



Project Implementation Report

(1 July 2023 – 30 June 2024)

Project Title:	<i>Reducing Greenhouse Gas Emission in Industrial Sector through Pelletization Technology Lao PDR</i>
GEF ID:	<i>5743</i>
UNIDO ID:	<i>140057</i>
GEF Replenishment Cycle:	<i>GEF-5</i>
Country(ies):	<i>Lao PDR</i>
Region:	<i>East Asia and Pacific</i>
GEF Focal Area:	<i>Climate Change Mitigation (CCM)</i>
Integrated Approach Pilot (IAP) Programs¹:	<i>N/A</i>
Stand-alone / Child Project:	<i>Stand-alone</i>
Implementing Department/Division:	<i>EAE/ENE/CTI</i>
Co-Implementing Agency:	<i>No selection</i>
Executing Agency(ies):	<i>Department of Industry and Handicrafts (DIH), Ministry of Industry and Commerce Renewable Energy and New Materials Institute (REMI), Ministry of Science and Technology</i>
Project Type:	<i>Medium-Sized Project (MSP)</i>
Project Duration:	<i>72 months</i>
Extension(s):	<i>Four extensions (November 2019-to November 2020; Nov. 2020 – Dec. 2021, Dec 2021- Dec 2022, 1 Jan. 2023 - 31 Mar 2023)</i>
GEF Project Financing:	<i>1,268,539 USD</i>
Agency Fee:	<i>120,511 USD</i>
Co-financing Amount:	<i>6,690,000 USD</i>
Date of CEO Endorsement/Approval:	<i>09-28-2015</i>
UNIDO Approval Date:	<i>03-07-2014</i>
Actual Implementation Start:	<i>11-02-2015</i>
Cumulative disbursement as of 30 June 2024:	<i>1,261,229.762</i>
Mid-term Review (MTR) Date:	<i>N/A</i>
Original Project Completion Date:	<i>11/2/2019</i>
Project Completion Date as reported in FY23:	<i>3/31/2023</i>

¹ Only for **GEF-6 projects**, if applicable

Current SAP Completion Date:	3/5/2023
Expected Project Completion Date:	3/5/2023
Expected Terminal Evaluation (TE) Date:	1/5/2022
Expected Financial Closure Date:	12/31/2024
UNIDO Project Manager²:	Josy Thomas

I. Brief description of project and status overview

Project Objective		
<p><i>The GEF5 project "Reducing of greenhouse gas (GHG) emissions in the industrial sector through pelletization technology in Lao PDR" aims at promoting the production and usage of industrial grade solid bio-fuel for thermal energy generation. In this way, the project intends to reduce coal consumption and promote waste-to-energy methods. Thus, the project aims to contribute to the sustainable energy usage practices in Lao. This shall enhance national energy security, to promote job creation and to reduce carbon dioxide emissions as well as avoid deforestation. The project will employ a two-pronged strategy of removing technological barriers for both producers and end users on one hand, and improving policies to expedite investments in the production and use of solid biofuels. This will be done through building necessary human and institutional capacities at all levels. In particular, this project will involve salt production companies as users of solid biofuels and the furniture manufacturers and saw mills as generators of wood wastes; focusing on synergies in particular on the efficient use of wood waste to cover not only the own power needs of the wood processing industry but also cover energy needs of the salt industry.</i></p> <p><i>By achieving this, the project will reduce GHG emissions as well as promote the use of available agricultural waste</i></p>		
Project Core Indicators		Expected at Endorsement/Approval stage
6	Greenhouse Gas Emissions Mitigated (metric tons of CO ₂ e)	1,465 tCO ₂ e
11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	x
x	x	x

Baseline
<p><i>Owing to the traditional method of production by evaporating brine water into salt, Lao PDR's salt has increasingly become a niche product due to its authenticated and pure taste. As per the information from Lao PDR salt producer's association, there are eight salt factories in the country excluding small producers with one or two boiling pots. Annual production in these factories is around 3,500 ton of industrial salt and around 32,200 tons of table salt. Starting from the year 2010, owing to increased price and scarcity of sawdust in market added with higher transportation cost, the industries started using anthracite cakes as additional fuel source. These cakes are made from low heating value grade anthracite purchased from cement factories and clay. There is a potential for replacing the anthracite and its products usage in salt industries through the pellets generated from wood wastes 25 and other biomass.</i></p>

Please refer to the explanatory note at the end of the document and select corresponding ratings for the current reporting period, i.e. FY24. Please also provide a short justification for the selected ratings for FY24.

In view of the GEF Secretariat's intent to start following the ability of projects to adopt the concept of adaptive management³, Agencies are expected to closely monitor changes that occur from year to year and demonstrate that they are not simply implementing plans but modifying them in response to developments and circumstances or understanding. In order to facilitate with this assessment, please introduce the ratings as reported in the previous reporting cycle, i.e. FY22, in the last column.

² Person responsible for report content

³ Adaptive management in the context of an intentional approach to decision-making and adjustments in response to new available information, evidence gathered from monitoring, evaluation or research, and experience acquired from implementation, to ensure that the goals of the activity are being reached efficiently

Overall Ratings ⁴	FY24	FY23
Global Environmental Objectives (GEOs) / Development Objectives (DOs) Rating	<i>Moderately Satisfactory (MS)</i>	<i>Moderately Satisfactory (MS)</i>
<i>The project is operationally closed and no new activity took place during the reporting FY.</i>		
Implementation Progress (IP) Rating	<i>Moderately Satisfactory (MS)</i>	<i>Moderately Satisfactory (MS)</i>
<i>The project is operationally closed and no new activity took place during the reporting FY.</i>		
Overall Risk Rating	<i>Moderate Risk (M)</i>	<i>Moderate Risk (M)</i>
<i>The project is operationally closed and no new activity took place during the reporting FY.</i>		

II. Targeted results and progress to-date

Please describe the progress made in achieving the outputs against key performance indicator's targets in the project's **M&E Plan/Log-Frame at the time of CEO Endorsement/Approval**. Please expand the table as needed.

Please fill in the below table or make a reference to any supporting documents that may be submitted as annexes to this report.

Project Strategy	KPIs/Indicators	Baseline	Target level	Progress to-date (FY24)
Component 1 – Capacity development and knowledge management				
Outcome 1: Improved awareness, knowledge and capacity on solid biofuel production and usage in the country				
Output 1.1: An information and learning centre for solid biofuel production and usage established	I&LC for solid biofuel usage and production created and functioning. Number of trainings organized for different target groups (such as policy makers, solid biofuel producers & users, RE / technical institutions and bank / financial institutions).	Lack of one-stop technical centre on solid biofuel usage and production.	To establish a sustainable centre for technical capacity building. To undertake training activities to improve the awareness on solid biofuel of 20 beneficiaries in each target groups. To target at least 20% women participation in each group.	No new progress to-date
Output 1.2: Capacity of at least 20 policy makers developed and capacities of potential solid biofuel	No. of key policy makers available with sufficient	Key policy makers are not aware of the benefits of solid biofuel production and utilization.	To build capacity of at least 20 policy makers	No new progress to-date

⁴ Please refer to the explanatory note at the end of the document and assure that the indicated ratings correspond to the narrative of the report

producers & users, RE / technical institutions and bank / financial institutions developed (target 20 persons).	knowledge on solid biofuel.		To train at least 20 industries and the identified institutions on solid biofuel production, system implementation and maintenance.	No new progress to-date
	No. of persons trained.	2. Insufficient local capacity to develop, finance and operate solid biofuel production and usage systems.	To target at least 20% women participation in each group.	
Component 2 – Strengthening policy and regulatory framework for promoting investments in solid biofuel use in industries				
Outcome 2: Improved confidence among investors in solid biofuel production and utilization				
Output 2.1: Database developed on agro & wood wastes availability and on final energy consumption in industrial sector	No. of solid biofuel production units. No. of solid biofuel co-firing plants.	Lack of comprehensive data.	To demonstrate solid biofuel production plants for at least 3.6 tph cumulative capacity. Industries co-firing at least 3.6 tph solid bio-fuel with anthracite. 3. Replicate at least 18 tph solid bio-fuel production plants.	No new progress to-date
Output 2.2: National strategy to promote investment in solid biofuel production and utilization in place (international & national experts to be contracted)	No. of strategies facilitated to promote investment in production and utilization of solid biofuel. No. of standards ensuring quality of the produced solid biofuel.	Inadequate policies and regulations to create confidence among various stakeholders	At least one relevant strategy for promoting investment in production and utilization of solid biofuel. At least one quality standard for solid biofuel established.	No new progress to-date
Output 2.3: Technical adjustments for solid biofuel usage in participating industries	No. systems developed to co-fire or combust pellet fuel	1. Lack of demonstrable wood pellet combustion systems. 2. Industries currently use coal or anthracite.	Industries installed with adequate combustion systems to burn wood pellet	No new progress to-date
Component 3 – Demonstration of solid biofuel production and utilization				
Outcome 3: Increased use of solid biofuel for industrial applications				
Output 3.1: Systematic and comprehensive biomass resource assessment in target areas	No. of biomass resource assessment reports.	Lack of reports on available biomass resource and logistics	At least one biomass assessment report for each target area.	No new progress to date
Output 3.2: Detailed plant designs prepared for the demonstration projects	No. of detailed plant designs.	Lack of detailed plant design reports.	To develop detailed plant design reports for each demonstration plant.	No new progress to date
Output 3.3: Solid biofuel pelletizing systems established for a cumulative capacity of 3.6 tph	TPH of the installed solid biofuel pelletizing systems.	1. Lack of demonstrable solid biofuel pelletizing systems. 2. Available agro-wastes being unutilized.	Solid biofuel plants for a cumulative 3.6 tph capacity demonstrated.	No new progress to-date

III. Project Risk Management

1. Please indicate the overall project-level risks and the related risk management measures: (i) as identified in the CEO Endorsement document, and (ii) progress to-date. Please expand the table as needed.

	(i) Risks at CEO stage	(i) Risk level FY 23	(i) Risk level FY 24	(i) Mitigation measures	(ii) Progress to-date	New defined risk ⁵
1	Political risk: Low government commitment and support for transfer of solid biofuel production and utilization technology to the country	Low risk (L)	Low risk (L)	The project objectives and activities are perfectly in line with national policies and objectives for climate change mitigation through GHG reduction	No political risk encountered so far. High level government commitment exists. However, this does not translate into proactive interested and support of the project at lower hierarchy levels. In particular, there is only little progress at REMI/ BTILC.	<input type="checkbox"/>
2	Technical risk: Solid biofuel technologies are relatively new in the country, and there is a lack of technical expertise for development and implementation of such projects.	Low risk (L)	Low risk (L)	Detailed techno-economic feasibility studies will be carried out. The technical personnel in the industries will be trained on deployment of such technologies. Capacity of the government officials and relevant institutions will be built.	Biomass Technology Information and Learning Center (BTILC) had been established under the Renewable Energy and new Materials Institute, ministry of science and technology (MOST) in December 2018. The center has been built their capacity to be able to provide technical assistance to enterprise with pelletization technology and information. The government of Laos has dissolved the MOST and REMI is transferred to ministry of energy and mines. Up to date REMI still exist and BTILC is still operated under REMI.	<input type="checkbox"/>
3	Market risks: No offtakers for the generated solid biofuel.	Low risk (L)	Low risk (L)	The demand for clean and cheap fuel is very high among Lao PDR industries	The project is trying to create a market demand for biomass pellets. On the one hand, the project works to adapt the salt production process, so that it can use biomass pellets. On the other hand, the world bank is trying to introduce cookstoves in Lao PDR that use biomass pellets. Discussions with the world bank team have been made to identify possible synergies. Also discussions with MimiMoto, potential supplier of cookstoves for Lao have been made to check on technical aspects, e.g. to ensure that produced pellets can be used in the cookstoves. In addition, the project is formulating biomass energy strategy to promote the production and utilization of pellet solid biofuel.	<input type="checkbox"/>
4	Sustainability risk: Application of solid biofuel production technologies in agroindustries might be halted by the shortage of inputs. Lack of human capacity to operate the demonstration projects.	Low risk (L)		All the demonstration projects O&M staffs will be trained by the respective suppliers. Moreover, under the project, there will be several trainings on successful operation and maintenance of biomass and biogas projects. In addition to this, information and learning centre will be established for continuous capacity building activities. All these would sustain the objectives of the proposed project.	Some sustainability risk encountered so far. Staff at the factories as well as BTILC staff (REMI) and other stakeholders are closely involved in all activities to assure transfer of knowledge. Formal launch of BTILC was in December 2018. The pilot system at Veunkham salt factory is not in operation and some part start to corrode since no solid biofuel (pellets) are yet produced in Lao PDR and the import is too expensive. The greenhouse solar dryers are well operated at Veunkham salt factories for drying wet salt but not so well at Khosa-	<input type="checkbox"/>

⁵ New risk added in reporting period. Check only if applicable.

					ath salt factory for evaporate brine in comparison to normal conventional sun drying in opened yard A new pellet furnace system was installed and commissioning at Veunkham salt factory to demonstrate the use of solid biofuel (pellet) in traditional salt cooking	
5	Climate Change risk: Flooding	Low risk (L)		Demonstration plant and site office will be located on an elevated area to prevent flooding. All buildings and structures will be designed and built appropriately to avoid flooding.	Some climate change risk encountered so far at Veunkham salt where the pilot system for salt production using pellets has been installed. The system has been threatened by a flood due to rainy season combined with a broken dam (Xe Pian-Xe Nam Noy dam; https://thediomat.com/2018/08/laosdam-disaster-may-not-be-its-last/). However, it will be closely considered in the feasibility studies to be conducted.	<input type="checkbox"/>
6	Feedstock availability: Uncertainty of supply of biomass feedstock from wood processing factories due to the prime minister decree 15/PO dated one 13 May 2016 on forest management, restricting logging and movement in the wood business	Substantial risk (s)		The project aims at diversifying solid biomass waste used for pellet production. For instance, the project identified risk husk and other biomass resources as potential feedstock during the conducted biomass resource assessment.	The project a biomass resource assessment to identify other possible feedstock for solid biomass pellets. Government of Laos has recently announced that processing and moving of existing wood, product and raw material for the purpose of manufacturing and create value of the woody raw material (agreement of the Ministry of Industry and Commerce on approval of wood product for export, include wood pellet no 939/MOIC.DoIH dated on 1 st August 2019). This could again open the market for wood waste pellets.	
7	Covid-19 pandemic	Substantial risk (s)		<i>All capacity building activities and events will consider recommendations from health authorities how to minimize the risk of infection of covid-19, such as physical distancing.</i>	Lao was and is also affected from the COVID-19 pandemic in the year 2020 and also 2021. Lao government had recently announced a ban on local and international travel, national and international borders, and physical distancing in public and working office from April to June 2021. Subsequently, the borders are closed for the public, with exception for diplomatic reasons, transport of goods, experts, workers, and students that need to enter Laos. However, they must follow the instruction of the task force committee such as quarantine. General basic prevention measurements are wearing mask and frequently washing hands with soap and alcoholic or disinfected washing gel, avoid to go area of crowded people etc. UNIDO staff and vendors are taking the precautions announced by the UNDP/UNIDO safety rule against COVID-19. Person meetings and trainings are avoided and instead online meetings and trainings are held. If possible smaller groups from the same office gather in one place. Government staff were requested to work by rotating basis. UNIDO staff were also requested to work from home during the period.	

2. If the project received a **sub-optimal risk rating (H, S)** in the previous reporting period, please state the **actions taken** since then to mitigate the relevant risks and improve the related risk rating. Please also elaborate on reasons that may have impeded any of the sub-optimal risk ratings from improving in the current reporting cycle; please indicate actions planned for the next reporting cycle to remediate this.

N/A

3. Please clarify if the project is facing delays and is expected to request an **extension**.

N/A

4. Please provide the **main findings and recommendations of completed MTR**, and elaborate on any actions taken towards the recommendations included in the report.

TE was conducted and completed in January 2022, some points were concluded as below:

Efficiency: Project commenced in October 2015 with a project implementation period of 36 months. At the time of the terminal evaluation, the initially foreseen time of 36 months had been surpassed by 36 months. At the time of the terminal evaluation, although several activities had been accomplished, even additional activities, pellet production had not commenced and a shift in industries from traditional fossil fuel to solid biofuel had also not commenced. Additional activities, such as the demonstration of solar dryer, have taken place. Nonetheless, the order of activities was not appropriate, for example, the data collection for resource and sinks assessment should have been carried out latest right after project commencement. USD 1,268,539 has been provided by the GEF, and from that, USD 318,875 is still left for implementing a few activities in 2022.

The overall rating for efficiency is **'unsatisfactory'**.

Effectiveness: Several activities have been accomplished, namely, energy audits at 7 salt factories, demonstration of pellet-fired steam boiler and jacket, comprehensive data collection from 262 factories for the resource and sinks assessment, guidebook on pellets. Additional activities have been carried out, which were initially not foreseen, namely, demonstration of solar dryer at two salt factories. Three out of eight technical Outputs have been achieved; three partially achieved; and two not (yet) achieved. Two Outcomes are partially achieved; and one not (yet) achieved. A few activities are expected to be accomplished in 2022, for example, the installation of pellet machine and commencement of pellet production at three factories and the preparation of a national biomass strategy.

The overall rating for effectiveness is **'moderately unsatisfactory'**.

Some recommendation from the TE:

For **Project:**

- Should prepare a concrete exit-strategy;
- Should ensure linkage with the World Bank pellet-cooking-stove program;
- Invite Department of Forestry/Ministry of Forests and Agriculture to participate in the project;
- Support the enterprises to implement non-cost/low-cost recommendations from the energy audits, also taking the gender aspect into consideration;
- Prepare a workplan for 2022;
- International Expert for pellets to visit the new pellet-production factories, in 2022 (as realistic due to COVID-19), to assess the installed pellet-producing equipment, processes, inputs, and pellets, carry out (hands-on) training and make recommendations for enhancement of production and quality, as necessary;

- Expedite the preparation of the national biomass strategy and ensure completion within 2022;
- Prepare and implement, at the earliest, an alternative plan for usage of the steam boiler and jacket (from the demonstration);
- Explore ways to mainstream gender in project activities;
- Holding a workshop on preparing project proposal and monitoring, for national stakeholders, especially for BTILC staff;
- Consider supporting Laos to prepare an incentive system for enterprises for shifting to biomass fuel;
- Ensure consistency in project reporting, especially regarding number of participants and gender-disaggregated data;
- Maintain project-related documentation in a structured way;
- Consider cross-checking with other, also previous, UNIDO projects regarding synergies (for example, with partner institutions of the previous UNIDO boiler project in Laos);
- In view of the project extension, UNIDO should conduct an update to the terminal evaluation shortly before the end of the project, covering activities carried out since January 2022/not covered by this evaluation, till project completion.

IV. Environmental and Social Safeguards (ESS)

1. As part of the requirements for **projects from GEF-6 onwards**, and based on the screening as per the UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), which category is the project?

- Category A project
- Category B project
- Category C project

(By selecting Category C, I confirm that the E&S risks of the project have not escalated to Category A or B).

Notes on new risks:

- *If new risks have been identified during implementation due to changes in, i.e. project design or context, these should also be listed in (ii) below.*
- *If these new/additional risks are related to Operational Safeguards # 2, 3, 5, 6, or 8, please consult with UNIDO GEF Coordination to discuss next steps.*
- *Please refer to the UNIDO [Environmental and Social Safeguards Policies and Procedures \(ESSPP\)](#) on how to report on E&S issues.*

Please expand the table as needed.

	E&S risk	Mitigation measures undertaken during the reporting period	Monitoring methods and procedures used in the reporting period
(i) Risks identified in ESMP at time of CEO Endorsement	N/A	N/A	N/A
(ii) New risks identified during project implementation (if not applicable, please insert 'NA' in each box)	N/A	N/A	N/A

V. Stakeholder Engagement

1. Using the previous reporting period as a basis, please provide information on **progress, challenges and outcomes** regarding engagement of stakeholders in the project (based on the Stakeholder Engagement Plan or equivalent document submitted at CEO Endorsement/Approval).

N/A - No new activity took place during the reporting FY period.

2. Please provide any feedback submitted by national counterparts, GEF OFP, co-financiers, and other partners/stakeholders of the project (e.g. private sector, CSOs, NGOs, etc.).

N/A - No new activity took place during the reporting FY period.

3. Please provide any **relevant stakeholder consultation** documents.

N/A - No new activity took place during the reporting FY period.

VI. Gender Mainstreaming

1. Using the previous reporting period as a basis, please report on the **progress achieved on implementing gender-responsive measures and using gender-sensitive indicators**, as documented at CEO Endorsement/Approval (in the project results framework, gender action plan or equivalent),.

N/A - No new activity took place during the reporting FY period.

VII. Knowledge Management

1. Using the previous reporting period as a basis, please elaborate on any **knowledge management activities / products**, as documented at CEO Endorsement / Approval.

N/A - No new activity took place during the reporting FY period.

2. Please list any **relevant knowledge management mechanisms / tools** that the project has generated.

N/A - No new activity took place during the reporting FY period.

VIII. Implementation progress

1. Using the previous reporting period as a basis, please provide information on **progress, challenges and outcomes achieved/observed** with regards to project implementation.

N/A - No new activity took place during the reporting FY period.

2. Please briefly elaborate on any **minor amendments**⁶ to the approved project that may have been introduced during the implementation period or indicate as not applicable (NA).

⁶ As described in Annex 9 of the *GEF Project and Program Cycle Policy Guidelines*, **minor amendments** are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5%.

Please tick each category for which a change has occurred and provide a description of the change in the related textbox. You may attach supporting documentation, as appropriate.

<input type="checkbox"/>	Results Framework	N/A
<input type="checkbox"/>	Components and Cost	N/A
<input type="checkbox"/>	Institutional and Implementation Arrangements	N/A
<input type="checkbox"/>	Financial Management	N/A
<input checked="" type="checkbox"/>	Implementation Schedule	Two new activities were added to the implementation schedule and completed in March 2023
<input checked="" type="checkbox"/>	Executing Entity	REMI was dissolved and merged with RIEM
<input type="checkbox"/>	Executing Entity Category	N/A
<input type="checkbox"/>	Minor Project Objective Change	N/A
<input checked="" type="checkbox"/>	Safeguards	As REMI was dissolved and RIEM took the role of collaboration, some personnel had been appointed for other duties, new personnel be in charge, it causes discontinuation of implementation of project activities and failure of some activities.
<input type="checkbox"/>	Risk Analysis	N/A
<input type="checkbox"/>	Increase of GEF Project Financing Up to 5%	N/A
<input type="checkbox"/>	Co-Financing	N/A
<input type="checkbox"/>	Location of Project Activities	N/A
<input type="checkbox"/>	Others	N/A

3. Please provide progress related to the **financial implementation** of the project.

Please see the attached grant delivery report.

IX. Work Plan and Budget

1. Please provide **an updated project work plan and budget** for the remaining duration of the project, as per last approved project extension. Please expand/modify the table as needed.

Please fill in the below table or make a reference to a file, in case it is submitted as an annex to the report.

The project is operationally completed.

X. Synergies

1. **Synergies** achieved:

N/A - No new activity took place during the reporting FY period.

3. **Stories to be shared** (Optional)

N/A - No new activity took place during the reporting FY period.

XI. GEO LOCATION INFORMATION

The Location Name, Latitude and Longitude are required fields insofar as an Agency chooses to enter a project location under the set format. The Geo Name ID is required in instances where the location is not exact, such as in the case of a city, as opposed to the exact site of a physical infrastructure. The Location & Activity Description fields are optional. Project longitude and latitude must follow the Decimal Degrees WGS84 format and Agencies are encouraged to use at least four decimal points for greater accuracy. Users may add as many locations as appropriate.

Web mapping applications such as [OpenStreetMap](#) or [GeoNames](#) use this format. Consider using a conversion tool as needed, such as: <https://coordinates-converter.com>

Please see the Geocoding User Guide by clicking [here](#)

Location Name	Latitude	Longitude	Geo Name ID	Location and Activity Description
Lao PDR	17.96667	102.6	1651944	Vientiane Lao PDR

Please provide any further geo-referenced information and map where the project interventions is taking place as appropriate.

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EXPLANATORY NOTE

1. **Timing & duration:** Each report covers a twelve-month period, i.e. 1 July 2023 – 30 June 2024.
2. **Responsibility:** The responsibility for preparing the report lies with the project manager in consultation with the Division Chief and Director.
3. **Evaluation:** For the report to be used effectively as a tool for annual self-evaluation, project counterparts need to be fully involved. The (main) counterpart can provide any additional information considered essential, including a simple rating of project progress.
4. **Results-based management:** The annual project/programme progress reports are required by the RBM programme component focal points to obtain information on outcomes observed.

Global Environmental Objectives (GEOs) / Development Objectives (DOs) ratings	
Highly Satisfactory (HS)	Project is expected to achieve or exceed <u>all</u> its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
Satisfactory (S)	Project is expected to <u>achieve most</u> of its <u>major</u> global environmental objectives, and yields satisfactory global environmental benefits, with only minor shortcomings.
Moderately Satisfactory (MS)	Project is expected to <u>achieve most</u> of its major <u>relevant</u> objectives but with either significant shortcomings or modes overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environmental benefits.
Moderately Unsatisfactory (MU)	Project is expected to achieve <u>some</u> of its major global environmental objectives with major shortcomings or is expected to <u>achieve only some</u> of its major global environmental objectives.
Unsatisfactory (U)	Project is expected <u>not</u> to achieve <u>most</u> of its major global environmental objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, <u>any</u> of its major global environmental objectives with no worthwhile benefits.

Implementation Progress (IP)	
Highly Satisfactory (HS)	Implementation of <u>all</u> components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.
Satisfactory (S)	Implementation of <u>most</u> components is in substantial compliance with the original/formally revised plan except for only few that are subject to remedial action.
Moderately Satisfactory (MS)	Implementation of <u>some</u> components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.
Moderately Unsatisfactory (MU)	Implementation of <u>some</u> components is <u>not</u> in substantial compliance with the original/formally revised plan with most components requiring remedial action.
Unsatisfactory (U)	Implementation of <u>most</u> components in <u>not</u> in substantial compliance with the original/formally revised plan.
Highly Unsatisfactory (HU)	Implementation of <u>none</u> of the components is in substantial compliance with the original/formally revised plan.

Risk ratings	
Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale:	
High Risk (H)	There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.
Substantial Risk (S)	There is a probability of between 51% and 75% that assumptions may fail to hold or materialize, and/or the project may face substantial risks.
Moderate Risk (M)	There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/or the project may face only moderate risk.
Low Risk (L)	There is a probability of up to 25% that assumptions may fail to hold or materialize, and/or the project may face only low risks.