

UNDP Management Response to Mid-Term Evaluation
The UNDP-GEF project “Integrated Natural Resource Management in the Baikal Basin Transboundary Ecosystem”

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Overall comments: With respect to **relevance**, the project is considered *relevant / highly satisfactory* for strengthening integrated natural resource management and supporting sustainable in the Baikal basin. The project clearly supports priority transboundary environmental and water management issues between Russia and Mongolia, and is in line with numerous national policies and pieces of legislation in both countries. The project is also relevant to local resource user needs and priorities. The project is supportive of with the agreed UNDP country priorities for each country, and is in-line with the GEF strategic priorities for the biodiversity and international waters focal areas. Further, the project clearly supports implementation of relevant multilateral environmental agreements, including the Convention on Biological Diversity (CBD), the Ramsar Convention, and the World Heritage Convention.

Project **efficiency** is rated *highly satisfactory*. Project implementation is considered satisfactory, while project execution (i.e. project management) is assessed as highly satisfactory. The project is well on-track with financial delivery, with 54.9% of the total GEF financing disbursed by the end of 2013, and greater than 95% annual budget delivery in 2012 and 2013. The results produced thus far are impressive relative to the project expenditure. Project management costs are also below the budgeted amount, and are expected to remain less than 10% of GEF funding. It is fully expected that the project will finish by the revised completion date of December 2015. Financial management procedures are in-line with norms for international development projects, and conform to UNDP and UNOPS policies and procedures, as well as the requirements of both participating governments. Project co-financing is on-track (with a co-financing ratio of 1: 12.7), and could potentially significantly exceed originally expected amounts by the end of the project. The PMU is highly professional and has demonstrated excellent planning, reporting, and financial management. The project has good stakeholder engagement through various partnership approaches, though country ownership in Mongolia is weaker than in Russia.

The Baikal basin project is well on-track to make important progress toward the overall project objective, and to achieve the supporting three outcomes. Following the initial slow start (the six-month “inception phase”), the project is making good progress on the activities in its agreed workplans. Project **results** thus far are rated **satisfactory**, and project **effectiveness** is also rated **satisfactory**. The results framework has some shortcomings, as it does not fully and adequately reflect project results, and at least one indicator has been completely dropped with approval of the PSC, while others have been modified or downscaled. Nonetheless, the project is on-track to achieve a majority of indicators. The most significant question for the Baikal project – as it is for most GEF international waters projects – is whether at the end of the day the participating countries will be willing to formally agree to concrete and specific measures in the final SAP, which will allow them to move forward in a meaningful and collaborative way. The current view for the Baikal project is optimistic, particularly since there are only two countries involved, but drafting of the SAP has only started, and there are a number of reasons that the countries may ultimately be hesitant.

Key Recommendation 1:	The SAP development process should include consultations with sub-national government stakeholders, such as soum and aimag level government representatives in Mongolia. To ensure implementation of the SAP it must be integrated with the planning processes and policies of the Aimags whose territories are included in the Selenga basin. The project could support at least one round of stakeholder consultations, which should be held in the early phases of SAP development (presumably in the third quarter of 2014). If necessary the project should transfer resources from Outcome 3 to Outcome 1 to cover these activities. This could be facilitated through the environment departments of the Aimag governments.		
Management Response:	Consultations with sub-national government stakeholders will be organized in the fourth quarter of 2014 and first quarter of 2015. Necessary resources will be transferred from Outcome 3 to Outcome 1 to cover these activities after the PSC approval on the third SC meeting in July 2014.		
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking

			Status	Comments
Agree necessary resources with the PSC	July 2014	PMU, PSC		
Make budget revision	September 2014	PMU, PSC		
Organize consultations with sub-national government stakeholders	October 2014-March 2015	PMU, MEGD, MNRE		
Key Recommendation 2:	The project should explore the possibility of providing further immediate support to the government of Mongolia for reviewing and analyzing the draft revised transboundary agreement with Russia. This approach would follow similar activities undertaken in previous donor projects in which the project supported activities such as expert legal analysis, and consultation with the Department of Justice. Being a transboundary agreement, this would be facilitated in collaboration with both the MEGD and the Ministry of Foreign Affairs. The UNDP Mongolia Country Office may be able to help facilitate such an approach.			
Management Response:	Consultations with the Department of Justice of MEGD will be organized with the support of UNDP Mongolia Country Office and under the lead of international legal expert.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Organize consultations with Department of Justice of MEGD Mongolia for reviewing and analyzing the draft revised transboundary agreement with Russia.	October 2014-March 2015	PMU, PSC, agreement development expert		
Key Recommendation 3:	The project exit strategy should be developed by the end of 2014, for approval by relevant stakeholders in early 2015. The exit strategy is necessary to clearly define roles and responsibilities to support the sustainability of project results. This would include, for example, clear agreement about the responsibility for managing and updating the BIC website.			
Management Response:	The project exit strategy will be developed by the end of 2014.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Develop the project exit strategy	October 2014-December 2014	PMU, PSC		
Approve the project exit strategy	January 2015 - March 2015	PMU, PSC		
Key Recommendation 4:	It is recommended that the project explore all potential opportunities to undertake additional demonstration or pilot activities in Mongolia related to integrated natural resource management. The project has thus far included relatively few practical on-the-ground activities in Mongolia, and such activities are often important for gaining stakeholder support and buy-in, and raising awareness. This could have important dividends for the project in Mongolia, by engaging aimag and soum government stakeholders.			
Management Response:	Demonstration or pilot activities in Mongolia are not mentioned in the project document but this key recommendation will be raised on the third SC meeting and after consideration will be taken into account in the 2015 project workplan.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Inform the PSC	July 2014	PMU, PSC		
Revise 2015 project workplan according to SC meeting decision	December 2014 - January 2015	PMU, PSC		
Recommendation 5:	The Baikal project should explore the option of collaborating with the GEF SGP in Mongolia to activate the Baikal NGO network, and potentially undertake some biodiversity-			

	related pilot activities in Mongolia supporting IWRM management.			
Management Response:	PMU will closely collaborate with GEF SGP in Mongolia.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Organize a set of meetings with GEF SGP.	October 2014-March 2015	PMU, UNDP Mongolia Country Office, GEF Small Grants Programme (SGP) in Mongolia		
Recommendation 6:	The project should consider a variety of approaches to increase the chances of the two countries moving toward accepting the revised and updated transboundary water and environment management agreement. One opportunity could be to hold a media event highlighting “20 years of cooperation” on water management between Russia and Mongolia (or even 40 years, going back to the 1974 agreement). This theme could also be extended to an academic conference on the subject where participants discuss and explore current key topics related to transboundary water management for the two countries.			
Management Response:	The Baikal project will organize a conference “20 years of cooperation” on water management between Russia and Mongolia (or even 40 years, going back to the 1974 agreement) after both government approvals.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Agree a conference necessity with MNRE, MEGD, PSC	September 2014	PMU, MNRE, MEGD, PSC		
Organize the conference	October 2014-March 2015	PMU, MNRE, MEGD, PSC		
Recommendation 7:	To strengthen the current plenipotentiaries mechanism in lieu of a new joint commission the project should work with the key stakeholders and both the government of Russia and government of Mongolia to integrate the SAP actions and targets into the meetings and workplans of the current plenipotentiaries mechanism. This would help consolidate the project results and strengthen sustainability, demonstrating initial steps toward implementation of the SAP.			
Management Response:	The Baikal project will continue supporting different activities of working group of the plenipotentiaries and meetings of plenipotentiaries as well. Developed SAP will be considered during next meeting of working group.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Support the current plenipotentiaries mechanism	October 2014-December 2015	PMU, MNRE, MEGD		
Discuss developed SAP during next meeting of plenipotentiaries working group.	October 2014-December 2014	PMU, MNRE, MEGD		
Recommendation 8:	Once the Baikal Information Centre (BIC) website is fully operational it should be promoted and linked to as many other relevant websites as possible, in particular the website of the MEGD in Mongolia and MNRE in Russia, as well as the websites of the environmental agencies of the Republic of Buryatia and the relevant Aimags in Mongolia. The BIC will be a great public information resource, but it is necessary to make a proactive effort to drive			

	website traffic to the site to ensure that it becomes known to the widest possible relevant audience. This would include search-engine optimization as well, and, for example, publication of the website URL on any printed materials of the project.			
Management Response:	According to 2014 project workplan the BIC website will be fully operational by the end of 2014. From the beginning of 2015 PMU will promote it to project stakeholders.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Promote BIC website to project stakeholders.	January 2015 – June 2015	PMU, BIC developers		
Recommendation 9:	In Mongolia the project should seek opportunities to develop the capacity of Mongolia’s watershed management institutions, i.e. River Basin Management Authorities and River Basin Councils. This could include, for example, the possibility of developing the capacity of the River Basin Councils (RBCs) to act as conduits for public and expert input to Environmental Impact Assessments (EIAs) relevant to the river basin management plans. In addition, the River Basin Management Authorities are expected to operate as key actors in implementing integrated water resource management in Mongolia, but they require training and technical capacity on IWRM issues and approaches. The River Basin Management Authorities and River Basin Councils for the Eg and Ider rivers are still being established, and thus there is a good opportunity for the Baikal project to directly contribute to the establishment of these bodies to support implementation of the river basin management plans that were developed under the Baikal project.			
Management Response:	The Baikal project will organize set of training to implement developed river basin management plans for the Eg and Ider sub-basins.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Organize trainings for implementing management plans for the Eg and Ider sub-basins.	January 2015 – September 2015	PMU, RBCs, MEGD		
Recommendation 10:	The project should increase activity related to responsible mining in Mongolia. The project should ensure that the lessons from the biodiversity friendly mining pilot activities on the Russian-side are documented and shared with the Mongolian colleagues. In addition, the project should engage with the stakeholders in Mongolia involved with identifying and disseminating environmentally responsible best practices for the mining industry. The Asia Foundation has organized stakeholder roundtable events on this issue, and it is a critical issue for the Baikal watershed in Mongolia. The above activities would require relatively little project funding. In addition the project should explore the option of conducting environmentally responsible mining pilot projects in Mongolia (most likely in the artisanal sector), not necessarily with biodiversity funding, but with funding from the international waters portion of the project budget, or with funding from other partners, such as the GEF-SGP.			
Management Response:	The project will share with the Mongolian the lessons from the biodiversity friendly mining pilot activities and engage with the stakeholders in Mongolia involved with identifying and disseminating environmentally responsible best practices for the mining industry.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
Share the results of biodiversity friendly mining pilot activities with Mongolian government.	January 2015 – September 2015	PMU		

Involve Mongolian stakeholders into discussion of best practices for the mining industry in Russia	August 2014 -- September 2015	PMU, PSC		
Recommendation 11:	The project should conduct an assessment of the feasibility and opportunities for citizen-based water quality monitoring networks, supporting the implementation of river basin management plans. Such a program would help more closely track water quality issues; Mongolia's rivers have a high capacity for quick self-cleaning, so if pollution or water quality issues are reported, by the time government officials are able to respond and test the water, the pollution may already be significantly diluted. Citizen-based monitoring programs also serve a dual purpose of increasing public awareness and supporting environmental education, and they can also be relatively cost-effective means of collecting basic monitoring data. Examples of such programs include the Georgia (USA) Adopt-A-Stream program (http://www.georgiaadoptastream.com/db/), and Cook Inletkeeper (Alaska, USA) Citizen Environmental Monitoring Program (http://inletkeeper.org/clean-water/citizen-monitoring).			
Management Response:	Mongolia and Russia have a governmental water quality monitoring networks. Firstly it is necessary to agree a wiliness of both countries for citizen-based water quality monitoring networks. If governments are fine PMU will conduct an assessment of the feasibility and opportunities for citizen-based water quality monitoring networks.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
Agree a necessity for citizen-based water quality monitoring networks in Mongolian and Russia.	July 2014 – December 2014	PMU, PSC		
Conduct an assessment of the feasibility and opportunities for citizen-based water quality monitoring networks.	January 2015 – September 2015	PMU		
Recommendation 12:	The key technical experts from the Baikal project should participate in the inception workshop of the FAO/GEF mainstreaming project that will be starting in 2014, in order to identify all potential synergies between the two projects. One area of potential synergy may be related to Payments for Ecosystem Services, which the FAO project plans to pilot within Mongolia.			
Management Response:	The PMU will be involved into the inception workshop of the FAO/GEF mainstreaming project.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
Participate in the inception workshop of the FAO/GEF mainstreaming project.	September 2014 – December 2014	PMU, UNDP, FAO		
Recommendation 13:	Support information dissemination and awareness raising of key issues identified in the TDA through 1-2 page policy briefs highlighting the key points of the primary threats and issues identified in the TDA for the Baikal Basin, particularly for Mongolia. Stakeholders highlighted the fact that it is critical to continue raising awareness of high-level policy makers in understanding these complex issues.			
Management Response:	The TDA will be distributed between wide ranges of stakeholders and public libraries by the end of 2014.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
Distribute TDA	September 2014 – December 2014	PMU		
Recommendation 14:	There is an excellent opportunity to explore and assess the feasibility of payments for			

	ecosystem services (PES) from a transboundary perspective. There are numerous examples of successful PES for watershed maintenance around the world, but there are few or no known examples of transboundary PES. The Baikal basin has strong potential for such a scheme, since Russia is the downstream partner, and has greater resources (higher GDP, higher level of development) than Mongolia. A PES scheme could even be explored on a non-cash basis, where Russia agrees to provide technical support, or timber, or invest in development in Mongolia (specifically, for example, in the soums located ear the border) in exchange for a guaranteed level of water coverage in the Selenga river as it crosses the border, or for ensuring a certain level of forest coverage in specific zones in Mongolia. It is highly unlikely that such a scheme could be piloted on a small scale before completion of the current IWRM project, but the concept should be explored, potentially with an exploratory concept paper or feasibility study, and inclusion of the idea in the SAP. Moving toward such a scheme could be globally significant.		
Management Response:	PMU will study a way of using of transboundary PES in 2015 if budget is available and this activity will be approved by PSC.		
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking
Study known examples of transboundary PES and conduct a feasibility study of using PES in the Baikal Basin in 2015.	January 2015 – September 2015	PMU, PSC	
Recommendation 15:	The evaluation recommends that the project keep detailed records of co-financing received from all sources. With the Russian Federal investment program in the Baikal region the project can be considered to have more co-financing than originally planned. At the same time, the number and type of co-financing partners, not just the amount of co-financing received, can be an important indication of stakeholder ownership and support. Thus it would be beneficial for the project to record the range of partner organizations who have contributed any amount of cash or in-kind co-financing.		
Management Response:	PMU will continue keep detailed records of co-financing received from all sources.		
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking
Keep detailed records of co-financing received from all sources	July 2014 – December 2015	PMU	
Recommendation 16:	The evaluation recommends that the project results framework be reviews in its entirety following this mid-term evaluation to ensure that additional changes are not required in the 2nd half of the project. In particular, the indicators for Outcome 2 are not reflective of the planned project results under this outcome.		
Management Response:	The PSC will discuss these changes during the third SC meeting and review the result framework.		
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking
Review the results framework	July 2014	PMU, PSC	

Project Manager:

_____ Sergey Kudelya