3: Estimated project cost

Variable	Mode of payment	USD	Percentage of total
Cost to the GEF Trust	Cash	964,676	41.7
Fund			
Co-financing	Cash		
WWF	Cash	111,473.00	48.1
Participating Governments	In kind	245,200.00	10.2
	Sub-total	1,349,373	58.3
Total		2,314,049	100

Source: Project document

Implementation Issues

14. The project midterm review (MTR) identified a number of weaknesses and challenges in project design that needed to be addressed in order to ensure more effective delivery, sustainability and impact of project results. Some of these issues are discussed here.
15. The review which was done two and a half years through project implementation identified that the project design was ambitious and was not likely to attain its outcomes within the remaining timeframe unless its objectives were revisited. Thus it was recommended that the Project should review sets of project activities and redesign the work plan to ensure that the priorities are addressed, namely (in order of importance): a) demonstration level activities, b) regional and national and policy activities related to revision of river basin management plans, c) other national-level activities dealing with opportunities for mainstreaming the PES approach, e.g. measures to promote environmentally responsible aquaculture, and then (if resources permit) d) EU policy level work. It is also recommended that UNEP clarify the boundaries for spending of GEF funds on EU-level activities, as this has been the source of some debate and difference of opinion during the MTR.
16. The MTR also noted that project strategy was ‘somewhat confused and many of the associated indicators were non-SMART’, and therefore recommended that a review and revision of project objectives, outcomes and logframe and M&E system. The review also identified that local ownership of the PES and decision making by local stakeholders were weak at demonstration sites. The MTR also called for improvement of communication and mainstreaming of project results which were designed during the inception phase. Staff dedicated for project implementation was also an issue as the same staff had several other responsibilities.
17. Further to the recommendations of the MTR, the project had one revision and a number of changes were made. For example, all awareness raising and information activities are united under Activity 3.1.2 in the revised logical framework and workplan.
18. The project agreed with recommendations provided in the MTR report and developed a Management response to address these. The logical framework, workplan and budget were optimised according to recommendations and progress on related response was reported together with the Half Yearly Reports.

TERMS OF REFERENCE FOR THE EVALUATION

Objective and Scope of the Evaluation

19. In line with the UNEP Evaluation Policy³⁵, the UNEP Evaluation Manual³⁶ and the Guidelines for GEF Agencies in Conducting Terminal Evaluations³⁷, the Terminal Evaluation of the Project “**Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin**” is undertaken after completion of the project to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The evaluation has two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, the GEF and their executing partners – WWF-DCPO and the relevant agencies in stakeholder countries (e.g. Romania and Bulgaria) in particular. Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation. It will focus on the following sets of **key questions**, based on the project’s intended outcomes, which may be expanded by the consultants as deemed appropriate:
- (a) How and to what extent did the project develop and promote PES and other sustainable financing schemes in Bulgaria and Romania?
 - (b) Did capacity building for river basin managers and other key stakeholders in the wider Danube river basin and major river basins in the world take place and what has been the impact? Did capacity building activities enhance knowledge, experience and expertise sharing among river basin managers and other stakeholders in participating countries (Bulgaria and Romania)?
 - (c) Has the project in any way contributed to awareness creation among stakeholders about PES and sustainable financing schemes? Were project lessons for sustainable PES financing also documented, disseminated and discussed among experts in conservation, freshwater management and rural development communities in and across participating countries? Is there any evidence on the catalytic role of the project towards other Danube river basin countries learning from the project countries and adopting lessons learned and good practices from the project?
 - (d) What would you say about the overall project implementation in terms of project cost, project preparation (effort and time) as well as environmental impact?
 - (e) To what extent has the project influenced the policy of participating countries regarding promoting payment for ecosystem services?

Overall Approach and Methods

20. The Terminal Evaluation of the Project “**Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin**” will be conducted by independent consultant under the overall responsibility and management of the UNEP Evaluation Office (Nairobi), in consultation with the UNEP GEF Coordinator, and the UNEP Task Manager at UNEP/DEPI, Rome.
21. It will be an in-depth evaluation using a participatory approach whereby key stakeholders are kept informed and consulted throughout the evaluation process. Both quantitative and qualitative evaluation methods will be used to determine project achievements against the expected outputs, outcomes and impacts.
22. The findings of the evaluation will be based on the following:
- (a) A **desk review** of project documents and others including, but not limited to:
 - Relevant background documentation, inter alia UNEP and GEF policies, strategies and programmes;
 - Project design documents, Annual Work Plans and Budgets or equivalent, revisions to the logical framework and project financing;

³⁵ <http://www.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationPolicy/tabid/3050/language/en-US/Default.aspx>

³⁶ <http://www.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationManual/tabid/2314/language/en-US/Default.aspx>

³⁷ http://www.thegef.org/gef/sites/thegef.org/files/documents/TE_guidelines7-31.pdf

- Project reports such as progress and financial reports from the executing partners to the Project Management Unit (PMU) and from the PMU to UNEP; Steering Group meeting minutes; annual Project Implementation Reviews and relevant correspondence;
 - Documentation related to project outputs such as manuals, newsletters, blogs, etc;;
- (b) Interviews with:
- Project management and execution support at WWF-DCPO, Headquarters, Vienna;
 - National Executing Agencies in Bulgaria and Romania, such as: Managing Authorities of the Operational Programme for Fisheries in Bulgaria and Romania, Executive Forestry Agency, Bulgaria;
 - Former UNEP GEF Task Manager (based in Nairobi), UNEP Task Manager (Rome) and Fund Management Officer (Nairobi);
 - Participating ministries of participating countries and their involved bodies (i.e. Bulgaria and Romania, PSC members);
 - Partner institutions such as NGOs;
 - Staff in WWF-DCPO field offices in participating and Danube River basin countries
 - Relevant staff of GEF Secretariat; and
 - Representatives of other multilateral agencies and other relevant organisations, such as ICPDR - former Secretary General, Chair of the Economic Task Group.
- (c) **Country visits.** The evaluation consultant will visit Bulgaria and Romania to interview key stakeholders. The consultant will also, if possible, participate in the project steering committee meeting scheduled for 10 - 13 June in Maramures, Romania where s/he can meet and interview key project stakeholders. Ukraine and Serbia are countries of awareness-raising, knowledge transfer and experience sharing. There are no pilot PES activities there but the consultant can through email or skype interviews find out what has been done in these countries so far in terms of knowledge transfer and experience sharing.

Key Evaluation Principles

23. Evaluation findings and judgements should be based on **sound evidence and analysis**, clearly documented in the evaluation report. Information will be triangulated (i.e. verified from different sources) to the extent possible, and when verification was not possible, the single source will be mentioned. Analysis leading to evaluative judgements should always be clearly spelled out.
24. The evaluation will assess the project with respect to a **minimum set of evaluation criteria** grouped into four categories: (1) Attainment of objectives and planned results, which comprises the assessment of outputs achieved, relevance, effectiveness and efficiency and the review of outcomes towards impacts; (2) Sustainability and catalytic role, which focuses on financial, socio-political, institutional and ecological factors conditioning sustainability of project outcomes, and also assesses efforts and achievements in terms of replication and up-scaling of project lessons and good practices; (3) Processes affecting attainment of project results, which covers project preparation and readiness, implementation approach and management, stakeholder participation and public awareness, country ownership/driven-ness, project finance, UNEP supervision and backstopping, and project monitoring and evaluation systems; and (4) Complementarity with the UNEP strategies and programmes. The evaluation consultants can propose other evaluation criteria as deemed appropriate.
25. **Ratings.** All evaluation criteria will be rated on a six-point scale. However, complementarity of the project with the UNEP strategies and programmes is not rated. Annex 2 provides detailed guidance on how the different criteria should be rated and how ratings should be aggregated for the different evaluation criterion categories.
26. In attempting to attribute any outcomes and impacts to the project, the evaluator should consider the difference between *what has happened with and what would have happened without the project*. This implies that there should be consideration of the baseline conditions and trends in relation to the intended project outcomes and impacts. This also means that there should be plausible evidence to attribute such outcomes and impacts to the actions of the project. Sometimes, adequate information on baseline conditions and trends is lacking. In such cases this should be clearly highlighted by the evaluator, along with any simplifying assumptions that were taken to enable the evaluator to make informed judgements about project performance.

27. As this is a terminal evaluation, particular attention should be given to learning from the experience. Therefore, the “Why?” question should be at front of the evaluator’s (consultant’s) mind all through the evaluation exercise. This means that the consultant needs to go beyond the assessment of “what” the project performance was, and make a serious effort to provide a deeper understanding of “why” the performance was as it was, i.e. of processes affecting attainment of project results (criteria under category 3). This should provide the basis for the lessons that can be drawn from the project. In fact, the usefulness of the evaluation will be determined to a large extent by the capacity of the consultant to explain “why things happened” as they happened and are likely to evolve in this or that direction, which goes well beyond the mere review of “where things stand” today.

Evaluation criteria

Strategic relevance

28. The evaluation will assess, in retrospect, whether the project’s objectives and implementation strategies were consistent with: i) Sub-regional environmental issues and needs; ii) the UNEP mandate and policies at the time of design and implementation; and iii) the GEF biodiversity focal area, strategic priorities and operational programme(s).
29. It will also assess whether the project objectives were realistic, given the time and budget allocated to the project, the baseline situation and the institutional context in which the project was to operate.

Achievement of Outputs

30. The evaluation will assess, for each component, the project’s success in producing the programmed results as presented in Table 2 above, both in quantity and quality, as well as their usefulness and timeliness. Briefly explain the degree of success of the project in achieving its different outputs, cross-referencing as needed to more detailed explanations provided under Section F (which covers the processes affecting attainment of project objectives). The achievements under the regional and national demonstration projects will receive particular attention.

Effectiveness: Attainment of Objectives and Planned Results

31. The evaluation will assess the extent to which the project’s objectives were effectively achieved or are expected to be achieved.
32. The evaluation will reconstruct the Theory of Change (ToC) of the project based on a review of project documentation and stakeholder interviews. The ToC of a project depicts the causal pathways from project outputs (goods and services delivered by the project) over outcomes (changes resulting from the use made by key stakeholders of project outputs) towards impact (changes in environmental benefits and living conditions). The ToC will also depict any intermediate changes required between project outcomes and impact, called intermediate states. The ToC further defines the external factors that influence change along the pathways, whether one result can lead to the next. These external factors are either drivers (when the project has a certain level of control) or assumptions (when the project has no control).
33. The assessment of effectiveness will be structured in three sub-sections:
- (a) Evaluation of the **achievement of direct outcomes as defined in the reconstructed ToC**. These are the first-level outcomes expected to be achieved as an immediate result of project outputs.
 - (b) Assessment of the **likelihood of impact** using a *Review of Outcomes to Impacts* (ROtI) approach as summarized in Annex 6 of the TORs. Appreciate to what extent the project has to date contributed, and is likely in the future to further contribute to changes in stakeholder behaviour as a result of the project’s direct outcomes, and the likelihood of those changes in turn leading to changes in the natural resource base, benefits derived from the environment and human living conditions.
 - (c) Evaluation of the **achievement of the formal project overall objective, overall purpose, goals and component outcomes** using the project’s own results statements as presented in original logframe (see Table 2 above) and any later versions of the logframe. This sub-section will refer back where applicable to sub-sections (a) and (b) to avoid repetition in the report. To measure achievement, the evaluation will

use as much as appropriate the indicators for achievement proposed in the Logical Framework Matrix (Logframe) of the project (see Annex 8), adding other relevant indicators as appropriate. Briefly explain what factors affected the project's success in achieving its objectives, cross-referencing as needed to more detailed explanations provided under Section F.

34. There are some effectiveness questions of specific interest which the evaluation should certainly consider among others. For example;
- **Capacity building activities:** how effective were demonstration activities for promoting the PES and sustainable financing schemes (private and private payment mechanisms)?
 - **Outreach:** How effectively were project lessons and guidelines disseminated among policy makers and professionals in participating countries and the region to raise awareness about the project?

Sustainability and replication

35. Sustainability is understood as the probability of continued long-term project-derived results and impacts after the external project funding and assistance ends. The evaluation will identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of benefits. Some of these factors might be direct results of the project while others will include contextual circumstances or developments that are not under control of the project but that may condition sustainability of benefits. The evaluation should ascertain to what extent follow-up work has been initiated and how project results will be sustained and enhanced over time. The reconstructed ToC will assist in the evaluation of sustainability.

36. Four aspects of sustainability will be addressed:

- (a) *Socio-political sustainability.* Are there any social or political factors that may influence positively or negatively the sustenance of project results and progress towards impacts? Is the level of ownership by the main national and regional stakeholders sufficient to allow for the project results to be sustained? Are there sufficient government and stakeholder awareness, interests, commitment and incentives to execute, enforce and pursue the programmes, plans, agreements, monitoring systems, etc. prepared and agreed upon under the project?
- (b) *Financial resources.* To what extent are the continuation of project results and the eventual impact of the project dependent on continued financial support? What is the likelihood that adequate financial resources³⁸ will be or will become available to implement the programmes, plans, agreements, monitoring systems, etc. prepared and agreed upon under the project? Are there any financial risks that may jeopardize sustenance of project results and onward progress towards impact?
- (c) *Institutional framework.* To what extent is the sustenance of the results and onward progress towards impact dependent on issues relating to institutional frameworks and governance? How robust are the institutional achievements such as governance structures and processes, policies, sub-regional agreements, legal and accountability frameworks, etc. required to sustaining project results and to lead those to impact on human behaviour and environmental resources?
- (d) *Environmental sustainability.* Are there any environmental factors, positive or negative, that can influence the future flow of project benefits? Are there any project outputs or higher level results that are likely to affect the environment, which, in turn, might affect sustainability of project benefits? Are there any foreseeable negative environmental impacts that may occur as the project results are being up-scaled?

37. **Catalytic role and replication.** The *catalytic role* of GEF-funded interventions is embodied in their approach of supporting the creation of an enabling environment and of investing in pilot activities which are innovative and showing how new approaches can work. UNEP and the GEF also aim to support activities that upscale new approaches to a national, regional or global level, with a view to achieve sustainable global environmental benefits. The evaluation will assess the catalytic role played by this project, namely to what extent the project has:

- (a) *catalyzed behavioural changes* in terms of use and application by the relevant stakeholders of: i) technologies and approaches show-cased by the demonstration projects; ii) strategic programmes and

³⁸ Those resources can be from multiple sources, such as the public and private sectors, income generating activities, other development projects etc.

- plans developed; and iii) assessment, monitoring and management systems established at regional and national levels;
- (b) provided *incentives* (social, economic, market based, competencies, etc.) to contribute to catalyzing changes in stakeholder behaviour;
- (c) contributed to *institutional changes*. An important aspect of the catalytic role of the project is its contribution to institutional uptake or mainstreaming of project-piloted approaches in the regional and national demonstration projects;
- (d) contributed to *policy changes* (on paper and in implementation of policy);
- (e) contributed to sustained follow-on financing (*catalytic financing*) from Governments, the GEF or other donors;
- (f) created opportunities for particular individuals or institutions (“*champions*”) to catalyze change (without which the project would not have achieved all of its results).

38. *Replication*, in the context of GEF projects, is defined as lessons and experiences coming out of the project that are replicated (experiences are repeated and lessons applied in different geographic areas) or scaled up (experiences are repeated and lessons applied in the same geographic area but on a much larger scale and funded by other sources). The evaluation will assess the approach adopted by the project to promote replication effects and appreciate to what extent actual replication has already occurred or is likely to occur in the near future. What are the factors that may influence replication and scaling up of project experiences and lessons?

Efficiency

39. The evaluation will assess the cost-effectiveness and timeliness of project execution. It will describe any cost- or time-saving measures put in place in attempting to bring the project as far as possible in achieving its results within its programmed budget and (extended) time. It will also analyse how delays, if any, have affected project execution, costs and effectiveness. Wherever possible, costs and time over results ratios of the project will be compared with that of other similar interventions. The evaluation will give special attention to efforts by the project teams to make use of/build upon pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects, etc. to increase project efficiency all within the context of project execution in Romania and Bulgaria.

Factors and processes affecting project performance

40. **Preparation and readiness.** This criterion focusses on the quality of project design and preparation. Were project stakeholders³⁹ adequately identified? Were the project’s objectives and components clear, practicable and feasible within its timeframe? Were the capacities of executing agencies properly considered when the project was designed? Was the project document clear and realistic to enable effective and efficient implementation? Were the partnership arrangements properly identified and the roles and responsibilities negotiated prior to project implementation? Were counterpart resources (funding, staff, and facilities) and enabling legislation assured? Were adequate project management arrangements in place? Were lessons from other relevant projects properly incorporated in the project design? What factors influenced the quality-at-entry of the project design, choice of partners, allocation of financial resources etc.? Were GEF environmental and social safeguards considered when the project was designed⁴⁰?

41. **Project implementation and management.** This includes an analysis of implementation approaches used by the project, its management framework, the project’s adaptation to changing conditions (adaptive management), the performance of the implementation arrangements and partnerships, relevance of changes in project design, and overall performance of project management. The evaluation will:

- (a) Ascertain to what extent the project implementation mechanisms outlined in the project document have been followed and were effective in delivering project outputs and outcomes. Were pertinent adaptations made to the approaches originally proposed?
- (b) Evaluate the effectiveness and efficiency of project management by WWF-DCPO and how well the management was able to adapt to changes during the life of the project.

³⁹ Stakeholders are the individuals, groups, institutions, or other bodies that have an interest or stake in the outcome of the project. The term also applies to those potentially adversely affected by the project.

⁴⁰ <http://www.thegef.org/gef/node/4562>

- (c) Assess the role and performance of the units and committees established and the project execution arrangements at all levels.
- (d) Assess the extent to which project management as well as participating Governments responded to direction and guidance provided by the Steering Committee and UNEP supervision recommendations.
- (e) Identify operational and political / institutional problems and constraints that influenced the effective implementation of the project, and how the project partners tried to overcome these problems. How did the relationship between the project management team and the local executing agencies develop?
- (f) Assess the extent to which MTR recommendations were followed in a timely manner.
- (g) Assess the extent to which the project implementation met GEF environmental and social safeguards requirements.

42. Stakeholder participation and public awareness. The term stakeholder should be considered in the broadest sense, encompassing project partners, government institutions, private interest groups, local communities, etc. The TOC analysis should assist the evaluator in identifying the key stakeholders and their respective roles, capabilities and motivations in each step of the causal pathway from activities to achievement of outputs and outcomes to impact. The assessment will look at three related and often overlapping processes: (1) information dissemination between stakeholders, (2) consultation between stakeholders, and (3) active engagement of stakeholders in project decision making and activities. The evaluation will specifically assess:

- (a) the approach(es) used to identify and engage stakeholders in project design and implementation. What were the strengths and weaknesses of these approaches with respect to the project's objectives and the stakeholders' motivations and capacities? What was the achieved degree and effectiveness of collaboration and interactions between the various project partners and stakeholders during design and implementation of the project?
- (b) the degree and effectiveness of any public awareness activities that were undertaken during the course of implementation of the project; or that are built into the assessment methods so that public awareness can be raised at the time the assessments will be conducted;
- (c) how the results of the project (strategic programmes and plans, monitoring and management systems, sub-regional agreements, etc.) promote participation of stakeholders, including users, in decision making with regards to promoting PES and sustainable financing schemes.

43. Country ownership and driven-ness. The evaluation will assess the performance of government agencies involved in the project, the Governments of Bulgaria and Romania as relevant:

- (a) In how far has the Governments assumed responsibility for the project and provided adequate support to project execution, including the degree of cooperation received from the various public institutions involved in the project and the timeliness of provision of counter-part funding to project activities?
- (b) To what extent have the political and institutional frameworks of Bulgaria and Romania been conducive to project performance?
- (c) To what extent have the public entities and their non-governmental organisations promoted PES and sustainable financing schemes?
- (d) How responsive were the government partners to WWF-DCPO coordination and guidance, and to UNEP supervision?

44. Financial planning and management. Evaluation of financial planning requires assessment of the quality and effectiveness of financial planning and control of financial resources throughout the project's lifetime. The assessment will look at actual project costs by activities compared to budget (variances), financial management (including disbursement issues), and co-financing. The evaluation will:

- (a) Verify the application of proper standards (clarity, transparency, audit, etc.) and timeliness of financial planning, management and reporting to ensure that sufficient and timely financial resources were available to the project and its partners;
- (b) Appreciate other administrative processes such as recruitment of staff, procurement of goods and services (including consultants), preparation and negotiation of cooperation agreements, etc. to the extent that these might have influenced project performance;
- (c) Present to what extent co-financing has materialized as expected at project approval (see Table 1). Report country co-financing to the project overall, and to support project activities at the national level in

particular. The evaluation will provide a breakdown of final actual costs and co-financing for the different project components (see tables in Annex 3).

- (d) Describe the resources the project has leveraged since inception and indicate how these resources have contributed to the project's ultimate objective. Leveraged resources are additional resources—beyond those committed to the project itself at the time of approval—that are mobilized later as a direct result of the project. Leveraged resources can be financial or in-kind and they may be from other donors, NGO's, foundations, governments, communities or the private sector.
45. Analyse the effects on project performance of any irregularities in procurement, use of financial resources and human resource management, and the measures taken by WWF-DCPO or UNEP to prevent such irregularities in the future. Appreciate whether the measures taken were adequate.
46. **UNEP supervision and backstopping.** The purpose of supervision is to verify the quality and timeliness of project execution in terms of finances, administration and achievement of outputs and outcomes, in order to identify and recommend ways to deal with problems which arise during project execution. Such problems may be related to project management but may also involve technical/institutional substantive issues in which UNEP has a major contribution to make. The evaluator should assess the effectiveness of supervision and administrative and financial support provided by UNEP including:
- (a) The adequacy of project supervision plans, inputs and processes;
 - (b) The emphasis given to outcome monitoring (results-based project management);
 - (c) The realism and candour of project reporting and ratings (i.e. are PIR ratings an accurate reflection of the project realities and risks);
 - (d) The quality of documentation of project supervision activities; and
 - (e) Financial, administrative and other fiduciary aspects of project implementation supervision.
47. **Monitoring and evaluation.** The evaluation will include an assessment of the quality, application and effectiveness of project monitoring and evaluation plans and tools, including an assessment of risk management based on the assumptions and risks identified in the project document. The evaluation will appreciate how information generated by the M&E system during project implementation was used to adapt and improve project execution, achievement of outcomes and ensuring sustainability. M&E is assessed on three levels:
- (a) *M&E Design.* Projects should have sound M&E plans to monitor results and track progress towards achieving project objectives. An M&E plan should include a baseline (including data, methodology, etc.), SMART indicators and data analysis systems, and evaluation studies at specific times to assess results. The time frame for various M&E activities and standards for outputs should have been specified. The evaluator should use the following questions to help assess the M&E design aspects:
 - Quality of the project logframe (original and possible updates) as a planning and monitoring instrument; analyse, compare and verify correspondence between the original logframe in the Project Document, possible revised logframes and the logframe used in Project Implementation Review reports to report progress towards achieving project objectives;
 - SMART-ness of indicators: Are there specific indicators in the logframe for each of the project objectives? Are the indicators measurable, attainable (realistic) and relevant to the objectives? Are the indicators time-bound?
 - Adequacy of baseline information: To what extent has baseline information on performance indicators been collected and presented in a clear manner? Was the methodology for the baseline data collection explicit and reliable?
 - Arrangements for monitoring: Have the responsibilities for M&E activities been clearly defined? Were the data sources and data collection instruments appropriate? Was the frequency of various monitoring activities specified and adequate? How far were project users involved in monitoring?
 - Arrangements for evaluation: Have specific targets been specified for project outputs? Has the desired level of achievement been specified for all indicators of objectives and outcomes? Were there adequate provisions in the legal instruments binding project partners to fully collaborate in evaluations?
 - Budgeting and funding for M&E activities: Determine whether support for M&E was budgeted adequately and was funded in a timely fashion during implementation.

- (b) *M&E Plan Implementation.* The evaluation will verify that:
- the M&E system was operational and facilitated timely tracking of results and progress towards projects objectives throughout the project implementation period;
 - annual project reports and Progress Implementation Review (PIR) reports were complete, accurate and with well justified ratings;
 - the information provided by the M&E system was used during the project to improve project performance and to adapt to changing needs.
- (c) *Use of GEF Tracking Tools.* These are portfolio monitoring tools intended to roll up indicators from the individual project level to the portfolio level and track overall portfolio performance in focal areas. Each focal area has developed its own tracking tool⁴¹ to meet its unique needs. Agencies are requested to fill out at CEO Endorsement (or CEO approval for MSPs) and submit these tools again for projects at mid-term and project completion. The evaluation will verify whether UNEP has duly completed the relevant tracking tool for this project, and whether the information provided is accurate.

Complementarities with UNEP strategies and programmes

48. UNEP aims to undertake GEF funded projects that are aligned with its own strategies. The evaluation should present a brief narrative on the following issues:

- (a) *Linkage to UNEP's Expected Accomplishments and POW 2010-2011.* The UNEP MTS specifies desired results in six thematic focal areas. The desired results are termed Expected Accomplishments. Using the completed ToC/ROtI analysis, the evaluation should comment on whether the project makes a tangible contribution to any of the Expected Accomplishments specified in the UNEP MTS. The magnitude and extent of any contributions and the causal linkages should be fully described. Whilst it is recognised that UNEP GEF projects designed prior to the production of the UNEP Medium Term Strategy 2010-2013 (MTS)⁴² would not necessarily be aligned with the Expected Accomplishments articulated in those documents, complementarities may still exist and it is still useful to know whether these projects remain aligned to the current MTS.
- (b) *Alignment with the Bali Strategic Plan (BSP)*⁴³. The outcomes and achievements of the project should be briefly discussed in relation to the objectives of the UNEP BSP.
- (c) *Gender.* Ascertain to what extent project design, implementation and monitoring have taken into consideration: (i) possible gender inequalities in access to and the control over natural resources; (ii) specific vulnerabilities of women and children to environmental degradation or disasters; and (iii) the role of women in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation. Appreciate whether the intervention is likely to have any lasting differential impacts on gender equality and the relationship between women and the environment. To what extent do unresolved gender inequalities affect sustainability of project benefits?
- (d) *South-South Cooperation.* This is regarded as the exchange of resources, technology, and knowledge between developing countries. Briefly describe any aspects of the project that could be considered as examples of South-South Cooperation.

The Consultant

49. For this evaluation, there will be only one consultant. The consultant should have experience in project evaluation. S/he should have skills in the following:

- a. Evaluation of environmental projects in particular GEF projects;
- b. Experience in financing ecosystems services, agri-business, agriculture economics
- c. Transboundary/integrated river systems/basin management preferably in Eastern and Central Europe;
- d. Post-graduate education.

⁴¹ http://www.thegef.org/gef/tracking_tools

⁴² <http://www.unep.org/PDF/FinalMTSGCSS-X-8.pdf>

⁴³ <http://www.unep.org/GC/GC23/documents/GC23-6-add-1.pdf>

50. S/he will coordinate data collection and analysis, and the preparation of the main report for the evaluation. S/he will ensure that all evaluation criteria are adequately covered.
51. By undersigning the service contract with UNEP/UNON, the consultant certifies that they have not been associated with the design and implementation of the project in any way which may jeopardize their independence and impartiality towards project achievements and project partner performance. In addition, they will not have any future interests (within six months after completion of the contract) with the project's executing or implementing units.

Evaluation Deliverables and Review Procedures

52. The evaluator/consultant will prepare an **inception report** (see Annex 1 of TORs for Inception Report outline) containing a thorough review of the project context, project design quality, a draft reconstructed Theory of Change of the project, the evaluation framework and a tentative evaluation schedule.
53. The review of design quality will cover the following aspects (see Annex 9 for the detailed project design assessment matrix):
- Strategic relevance of the project (see paragraph 28 - 29)
 - Preparation and readiness (see paragraph 40);
 - Financial planning (see paragraph 44);
 - M&E design (see paragraph 47);
 - Complementarities with UNEP strategies and programmes (see paragraph 48);
 - Sustainability considerations (see paragraph 36) and measures planned to promote replication and upscaling (see paragraph 37).
54. The inception report will also present a draft, desk-based reconstructed Theory of Change of the project. It is vital to reconstruct the ToC *before* the most of the data collection (review of reports, in-depth interviews, observations on the ground, etc.) is done, because the ToC will define which direct outcomes, drivers and assumptions of the project need to be assessed and measured to allow adequate data collection for the evaluation of project effectiveness, likelihood of impact and sustainability.
55. The evaluation framework will present in further detail the evaluation questions under each criterion with their respective indicators and data sources. The evaluation framework should summarize the information available from project documentation against each of the main parameters. Any gaps in information should be identified and methods for additional data collection, verification and analysis should be specified.
56. The inception report will also present a tentative schedule for the overall evaluation process, including a draft programme for the country visit and tentative list of people/institutions to be interviewed.
57. The inception report will be submitted for review and approval by the Evaluation Office **before the evaluator travels** to some of the project sites in project partner countries.
58. **The main evaluation report** should be brief (no longer than 35 pages – excluding the executive summary and annexes), to the point and written in plain English. The consultant will deliver a high quality report in English by the end of the assignment. The report will follow the annotated Table of Contents outlined in Annex 1. It must explain the purpose of the evaluation, exactly what was evaluated and the methods used (with their limitations). The report will present evidence-based and balanced findings, consequent conclusions, lessons and recommendations, which will be cross-referenced to each other. The report should be presented in a way that makes the information accessible and comprehensible. Any dissident views in response to evaluation findings will be appended in footnote or annex as appropriate. To avoid repetitions in the report, the authors will use numbered paragraphs and make cross-references where possible.

59. **Review of the draft evaluation report.** The consultant will submit the zero draft report latest two weeks after the country visit has been completed to the UNEP EO and revise the draft following the comments and suggestions made by the EO. Once a draft of adequate quality has been accepted, the EO will share this first draft report with the UNEP Task Manager, who will ensure that the report does not contain any blatant factual errors. The UNEP Task Manager will then forward the first draft report to the other project stakeholders, in particular WWF-DCPO and relevant agencies/ministries of the Governments of Bulgaria and Romania for review and comments. Stakeholders may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. It is also very important that stakeholders provide feedback on the proposed recommendations and lessons. Comments would be expected within two weeks after the draft report has been shared. Any comments or responses to the draft report will be sent to the UNEP EO for collation. The EO will provide the comments to the evaluation consultant for consideration in preparing the final draft report.
60. The Consultant will submit the final draft report no later than 2 weeks after reception of stakeholder comments. The Consultant will prepare a **response to comments**, listing those comments not or only partially accepted by him/her that could therefore not or only partially be accommodated in the final report. S/he will explain why those comments have not or only partially been accepted, providing evidence as required. This response to comments will be shared by the EO with the interested stakeholders to ensure full transparency.
61. **Submission of the final Terminal Evaluation report.** The final report shall be submitted by Email to the Head of the Evaluation Office, who will share the report with the Director, UNEP/GEF Coordinator and the UNEP/DEPI Task Manager. The Evaluation Office will also transmit the final report to the GEF Evaluation Office.
62. The final evaluation report will be published on the UNEP Evaluation Office web-site www.unep.org/eou. Subsequently, the report will be sent to the GEF Office of Evaluation for their review, appraisal and inclusion on the GEF website.
63. As per usual practice, the UNEP EO will prepare a **quality assessment** of the zero draft and final draft report, which is a tool for providing structured feedback to the evaluation consultant. The quality of the report will be assessed and rated against both GEF and UNEP criteria as presented in Annex 4.
64. The UNEP Evaluation Office will also prepare a **commentary** on the final evaluation report, which presents the EO ratings of the project based on a careful review of the evidence collated by the evaluation consultant and the internal consistency of the report. These ratings are the final ratings that the UNEP Evaluation Office will submit to the GEF Office of Evaluation.

Logistical arrangement

65. This Terminal Evaluation will be undertaken by an independent evaluation consultant contracted by the UNEP Evaluation Office. The consultant will work under the overall responsibility of the UNEP Evaluation Office and will consult with the EO on any procedural and methodological matters related to the evaluation. **It is, however, the consultant's individual responsibility to arrange for their travel, visa, obtain documentary evidence, plan meetings with stakeholders, organize field visits, and any other logistical matters related to the assignment.** The UNEP Task Manager and WWF-DCPO will, where possible, provide logistical support (introductions, meetings, transport, etc.) for the country visit, allowing the consultant to conduct the evaluation as efficiently and independently as possible.

Resources and Schedule of the evaluation

66. This Terminal Evaluation will be undertaken by an independent evaluation consultant contracted by the UNEP Evaluation Office. The consultant will work under the overall responsibility of the UNEP Evaluation Office and s/he will consult with the EO on any procedural and methodological matters related to the evaluation. **It is, however, the consultant's individual responsibility to arrange for s/he travel, obtain documentary evidence, meetings with stakeholders, field visits, and any other logistical matters related to the assignment.** The UNEP Task Manager, UNDP Country Offices and regional and national project staff will

provide logistical support (introductions, meetings, transport, lodging etc.) for the country visits where necessary, allowing the consultant to conduct the evaluation as efficiently and independently as possible.

67. The **Consultant** will be hired for 8 weeks spread over three months (May to July 2014). He will travel to Romania. The consultant will interview key stakeholders that will be participating in the project steering committee meeting in Maramures, Romania from 10 - 13 June. S/he will also meet and interview the project task manager at this meeting.
68. The consultant will be hired under an individual Special Service Agreement (SSA). There are two options for contract and payment: lumpsum or “fees only”.
69. **Lumpsum:** The contract covers both fees and expenses such as travel, per diem (DSA) and incidental expenses which are estimated in advance. The consultant will receive an initial payment covering estimated expenses upon signature of the contract.
70. **Fee only:** The contract stipulates consultant fee only. Air tickets will be purchased by UNEP and 75% of the DSA for each authorised travel mission will be paid up front. Local in-country travel and communication costs will be reimbursed on the production of acceptable receipts. Terminal expenses and residual DSA entitlements (25%) will be paid after mission completion.
71. The consultant’s payment schedule will be linked to the acceptance of the key evaluation deliverables by the Evaluation Office:
 - Final inception report: 20 percent of agreed total fee
 - First draft main evaluation report: 40 percent of agreed total fee
 - Final main evaluation report: 40 percent of agreed total fee
72. In case the consultant is not able to provide the deliverables in accordance with these TORs, in line with the expected quality standards by the UNEP Evaluation Office, payment may be withheld at the discretion of the Head of the Evaluation Office until the consultant has improved the deliverables to meet UNEP’s quality standards.
73. If the consultant fails to submit a satisfactory final product to UNEP in a timely manner, i.e. within one month after the end date of his/her contract, the Evaluation Office reserves the right to employ additional human resources to finalize the report, and to reduce the consultant’s fees by an amount equal to the additional costs borne by the Evaluation Office to bring the report up to standard.

Annex 2. Evaluation program, containing names of locations visited and names (and functions) and contacts (Email) of people met

Itinerary of activities of the Terminal Evaluation Mission, Romania - Bulgaria (May, June, July 2014)

Date		Activities
Thu	22 nd May	Arrival in Ruse. Meeting with PM (Maya Todorova) in Russe. Review of the project documents and implementation.
Fri	23 rd May	Discussion with PM on the overall implementation of the project. Review of the project documents. Departure to Sofia
Tue	10 th June	TE arrives in Signet de Marmatei, RO; Meeting with BG Ministry of environment representative in the PSC (Rousina Zhmouranova)
Wed	11 th June	Project closing workshop - The PES experience in Danube Basin and the way forward Meeting with Association of ecotourism- Romania (Andrei Bulmer); Meeting with IC Julio Tresiera; Meeting with representative of (General directorate for waters management (Carmen Neagu)
Thu	12 th June	Meeting with RO National coordinator (Monia Martini); Meeting with Project Director (Irene Lucius); Field visit to Maramures pilot site; Meeting with Ro WWF Forest and protected area expert (Edit Pop); Meeting with pension owner, PES scheme, Maramures (Tiplea Petru); Meeting with representative of BG Executive Forestry Agency (Ani Petrakieva); Meeting with Economedia business development manager (Lubomir Vassilev); Attending IV PSC; Meeting with representative of National Romanian Waters Administration (Ramona Curelea)
Fri	13 th June	Travel to Bucharest; Meeting with RO WWF species specialist (Christina Munteanu); Meeting with Oleg Rubel (Ukraine); Meeting with Tzvetana Todorova –Rusenski Lom pilot PES scheme.
Sat	14 th June	Visit to Ciocanesti pilot site; Meeting with fish farmers (Deacu Pimpiliu and Hodorozea Marin), Ciocanesti PES scheme, Travel to Ruse. Travel to Nisovo
Sun	15 th June	Meeting with Black Stork hotel owner (Dragomir Stoyanov), Rusenski Lom pilot PES scheme; Meeting with former director of Rusenski Lom nature park (Milko Belberov)
Mon	16 th June	Meeting with rusenski Lom Nature Park director (Tzonka Hristova); Meeting with the coordinator of the Rusenski Lom PES scheme (Vasilka Petrova). Meeting with representative of NGO Biala Zvezda adventure club (Yavor Asenov). Travel to Persina Nature Park. Meeting with Direktor of persina Nature Park (Stela Bozhinova); Meeting with senior expert of Persina Nature Park (Veselin Koev)
Tue	17 th June	Discussions with PM (Maya Todorova). Travel to Ovcha mogila village; Meeting with local entrepreneur (Anton Georgiev) – Persina pilot PES scheme; Meeting with Lora Djerbil WWF local coordinator
Wed	18 th June	Travel to Sofia, Meeting with WWF DCP (Andreas Beckmann).
Mon	30 th June	Meeting with WWF BG Director; Meeting with WWF BG national project coordinator (Julia Grigorova)
Wed	2 nd July	Meeting with WWF- DCP policy and climate change officer (Georgi Stefanov) Meeting with representative of Executive Agency for Fishery in BG(Lubka Lazarova)
	2-7 July	Follow up interviews
	July	Report preparation

List of people interviewed

Institutions/Individual	Position	Relevance to the project	Type of interview
International			
UNEP			
Marieta Sakalian	Active Task Manager (based in Rome)		Skype
WWF-DPCO			
Andreas Beckmann	Director, WWF-DCP (based in Vienna)		Personal
Irene Lucius	Head of Policy and Green Economy team (based in Vienna)	GEF Project Director	Personal
Angelika Beranek	F&A Manager, based in Vienna	Project Finance Manager	Skype
Countries - National level			
Bulgaria			
<i>National level</i>			
Maya Todorova	Regional Green Economy Manager, WWF-DCPO, based in Ruse, Bulgaria	GEF Project Manager	Personal and skype
Vesselina Kavrakova	Manager WWF DCP Bulgaria	Manager WWF DCP BG	Personal
Yulia Grigorova	National Policy and Green Economy team coordinator, WWF-DCP, Bulgaria	Bulgaria National GEF Project Coordinator	Personal
Olga Apostolova	Regional Communications Officer, WWF-DCP, Bulgaria	Project Communicator	Skype
Georgi Stefanov	Policy and Climate Change Officer, WWF-DCP, Bulgaria	Persina pilot site expert	Personal
Lora Djerbil	Expert, WWF – DCP, Bulgaria	Persina pilot site expert	Personal
Anna Petrakieva	Senior expert, Restoration of Forests and Protected Areas Directorate, Executive Forests Agency	PSC	Personal
Lyubomir Vassilev	Business Development Manager, Economedia	PSC	Personal
Lyubka Lazarova	Chief Expert, “European Fisheries Fund” Directorate, Executive Agency for Fisheries and Aquaculture	PSC	Personal
Rousina Zhmouranova	Senior expert, EU Funds for Environment Directorate, Ministry of Environment and Water	PSC	Personal
<i>Local level</i>			
Milko Belberov	Former Director, Rusenski Lom Nature Park Directorate	Rusenski Lom pilot scheme	Personal
Tzonka Hristova	Director, Rusenski Lom Nature Park Directorate/ Club Friends of Rusenski Lom Nature Park	Rusenski Lom pilot scheme, manager of the scheme	Personal
Vassilka Petrova	Expert, Rusenski Lom Nature Park Directorate	Rusenski Lom pilot scheme, coordinator of the scheme	Personal
Dragomir Stoyanov	Black Stork Hotel, Rusenski Lom Nature Park	Rusenski Lom pilot scheme, buyer under the scheme	Personal
Yavor Asenov	Biala Zvezda Adventure Club NGO,	Rusenski Lom pilot	Personal

	Rusenski Lom Nature Park	scheme, buyer under the scheme	
Tzvetana Todorova	Kladenetsa Family Hotel, Rusenski Lom Nature Park	Rusenski Lom pilot scheme, buyer	Personal
Stela Bozhinova	Director, Persina Nature Park Directorate	Persina pilot scheme, manager of the scheme	Personal
Vesselin Koev	Senior Expert, Persina Nature Park Directorate	Persina pilot scheme, manager of the scheme	Personal
Anton Georgiev	Local entrepreneur, ET "Eko den"	Persina pilot scheme, user of ecosystem services	Personal
Romania			
<i>National level</i>			
Monia Martini	Green Economy Coordinator – WWF-DCP, Romania	Romania National GEF Project Coordinator	Personal
Carmen Neagu	Senior Adviser (General Directorate for Waters management), Ministry of Environment and Forests	PSC	Personal
Ramona Curelea	Geographer, National Romanian Waters Administration	PSC	personal
<i>Local level</i>			
Cristina Munteanu	Species Specialist – WWF-DCP, Romania	Demonstration Site Project Coordinator, Ciocanesti	Personal
Edit Pop	Forest and protected area expert, based in Baia Mare WWF-DCP, Romania	Demonstration Site Project Coordinator, Maramures	Personal
Hodorogea Marin	Ciocanesti fish farmer	Ciocanesti scheme	Personal
Deacu Pompiliu	Ciocanesti fish farmer	Ciocanesti Scheme	Personal
Tiplea Petru	Pension owner, Maramures	Maramures scheme, buyer	Personal
Serbia			
Goran Sekulic	Expert, Nature Conservation, Institute for Nature and Conservation of Serbia	Analysis of PES feasibility in Serbia, commissioned under the project	Skype
Ukraine			
Oleg Rubel	National Coordinator of the Project InterTrails, Ukrainian Environmental Academy of Sciences	Analysis of PES feasibility in Ukraine, commissioned under the project	Personal
Consultants & freelancers			
Yanka Kazakova	Former WWF Colleague	Project design	Personal
Nigel Varty	Consultant	Mid-term project evaluator	Skype
Julio Tresierra	Freelancer	Review of pilot schemes and recommendations to improve the template of schemes reporting	Personal
Andrei Blumer	Association of Ecotourism, Romania	Supported Maramures scheme and capacity building	Personal

Annex 3. Project reallocation and disbursement budget by 30 June 2014*

Outcome/Output	Original budget (from Project Document - A)	% of total original budget	Reallocated budget (B)	% Total Reallocated budget	% change due to reallocation (B-A/A x 100)	Total disbursement until 30 June 2014 (C)	% of reallocated budget spent (C/B x 100)	% of original budget spent by 30 June 2014 (C/A x 100)
Outcome 1	634 456	66%	617 313	64%	3%	610 319	99%	96%
Output 1.1	111 733	12%	104 200	11%	7%	104 200	100%	93%
Output 1.2	71 076	7%	69 087	7%	3%	62 092	90%	87%
Output 1.3	358 473	37%	351 179	36%	2%	351 179	100%	98%
Output 1.4	93 175	10%	92 848	10%	0%	92 848	100%	100%
Outcome 2	137 309	14%	132 446	14%	4%	120 540	91%	88%
Output 2.1	25 018	3%	25 018	3%	0%	25 018	100%	100%
Output 2.2	65 522	7%	65 522	7%	0%	65 522	100%	100%
Output 2.3	46 769	5%	41 907	4%	10%	30 000	72%	64%
Outcome 3	192 911	20%	214 917	22%	-11%	136 152	63%	71%
Output 3	105 771	11%	119 771	12%	-13%	92 373	77%	87%
Output 4	87 141	9%	95 146	10%	-9%	43 779	46%	50%
Total	964 676	100%	964 677	100%	0	867 011	90%	90%

Source : Data provided by the project manager

*The project work plan was revised after the MTR. The project manager produced a synchronizing table for the original and revised workplan for the ease of tracking project activities There was no budget transfers between the original and revised components.

Annex 4. Summary of co-finance to the end of June 2014

Co financing(Type/Source)	IA own Financing		Government		Other*		Total		Total Disbursed (USD)
	(USD)		(USD)		(USD)		(USD)		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Grants					1 114 173		1 114 173		
UNEP									
WWF					1 114 173		1 114 173		
Loans									
Credits									
Equity investments									
In-kind support			202 800	188 870	32 400	138 988	235 200	327 858	
Ruse Municipality			30 000	4 543					
Tzenovo Municipality			18 000	1 661					
Dolna Mitropolia Municipality			12 000	0					
Rusenski Lom Directorate			9 600	153 211					
Persina Directorate			36 000	12 036					
Friends'Club of Rusenski Lom Peoples Park					6 000	84 908			
Nature Tourism Association					12 000	14 406			
ET Eko Den						2 998			
Environmental Protection Agency			73 200	10 069					
Romanian Water Authority			12 000	7 351					
Baia Mare Forest Authority			12 000	0					
Ciocanesti Fish farm					7 200	13 350			
Iezer Calarasi Fish farm					7 200	2 702			
Ecologic Association						20 624			
Other (leveraged funding)			0	71 602 700	0	177 543	0	1 974 996	0

Executive Agency for Fisheries and Aquaculture, Bulgaria			0	1 850 000			0	1 850 000	
EU funds - Operational Programme for Fisheries, Romania			0	124 996			0	124 996	
Protection and improvement of environment, natural resources and genetical diversity and management of the landscape and traditional activities in Piscicola Ciocanesti fish farm, Operational Program for Fisheries, Axis 2, Measure 2.1 – Aquaculture, Action 2.1.4 – Measures for aquatic environment, Operation 2.1.4.1 – Environmental Protection				110 614					
Improving tourism accessibility to enjoy birds diversity at Ciocanesti fishfarm, Calarasi County, Romania, DCC						33 966			
Demonstrating and promoting natural values to support decision-making in Romania, EEA / Norwegian Financial Mechanisms 2009 - 2014				4 577 090					
Development of ecotourism destination Mara - Cosau - Creasta Cocosului, Romania NGO Fund						121 101			
The European Ground Squirrel experience, DCC						8 677			
Establishment of an enterprise for the processing of agricultural biomass for the production of briquettes and pellets, Procedure BG51PO001-1.2.03, ESF Operational Programme Development of Human Resources						13 799			
Biodiversity and ecosystems Platform, Bulgaria, EEA / Norwegian Financial Mechanisms 2009 - 2014, Priority 3, Sector policies on systematic use of ecosystem services				12 240 000					
Measure 15. Ecosystem services and climate and forest-protection-related services in the forestry sector, Bulgaria, Rural Development Programme 2014-2020, Art. 34, Regulation (EC) No 1305/2013				52 700 000					
EU, Operational Programme Environment, Priority Biodiversity									
Totals	0	0	202 800	71 791 570	1 146 573	953 893	1 349 373	2 940 778	0

Source: Data provided by the PM

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

Annex 5. Original project logframe

	Logframe/Intervention logic	Objective verifiable indicator	Sources of verification	Risks, assumptions
Develop. Objective	To secure global environmental benefits by mainstreaming payments for environmental services (PES) and sustainable financing (SF) schemes in integrated river basin management for large-scale international watersheds.	At least 3 large-scale international watersheds with PES schemes adopted or under consideration.	Baseline established at project inception; Post-project evaluation of PES in Danube and other large-scale international watersheds.	There is a world-wide drive to (a) reduce rural poverty; (b) secure the provision of ecosystem services and (c) eliminate rural production subsidies that distort international trade. Paying for ecosystem services is one of the few instruments that may deliver on all three goals.
1	Project Objective 1: To demonstrate and promote PES and other sustainable financing schemes in the Lower and Middle Danube river basin.			
2	Project Objective 2: To derive lessons of relevance for the Danube river basin at large and for other major watersheds.			
Outcome 1	PES and SF schemes that reward the maintenance, improvement or adoption of conservation-friendly land uses are contributing to integrated river basin management and rural livelihoods in the Lower and Middle Danube.	By project end, 5 local PES demonstration projects set-up in Romania and Bulgaria. By 2012, PES and SF mechanisms integrated into Danube River Basin Management plan. By 2012, national PES schemes developed in Romania and Bulgaria	River Basin Management Plans for Danube and sub-basins (2012); annual monitoring reports of relevant funding programs (2012); Post-project independent evaluation.	Societal changes in CEE and EU have opened a window of opportunity for payments for rural conservation practices connected with integrated river basin management. Rural development programs include substantial opportunities for financing land management and conservation.
Outcome 2	The project has made significant contributions to the conservation community's knowledge of how to scale up PES and SF schemes and key stakeholders are considering adapting them to their sub river-basins and situations.	By project end, key stakeholders in the Danube and its sub-river basins as well as at least three other major river basins are aware of the Danube experience with PES and SF and are considering adapting it to their river basins and situations. Key staff in at least 30 conservation, freshwater management and/or rural development institutions are aware of PES/SF opportunities and lessons gained in this project and are considering adapting them to their needs.	Qualitative surveys among project participants and key stakeholders in the Danube and selected major river basins as well as among staff of conservation and rural development institutions, to be conducted at project inception and as part of post-project evaluation.	Interest from key players in the Danube and other major river basins. Lessons from, and basic approaches developed in the project are useful in other areas of the Danube and other major river basins. Ongoing integration and approximation of Serbia, Ukraine and Moldova to the European Union continues. Interest in SF and PES among conservation and rural development organizations remains high.

Outputs leading to OUTCOME 1

<p>1.1.</p>	<p>National PES schemes in Romania and Bulgaria effectively reward provision of Danube-related ecosystem services and are integrated into Danube River Basin and sub-basin management plans</p>	<p>By 2012, relevant agri-and aqua-environmental payments and other public and private-driven PES and SF mechanisms are identified and included in the Program of Measures for the Danube River and sub-basin Management Plans; full uptake by farmers and land users; efficiency in meeting environmental targets.</p>	<p>Evaluation at project inception and independent assessment at project end; official implementation guidelines, statistics.</p> <p>Official documents related to relevant funding programs, including implementation reports, guidelines, and statistics</p>	<p>Completion of River Basin Management Plans by 2009 and implementation of Programme of Measures by 2012, in accordance with the EU Water Framework Directive. Interest and cooperation of relevant authorities and ICPDR/River Basin Management working group.</p>
<p>1.2.</p>	<p>Capacity building and training in PES/SFs for key stakeholders in Romania and Bulgaria</p>	<p>By project end, at least 80 river basin managers and other key stakeholders in BG and RO are trained in PES and sustainable financing schemes; all relevant stakeholders in BG and RO are aware of ecosystem services and opportunities for PES and sustainable funding schemes.</p>	<p>Records of/participation in training activities and participant evaluations; Survey among key stakeholders in Danube conducted at project inception and as part of post-project evaluation.</p>	<p>Interest of participants and willingness to participate.</p>
<p>1.3.</p>	<p>Demonstration of local-level implementation of public payments for Danube-related ecosystem services</p>	<p>By project end, at least 3 demonstration projects in Romania and Bulgaria involving public funded PES and SF schemes.</p>	<p>Independent assessment at project end.</p>	<p>Interest and willingness of local partners to participate.</p>
<p>1.4.</p>	<p>Private sector involvement and support for PES schemes demonstrated</p>	<p>By project end, at least 2 demonstration projects in Romania and Bulgaria involving private-funded PES and SF schemes.</p>	<p>Independent assessment at project end.</p>	<p>Interest and willingness of business leaders to participate.</p>

Outputs leading to OUTCOME 2

2.1.	Information and experience exchange for key stakeholders in Danube and sub river basins	By project end, project experience and expertise shared with 60 river basin managers and other key stakeholders in Serbia, Ukraine and Moldova; all river basin managers and other key stakeholders in the wider Danube river basin are aware of the project and lessons related to PES and SF.	Participant evaluations of workshops; Survey among key stakeholders in Danube conducted at project inception and as part of post-project evaluation.	Interest of participants and willingness to participate. Serbia, Ukraine and Moldova continue moving toward closer integration with the EU.
2.2.	Experience exchange with stakeholders in selected major river basins.	By project end, project experience and expertise transferred to key stakeholders in at least 3 major river basins.	Survey among project participants and key stakeholders in major river basins conducted at project inception and as part of post-project evaluation.	Interest of key stakeholders in selected major river basins. Lessons from and basic approaches developed in the Danube are useful in other contexts too.
2.3.	Best practices and lessons learned are documented, distributed and discussed with the conservation and international community.	Project experience and expertise shared with at least 30 key institutions in the conservation, freshwater management and rural development communities.	Mid- and end of project evaluation. Survey among users of publications and websites. Survey among staff of key conservation and rural development institutions.	Lessons from and basic approaches developed in the Danube are relevant and useful in other contexts too.

Annex 6 . Revised Project Logical Framework (after MTR)

	Objectively verifiable indicators					
	Indicator	Baseline	Mid-term target	End of Project target	Sources of verification	Risks and assumptions
<i>Outcome 1: Models of public and private sector PES and related schemes developed and demonstrated within Danube basin in Bulgaria and Romania, and approach replicated in wider region</i>						
	At least 5 local and national model PES schemes under implementation for at least a year by end of 2013.	Existing agri-environmental schemes not targeted to specific regional environmental conditions No local PES schemes	Development of 2 national PES schemes is initiated Development of 3 local PES schemes is initiated	2 national PES schemes developed and 3+ local PES schemes established covering an area of at least 500,000 ha	National funding programs and delivery.	R: Intensified construction of dikes, dams and other “hard” approaches to flooding, which is increasing due to climate change.
	At least 5 MoUs signed for public/ private partnerships covering PES schemes signed by end of 2012	No MoUs for public/private partnerships covering PES schemes	At least 2 MoUs signed	At least 5 MoUs signed	Project progress reports documenting local and private-sector PES/SF schemes.	R: Global financial crisis leads to cuts in EU/state aid schemes.
	At least 2 proposals for a PES scheme designed for Serbia and/ or Ukraine by end 2013	No proposals for a PES scheme designated for Serbia and/or Ukraine	Opportunities identified and discussed with stakeholders	At least 2 proposals	Danube RBM Plans. Concepts	Sources of Expertise on PES and Sustainable Financing Schemes: Willingness of governments to shift focus of existing schemes.
						A: Current EU/national-funded programs are continued and extended after 2013.

Output 1.1 Demonstration of implementation of public and/ or private payments for Danube-related ecosystem services in Romania and Bulgaria	At least 5 local and national model PES schemes under implementation for at least a year by end of 2013.	Existing agri-environmental schemes not targeted to specific regional environmental conditions No local PES schemes	Development of 2 national PES schemes is initiated Development of 3 local PES schemes is initiated	2 national PES schemes developed and 3+ local PES schemes established covering an area of at least 500,000 ha	National funding programs and delivery.	A: Continued policy framework and funding programs as well as implementation. A: Interest and cooperation of relevant national authorities and local stakeholders.
	At least 5 MoUs signed for public/ private partnerships covering PES schemes signed by end of 2012	No MoUs for public/ private partnerships covering PES schemes	At least 2 MoUs signed	At least 5 MoUs signed	Project progress reports documenting local and private-sector PES/SF schemes.	R: Current economic/ financial crisis leads to
Opportunities identified and discussed with stakeholders	At least 2 proposals	Danube RBM Plans. Concepts	A: River basin managers and key stakeholders willing to participate in trainings A: Relevant stakeholders show interest in ecosystem services, PES/SFs. A: budget is found sufficient to raise awareness and train all identified stakeholders			
Outcome 2: Technical capacity of key stakeholders to develop and implement PES schemes and improve related policy increased in Romania and Bulgaria						
	1. At least 2 follow-up proposals for new PES schemes in Bulgaria and/ or Romania led by key stakeholders developed	Little or no capacity to develop and implement PES schemes	Key stakeholders, level of knowledge and needs related to PES/SFs in Romania and Bulgaria	Capacity is built and at least 2 follow-up proposals led by key stakeholders	Evidence provided in project progress and final reports	R: Danube lessons/approaches are not relevant or useful in other contexts/basins.

	by end 2013		are identified.			
	2. PES concept integrated into documents feeding into mid-term review of the national Danube river basin management plans and associated programmes of measures by end 2013	Danube River Basin Management Plan in place but PES concept is not integrated	Documents and their development process identified that feed into 2nd river basin management plans	PES/SF mechanisms integrated into Danube RBM Plan	Interviews with key set of stakeholders conducted during final project evaluation	A: sufficient level of interest in PES / SF of key stakeholders exist in Bulgaria and Romania
	3. PES concept integrated into draft 2014-2020 Operational Programme for environment, fisheries and rural development for Bulgaria and Romania		Consultations with relevant stakeholders for the integration of PES/SF mechanisms into the Danube RBM Plan is initiated and ongoing	PES concept integrated into draft 2014-2020 Operational Programme for environment, fisheries and rural development for Bulgaria and Romania by end 2013		
Output 2.1 Capacity building for PES/SFs for key stakeholders in Romania and Bulgaria	Number of key stakeholders in Bulgaria and Romania who are aware of project experience and whose capacity for PES was built	No awareness	Key stakeholders in Bulgaria and Romania are identified, and their level of knowledge and needs related to PES/SFs is assessed	2 national training workshops held in Bulgaria and Romania, with at least 12 senior experts from relevant ministries	Surveys/analysis undertaken at project inception and end. - Training materials - project reports	A: sufficient level of interest/participation of river basin managers and other key stakeholders
	1. At least 2 follow-up proposals for new PES schemes in Bulgaria and/ or Romania led by key stakeholders developed by end 2013	Little or no capacity to develop and implement PES schemes	Key stakeholders, level of knowledge and needs related to PES/SFs in Romania and Bulgaria are identified.	Capacity is built and at least 2 follow-up proposals led by key stakeholders	Evidence provided in project progress and final reports	
					Availability of guidance documents and lessons learned to the target groups	

					Documentation of media coverage and other communication channels used + their relative readership/coverage	
Output 2.2 Key policies in Romania and Bulgaria effectively support the provision of Danube-related ecosystem services	PES concept integrated into documents feeding into mid-term review of the national Danube river basin management plans and associated programmes of measures by end 2013	Danube River Basin Management Plan in place but PES concept is not integrated	Documents and their development process identified that feed into 2nd river basin management plans	PES/SF mechanisms integrated into Danube RBM Plan	Project progress reports including documentation of workshops and staff exchanges.	A: sufficient level of interest in PES / SF of key stakeholders exist in Bulgaria and Romania
	PES concept integrated into draft 2014-2020 Operational Programme for environment, fisheries and rural development for Bulgaria and Romania		Consultations with relevant stakeholders for the integration of PES/SF mechanisms into the Danube RBM Plan is initiated and ongoing	PES concept integrated into draft 2014-2020 Operational Programme for environment, fisheries and rural development for Bulgaria and Romania by end 2013	Operational Programme documents Project progress reports	
Outcome 3: Availability of information on, and awareness of, PES concepts, schemes and opportunities increased in Danube basin and beyond						
Output 3.1 Best practices and lessons learned are documented, distributed and discussed within Danube region and beyond	Project experiences and lessons learned ('how-to' manuals, good practices guidelines) captured and available to key regional stakeholders and international conservation and development community through project website	No documentation of best practice/lessons learned in the Danube River Basin	Draft lessons learnt paper, newsletter issues on interim results and lessons learnt	The accurate documentation of processes and activities leading to best practice is systematically being documented at all demonstration sites supported by the project	Evidence provided in project progress and final reports	R: Danube lessons/approaches are not relevant or useful in other contexts/basins.

<p>Increase in awareness scores of PES concepts, schemes and opportunities among pilot site communities, journalists and government agency staff (ministry of finance, agriculture and environment) in Bulgaria and Romania by mid 2013 compared with year 1 baseline</p>	<p>No awareness of PES concepts, schemes and opportunities among pilot site communities, journalists and government agency staff</p>	<p>Targeted awareness raising activities carried out covering reaching key targets</p>	<p>Increased awareness of PES concepts, schemes and opportunities among pilot site communities, journalists and government agency staff</p>	<p>Interviews with key set of stakeholders conducted during final project evaluation</p>	<p>A: sufficient level of interest of key stakeholders in greater Danube and other major river basins</p>
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Annex 7. Opinion of successes and strengths, failures and weaknesses of the project recorded During TE interviews (not edited and in no particular order)

A. Perceived successes and strengths by the interviewees

- ✓ Unifying the efforts of the institutions in Bulgaria and Romania for valuation of ES.
- ✓ To give real life of the scheme and to integrate it in the larger concept – it gives more chance to grow.
- ✓ The four pilot projects, because they provide models that further can be monitored as a source of knowledge. In the policy field, the project has turned WWF team to a driving force, source of knowledge and competent center for ES and PES.
- ✓ Motivation and engagement of all stakeholders to PES.
- ✓ Project team's engagement: WWF put this on its agenda and priorities, and it managed to set the basis and to raise awareness on PES among local communities and business (as small as it is). It raised awareness and the big question is what will be the follow up. You have to start working for the follow up from day 1 of the project. The project raised awareness, so the question is how to put it in practice. Move from lessons learnt to lessons applied.
- ✓ The biggest success is the engagement of the local people. We have achieved a good level of engagement at local and even at national level.
- ✓ From the financial point of view that then project managed to shift budget and cover additional activities
- ✓ Big success is Persina pilot scheme – where you can see it happen in practice. A very serious result is also the Ordinance of the EFA for the legal framework for PES – that will enable the future development of these schemes.
- ✓ Partnership between the local stakeholders to apply for Eco touristic destination and to promote it. Public-private partnership and cooperation that is new for Maramures area.
- ✓ The project created a precedent to talk for PES in Bulgaria. The project can be seen as a pioneer in the region and Europe. The expertise and motivation of WWF and their ability to work together as a team. They do everything with their hearts.
- ✓ Communication in Ciocanesti pilot scheme – the way information was presented to stakeholders of the pilot scheme. It was adapted for them.
- ✓ The project managed to mobilize funds for ES. More people understand what PES is. Ciocanesti fishfarm is still there.
- ✓ To have a real model for PES. It is very important. The best example is in Persina.
- ✓ The involvement of the stakeholders in the project
- ✓ The introduction of the concept among the stakeholders and the existence of such organizations that care for endangered species. The project has an educational role.
- ✓ The project managed to raise awareness amongst the local communities about the buyers and sellers of ecosystems services. The people started to understand and talked for that subject and she believes that it will continue for the future.
- ✓ The fact that the project created connections for the fish farm and abroad. WWF help the fish farmers association to have better representation in the Fishery Agency (AMPU).
- ✓ The PES scheme that managed to collect money for the souslik.
- ✓ The partnerships created at local and national level. The people understood what PES is.
- ✓ The assessment of the carbon stock of the Nature park. The partnerships that were created
- ✓ In the beginning most people regarded each other as competitors – now they work together and have a common idea. The improved communication between stakeholders is a very important success.

- ✓ Linking environment and development and making real schemes that work.
- ✓ The people started to know each other. Small steps, but they matter. Different businesses were linking at intersection point.
- ✓ The PES scheme contributed to the restoration of the wetland, but even without the project the wetland was already restored.
- ✓ The experience and the knowledge that were acquired. The fact that a person like Toni Georgiev was found (Persina pilot). The mowing in the wetland, which happened not to be very easy. The experience with pellets from reed – the fact that they are self destroyed and it is not easy.
- ✓ The concept of PES is introduced in our region – people and institutions know what PES is. The project tested how PES schemes are working in Danube river basin and show that PES schemes are possible.
- ✓ The knowledge that reached people. Changes that were made in the ways people and institutions think.
- ✓ Implementation of the 2 PES schemes – the project proved that such schemes are possible. These schemes can be enlarged and further developed. A methodology was developed for calculation of the residual biomass.
- ✓ The biggest value of the project is shaping the way that people appreciate nature. Providing a price tag. This is a bigger benefit than the PES schemes themselves.
- ✓ Partnership agreements at pilot level and examples of real PES schemes. The policies are recognizing PES in one way or another.
- ✓ It is a new model for work for WWF team that couldn't happen if all of the stakeholders were not included. The new pilot mechanism (PES) was developed and applied with wide range of stakeholders. The financial mechanisms are directly connected with the conservation activities.
- ✓ Four pilot schemes giving possibilities for many people to learn from them. Many international forums where project experts (Maya and Irene) are invited. From communication point of view the project has raised a lot of awareness for a new concept.
- ✓ Pilot schemes are very interesting – they are the most significant result of the project.
- ✓ Collection of small amounts in Bulgaria and Romania from the stakeholders to finance concrete activities for environment conservation. The whole project is a success story – the way the information was disseminated, participation in workshops and not only information to be read.
- ✓ WWF manages to replicate project outcomes in both project target countries and in other countries in Europe (Germany, Austria and Poland). Capacity building and interest created in the structures related to environment protection. 60 people from DCPO are really interested of the results of the project.
- ✓ The fact that UNEP works in the area of PES and the project tests them. The project is one of the most innovative projects that UNEP has done.
- ✓ The project team (mainly women) involved in the project.
- ✓ The experience coming out of the PES schemes – to capture what works and what didn't.

B. Perceived 'failures', 'gaps' or things that could have been done in a better way by the interviewees:

- ✓ Too technical – in the beginning the approach was purely technical and the interest of the local people was lost. The dialogue was then again to be created for PES scheme to work.
- ✓ Timeline – the project is behind with PES schemes implementation. To have more time to monitor the results and to communicate them. If it has to be done again maybe it will be faster, because of the accumulated knowledge. The project also has tangible imprint on RBMP – it only initiated the process.

- ✓ Lack of conceptual understanding what is PES and what is sustainable financing scheme for the project. PES is a sustainable financing mechanism, but not all sustainable financing mechanism are PES. Partnerships need to go beyond partnership agreements. They have to go for policy issues. There is still a huge gap between the policy and PES.
- ✓ The fact that there were no immediate tangible results for the stakeholders. People have expectations and for future projects we should try to find a way to give/show immediate benefits to local people.
- ✓ The budget have to include overheads
- ✓ Project website and dissemination of the information could be better
- ✓ It was not easy to make small business to give money for the scheme. The scheme started with 12 pension owners and lost 4 of them, because they did not see the immediate benefit of the scheme (Maramures pilot). The webpage for the touristic destination is not ready – it is delayed. The page will promote not only environment protection, but also the contributors to the scheme.
- ✓ The fact that we see people doing something for Craiasca forest (Maramures) is very good for everyone in the area.
- ✓ The funds that were gathered by the PES schemes
- ✓ Problems with Iezerul Calarasi farm.
- ✓ Iezerul Calarasi farm had problems with the property – they owned only the fish. If the people from the Fishery Operational Programme were not afraid that they will not absorb the funds, the scheme was not going to work. In the beginning, they were not so enthusiastic about doing aqua friendly measures.
- ✓ In the structure of the project there is no powerful public relation component
- ✓ The project and the idea should have started earlier and we can already have results for nature conservation
- ✓ The main constraint (not exactly failure) was the limited time for mainstreaming the PES concept into the policy.
- ✓ The little amount of money that were collected in the PES schemes
- ✓ The funds of the PES scheme could have been directed for clearance of the river (Rusenski Lom).
- ✓ There were not big expectation of the project.
- ✓ The project couldn't implement more schemes for water ecosystems. Two more pilot schemes could have been developed in Rusenski Lom and Maramures. One PES scheme was closed.
- ✓ A marketing survey should have been done how many household are willing to use the pellets (Persina pilot).
- ✓ Something which was not done well is feeding on general focus of financing – ES valuation.
- ✓ The exchange of experience between Bulgaria and Romania could have been better, but that is yet to come.
- ✓ When you do something for the first time you need a lot of flexibility to adapt the approach. It could happen faster. Better evenness of the found reality and the existing experience
- ✓ We could have worked better with the business (local business).
- ✓ The project could have had better information flow. Even if Serbia was not a pilot country the results could have been distributed in a better way.
- ✓ If the message does not reach all of the stakeholders. It is very important to continue with the dissemination of the results.
- ✓ We couldn't make the idea easy understandable - but it was not a priority of the project. We couldn't sell the idea to the market – so it can replicate itself alone.
- ✓ We couldn't attract VIP to support that idea

Annex 8: Documents reviewed by the TE expert

- Project design documents
- Project Inception Report
- Correspondence related to project
- Steering Committee meeting documents, including agendas, meeting minutes, and any summary reports
- Project progress reports (HYRs),
- Annual Project Implementation Reports (PIRs)
- Management memos related to project
- Revised project logframe and work plan
- Synchronized project logframe and workplan
- Project revision and extension documentation
- Draft technical reports for the pilot sites
- Project Lessons Learnt paper
- Mid-term review
- Updated implementation plan for the recommendations of the Mid-Term Evaluation
- GEF Tracking Tool for the relevant focal area
- UNEP evaluation guidelines
- Other documents relevant to the project

Annex 9. Brief CV of the consultant

Personal information

First name(s) / Surname(s) **Vyara Konstantinova STEFANOVA**
Address(es) Krastio Pastuhov Str., bl.153 entr. A, Ap.2 , Sofia, Bulgaria
Telephone(s) ++359 2 88986 82 Mobile: +359 898563647
E-mail viara_mail@dir.bg

- Main competencies**
- 15+ years of experience in rural development and environment, including agri-environment policy and economy with a focus on analysis, development and evaluation of measures, mechanisms, projects, programmes and policies for integrating environmental objectives and sustainable development
 - Experience in analysis, assessment and integration of of the environment objectives in the agricultural policy in Bulgaria and other Balkan countries
 - Comprehensive experience in formulating recommendations based on analysis and assessments of social, economic and environmental data with a focus on rural and regional development, including identification and formulation of environmental and biodiversity-related issues to be considered in sectoral policies and programmes at local, national and European levels
 - Highly developed skills in project formulation, planning/inception, management and evaluation
 - Proven ability to work with and manage teams of local and international experts, including head of agri-environment department of 11 civil servants for 9 years (Rural development directorate, Ministry of Agriculture and Food) , team leader of 1 international and 1 national project projects during 2004-2009
 - Experience in EU twinning and technical assistance projects

- Main publications** Kazakova, Y.& V.Stefanova, 2013, A Review of National Agriculture and Rural Development Policy Frameworks: A synthesis report for ESSEDRA project countries – Bulgaria, Romania, Croatia, Albania, Bosnia and Herzegovina, Republic of Macedonia, Serbia and Turkey, EFNCP-Sofia
- Stefanova, V., Ignatova, V., Yunakova, M., Kazakova, Y., 2013, “A Methodology for Sustainable Management of Municipal Pastures and Meadows in Bulgaria, CASUPSM-Sofia
- Stefanova, V., Hart, K., Znaor, D., Kazakova, Y., “High Nature Value Farming and Agri-Environment Payments for the Republic of Macedonia”, Avalon, 2012
- KazakovaY.&V.Stefanova, “High Nature Value Farming in South-Eastern Europe: Policy Opportunities and Challenges in the EU Accession”, EFNCP, 2011
- Keenleyside, C., Allen, B., Hart, K., Menadue, H., Stefanova, V., Prazan, J., Herzon. I., Clement, T., Povellato, A., Maciejczak, M. and Boatman, N. (2011) Delivering environmental benefits through entry level agri-environment schemes in the EU. Report Prepared for DG Environment, Project ENV.B.1/ETU/2010/0035. Institute for European Environmental Policy: London
- KazakovaY.&V.Stefanova, “High Nature Value Farming in the Western Balkans: Current Status and Key Challenges – a Scoping Document”, EFNCP, 2010
- V. Stefanova, Kazakova,Y., Country chapters for Bulgaria and Macedonia, High Nature Value Farming in Europe, verlag regionalkultur, 2012
- Contributions to:**
- Keenleyside, C, Beaufoy, G, Tucker, G, and Jones, G (2014) High Nature Value farming throughout EU-27 and its financial support under the CAP. Report Prepared for DG Environment, Contract No ENV B.1/ETU/2012/0035, Institute for European Environmental Policy, London.

UNEP Evaluation Office Quality assessment of the Final Draft of the Terminal Evaluation of the Project ‘Promoting Payments for Ecosystem Services (PES) and Related Sustainable Financing Schemes in the Danube Basin’

Quality Assessment of the Evaluation Report

All UNEP evaluation reports are subject to a quality assessment by the Evaluation Office. The quality assessment is used as a tool for providing structured feedback to the evaluation consultants. The quality of the final draft evaluation report is assessed and rated against the following criteria:

Substantive report quality criteria	UNEP EO Comments	Draft Report Rating	Final Report Rating
A. Strategic relevance: Does the report present a well-reasoned, complete and evidence-based assessment of strategic relevance of the intervention?	Draft report: Yes Final report: Yes	5	5
B. Achievement of outputs: Does the report present a well-reasoned, complete and evidence-based assessment of outputs delivered by the intervention (including their quality)?	Draft report: Yes, but need make further use of the evidence gathered to support findings. Final report: Yes, the above was addressed adequately.	4	5
C. Presentation Theory of Change: Is the Theory of Change of the intervention clearly presented? Are causal pathways logical and complete (including drivers, assumptions and key actors)?	Draft report: Yes, to a large extent Final report: Yes	5	5
D. Effectiveness - Attainment of project objectives and results: Does the report present a well-reasoned, complete and evidence-based assessment of the achievement of the relevant outcomes and project objectives?	Draft report: Yes, but more evidence needed. Final report: Yes, with more evidence proved.	5	5

<p>E. Sustainability and replication: Does the report present a well-reasoned and evidence-based assessment of sustainability of outcomes and replication / catalytic effects?</p>	<p>Draft report: More work needed to strengthen this bit.</p> <p>Final report: Yes</p>	<p>4</p>	<p>5</p>
<p>F. Efficiency: Does the report present a well-reasoned, complete and evidence-based assessment of efficiency?</p>	<p>Draft report: Yes, to a large extent</p> <p>Final report: Yes</p>	<p>5</p>	<p>5</p>
<p>G. Factors affecting project performance: Does the report present a well-reasoned, complete and evidence-based assessment of all factors affecting project performance? In particular, does the report include the actual project costs (total and per activity) and actual co-financing used; and an assessment of the quality of the project M&E system and its use for project management?</p>	<p>Draft report: Yes, to a large extent</p> <p>Final report: Yes</p>	<p>5</p>	<p>6</p>
<p>H. Quality and utility of the recommendations: Are recommendations based on explicit evaluation findings? Do recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented?</p>	<p>Draft report: Yes, but some were not actionable.</p> <p>Final report: Yes</p>	<p>4</p>	<p>5</p>
<p>I. Quality and utility of the lessons: Are lessons based on explicit evaluation findings? Do they suggest prescriptive action? Do they specify in which contexts they are applicable?</p>	<p>Draft report: Yes, but some were written as recommendations</p> <p>Final report: Yes with the above corrected.</p>	<p>5</p>	<p>5</p>
<p>Other report quality criteria</p>			
<p>J. Structure and clarity of the report: Does the report structure follow EO guidelines? Are all requested Annexes included?</p>	<p>Draft report: Yes</p> <p>Final report: Yes</p>	<p>5</p>	<p>5</p>
<p>K. Evaluation methods and information sources: Are evaluation methods and information sources clearly described? Are data collection methods, the triangulation / verification approach, details of stakeholder consultations provided? Are the limitations of evaluation methods and information</p>	<p>Draft report: Yes</p> <p>Final report: Yes</p>	<p>5</p>	<p>5</p>

sources described?			
L. Quality of writing: Was the report well written? (clear English language and grammar)	Draft report: Yes, but could be better. Final report: Yes, quality of writing has been improved upon.	5	5
M. Report formatting: Does the report follow EO guidelines using headings, numbered paragraphs ,etc.	Draft report: Yes Final report: Yes	6	6
OVERALL REPORT QUALITY RATING		4.8	5.15

A number rating between 1 and 6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1.

The quality assessment of the evaluation is rated as **Satisfactory (5.15)**.

Checklist of compliance with UNEP EO's normal operating procedures for the evaluation process

Compliance Issues		Yes	No
1	Were the TORs shared with the implementing and executing agencies for comment prior to finalization?	X	
2	Was the budget for the evaluation agreed and approved by the UNEP Evaluation Office?	X	
3	Was the final selection of the preferred evaluator or evaluators made by the UNEP Evaluation Office?	X	
4	Were possible conflicts of interest of the selected evaluator(s) appraised? (Evaluators should not have participated substantively during project preparation and/or implementation and should have no conflict of interest with any proposed follow-up phases.	N/A	
5	Was an inception report delivered before commencing any travel in connection with the evaluation?	X	
6	Were formal written comments on the inception report prepared by the UNEP Evaluation Office and shared with the consultant?	X	
7	If a terminal evaluation; was it initiated within the period six months before or after project completion? If a mid-term evaluation; was the mid-term evaluation initiated within a six month period prior to the project/programme's mid-point?	X	
8	Was an inception report sent directly to EO by the evaluator?	X	
9	Did UNEP Evaluation Office disseminate (or authorize dissemination of) the draft report to key stakeholders to solicit formal comments?	X	
10	Did UNEP Evaluation Office complete an assessment of the quality of the draft evaluation report?	X	
11	Were all collated stakeholder comments and the UNEP Evaluation Office guidance to the evaluator shared with all evaluation stakeholders?	X	
12	Was an implementation plan for the evaluation recommendations prepared?	X	