

1. Project Data

Summary project data			
GEF project ID	1021		
GEF Agency project ID	62187		
GEF Replenishment Phase	GEF - 2		
Lead GEF Agency (include all for joint projects)	UNDP		
Project name	Conservation and Sustainable Use of Chiloé's Globally Important Biodiversity		
Country/Countries	Chile		
Region	LAC		
Focal area	Biodiversity		
Operational Program or Strategic Priorities/Objectives	Operational Program 3 – Forest ecosystems		
Executing agencies involved	Lead Executing Agency: CONAF [p. 10, TE].		
NGOs/CBOs involvement	Terminal Evaluation indicates that NGOs actively participated as service providers, but names of organizations are not given [p. 16, TE].		
Private sector involvement	Beneficiaries: The private sector incorporated environmental development issues in its activities, through Chiloé Emprende. The funding source of this program, is not mentioned [p. 19, TE].		
CEO Endorsement (FSP) /Approval date (MSP)	March 21, 2001		
Effectiveness date / project start	November 6, 2001		
Expected date of project completion (at start)	December 2005		
Actual date of project completion	December 2006		
Project Financing			
	At Endorsement (US \$M)	At Completion (US \$M)	
Project Preparation Grant	GEF funding		
	Co-financing		
GEF Project Grant	0.99	1.00	
Co-financing	IA own		
	Government	2.752 (of which 0.945 was in-kind support)	2.752 (of which 0.945 was in-kind support)
	Other multi- /bi-laterals	1.348 (of which 0.502 was in-kind support)	1.348 (of which 0.502 was in-kind support)
	Private sector		
	NGOs/CSOs		
Total GEF funding	0.99	1.00	
Total Co-financing	4.1	4.1	
Total project funding (GEF grant(s) + co-financing)	5.09 [see p. TE] ¹	5.1 [see p. TE]	
Terminal evaluation/review information			
TE completion date	November 2009		
TE submission date	November 2009		

¹ The TE aimed to provide a clear financial breakdown but it made it hard to read the breakdown when comparing it with the Project Document. Moreover, the IA own financing is confused with the GEF grant.

Author of TE	Hernán Reyes G.
TER completion date	December 23, 2014
TER prepared by	Erika Hernandez
TER peer review by (if GEF EO review)	Joshua Schneck

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	NA	S*	NA	MS
Sustainability of Outcomes	NA	NA	NA	U/A
M&E Design	NA	MU	NA	MU
M&E Implementation	NA	S	NA	U/A
Quality of Implementation	NA	S	NA	MS
Quality of Execution	NA	NA	NA	U/A
Quality of the Terminal Evaluation Report	NA	NA	NA	MU

*UNDP scale based on a four-point rating.

3. Project Objectives

3.1 Global Environmental Objectives of the project:

As stated in the Project Document (PD), “this project aims to conserve globally significant forest biodiversity in a multiple-use area while demonstrating its sustainable use in the wider landscape of Chiloé” [see p. 7, PD]. Chiloé is home to many endemic and rare and endangered fauna species, including the river otter, the spotted wild cat, and the Chiloé Monito de Monte. According to the PD, threats to the Chiloé Archipelago’s biodiversity include:

- Unsustainable forest management. While local farmers benefit from the usage and sale of felled timber, harvesting is currently at an unsustainable level, and has resulted in loss of large forest areas.
- Agricultural and livestock expansion.
- Lack of alternative livelihoods.

The project will focus efforts on ensuring conservation of biodiversity within the Chiloé national park, and in the wider landscape, by promoting sustainable use and biodiversity-friendly livelihood alternatives.

3.2 Development Objectives of the project:

The PD defines two immediate development objectives: “1) To strengthen the management of the Chiloé National Park (CNP) based on full partnership with local indigenous communities; and, 2) To demonstrate biodiversity-friendly conservation planning and management for the landscape of the Island of Chiloé. Together, these objectives aim to strengthen a process in which communities decide how to use the forest and its related resources to meet their needs while at the same time conserving globally significant biodiversity,” [p. 7, PD].

The PD defines the following 2 Immediate Objectives and 7 associated Outputs

Under **Immediate Objective 1**, “*To strengthen the management of the Chiloé National Park based on full partnership with local indigenous communities*”, the PD includes 3 expected Outputs:

- **Output 1 - Advisory Council for Integrated Conservation and Development Plan established.** The Advisory Council would coordinate the development and implementation of an “integrated conservation and development plan (ICDP)” for Chiloé National Park (CNP), the nearby areas and the local communities living within the conservation area. The council would ensure that policy and operative guidelines for the conservation of globally significant biodiversity are integrated into park management. It will also identify community needs, and build ownership of project activities among stakeholders. The partner agencies to be included are the State Forest Service, Agriculture Service, National Corporation for Indigenous Development, Agricultural Development Institute, Education and Technology Center, and others [p.7-8, PD].
- **Output 2 - Integrated Conservation and Development Plan formulated.** This activity aims to develop the “Integrated Conservation and Development Plan (ICDP)” In order to identify the best biodiversity management practices, the project will include social research, and studies of development programs. Local level indicators for biodiversity conservation would be developed. The ICPD would be a five-year plan during which regulations, penalties and management incentives will be adopted. An analysis of lessons learned from this plan would be distributed to serve as a learning experience for similar projects [p. 8, PD].
- **Output 3 - Park management operations strengthened.** Research would be conducted to identify requirements for the maintenance of species’ populations. Yearly park operations plans would be developed. Park staff would be trained on the best practices in biodiversity conservation. GEF funds would be allocated for additional park management equipment, which would contribute to the development and implementation of a monitoring system [p. 8-9, PD].

Under **Immediate Objective 2**, “*To demonstrate biodiversity-friendly conservation planning and management for the Great Island of Chiloé landscape*”, the PD defines the following 4 expected Outputs:

- **Output 4 - Best sustainable integrated land management techniques are demonstrated.** This part of the project would identify and strengthen best land management practices outside of protected areas. The activity would focus on local farmers’ forest, agriculture and livestock management [p. 9, PD].
- **Output 5 - Biodiversity-friendly and sustainable alternatives demonstrated.** The project would demonstrate that alternative economic activities are environmentally viable and can improve living standards. First, the project would identify livelihood alternatives to replace the harvesting of wood products. Second, the eco-tourism option will be explored. The project would conduct an assessment of the “institutional, social and economic barriers” for the sustainable use of Non-Timber Forest Products (NTFPs). Several pilot projects would demonstrate alternative livelihoods that have the best value for conservation. Training on the implementation of these alternative livelihoods would be provided, and the project would encourage the participation of small farmers, [p. 9-10, PD].
- **Output 6 - Mechanisms to replicate biodiversity-friendly and sustainable alternatives identified and under early implementation.** The project would establish the institutional frameworks to support Output 5. Local planning initiatives will be coordinated with the Advisory Council, the project’s key partners, and key decision-makers. The project would create an

“adequate legal and policy framework” to develop NTFPS and eco-tourism in the long-term. This would include the “formalization of an agreement with key institutions on recommended financing mechanisms,” as well as training of “extension workers” to begin early implementation. Potential initiatives include the development of micro-credit grants and shared community loans [p. 10, PD].

- **Output 7 - Improved public awareness and environmental education for the conservation and sustainable use of biodiversity.** This output would seek to improve the public’s knowledge of the importance of biodiversity. One activity is to create a center for environmental education, which will play the role of executing comprehensive awareness. Educational material and an awareness campaign are thought to be developed and disseminated, through community outreach at schools, local radio, and print media, among others. In addition, a biodiversity fair will be held on an annual basis. The project will also monitor campaign results and will modify it, if necessary, to make it effective [p. 10, PD].

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

There were **no changes** to the environmental and development objectives of this project. However, the project’s components were changed. The TE states that the project components were changed because they were “very ambitious,” and had a low probability of success [p. 5, TE]. TE states that the original 7 outputs were streamlined in 2005 into 3 new outputs [p. 11, TE]:

- **Output 1:** Improved management of Chiloé National Park (CNP) through the participation of local indigenous communities. (This output streamlined 1-3);
- **Output 2:** Land management and planning of Chiloé National Park and surrounding areas to introduce biodiversity-friendly practices. (This output integrated former outputs 4-6 and part of 7.)
- **Output 3:** Improvement of public awareness and environmental education for the conservation and sustainable use of biodiversity. (This output addressed the first part of output 7.)

4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 Relevance	Rating: Satisfactory
----------------------	-----------------------------

The project is relevant to both the GEF and to the Government of Chile. The PD states that project objectives are in line with Chile’s Environmental Framework Law No. 19,300, approved in 1994. This law calls for adequate water supplies for the maintenance of wildlife, soil conservation, maintenance of scenic values,

and the protection of threatened species. In addition, the law created CONAMA (the National Commission for Environment) responsible for formulating, coordinating and managing legal bodies and national programs dealing with sustainable development. The Government of Chile has prioritized local stakeholder engagement in environmental projects. This project is also in line with the GEF *Operational Program 3 – Forest Ecosystems*, as it supports the conservation of forest ecosystems, and promotes the sustainable use of forest management by “combining production, socio-economic, and biodiversity goals” [p. 1, PD].

4.2 Effectiveness	Rating: Moderately Satisfactory
-------------------	--

The TE finds project effectiveness to be *satisfactory*. Based on the achievements of project components, this TER provided the final rating of *moderately satisfactory*. Although the Advisory Council for Integrated Conservation and Development Plan (ICDP) was created and the project conducted strong awareness campaigns, outputs like the assessment for identifying resource needs appear not to have been met. The TE states that the original components of the project were changed after the performance of an external in 2005. As a result, seven original outputs were revised and combined into three new outputs [p. 15, TE]. The TE considers that all the project activities were attained, for which the project had a “good management and profitability,” [p. 18, TE]. The TE provides general descriptions of these new outputs but does not always address completion of some of the original outputs. Therefore, it is not clear whether the revised outcomes include all of the original outputs listed in the PD and whether certain parts were cancelled. The PD does not provide detailed information on the type of activities that were expected to be executed by the project [see p. 12, TE]. Therefore, this TER provided a general assessment based on the available evidence provided by the TE.

Progress towards expected outcomes is detailed further below:

- **Revised Outcome 1 (comprises original Outputs 1, 2 and 3). *Moderately Satisfactory*².** The ICDP was formed. 5 communities participated in Council for the park’s management [p. 19, TE], corresponding to the original Output 1. The ICDP integrated leaders of indigenous communities in June of 2007 but it is unclear whether workshops or meetings were offered, as per the original Output 1 [p. 25, PD]. Since 2006, conservation projects were under development and the advisory committee was informed about future plans [p. 18, PD]. The TE does not identify best environmental practices as first stated in Output 2 [p. 25, PD]. In addition, the original Output 3 explains that a monitoring system was to be operating by the middle of the project [p. 25, PD] but the TE does not address this.
- **Revised Outcome 2 (comprises original Outputs 4, 5, 6 and part of 7). *Moderately Unsatisfactory*.** The Landscape-Level Forest Management Plan seems to be in place. In order to establish the plan, GIS mapping was completed covering Chiloé’s forest [p 20, TE], in accordance to original Output 4. For this original output, there were other associated outcomes to be developed but they are not assessed in the TE. For instance, it was expected that there would be: (1) a significant decrease in loss of forests cover on farm lands; (2) a large demand for more demonstrations; and (3) large demand in energy-efficiency alternatives. The TE does not state whether these outcomes were attained. Output 4 is correlated with the increasing “diversification of biodiversity-friendly alternatives” (as per original Output 4) by implementing 10 Non-Timber

² Ratings given by the TER.

Forest Products (NTFP) projects and 8 eco-touristic communities [p. 20, TE]. The TE does not state whether the assessment for identifying resource needs and opportunities took place as per the original Output 4 [p. 9, PD]. Financial mechanisms were developed since 2003, having granted a total of US \$120,000 [p. 20, TE]. This output matches the original Output 6.

- **Revised Outcome 3 (partly comprises original Output 7). *Moderately Satisfactory*.** In 2005, 80 environmentally sustainable project proposals were approved [p. 20, TE]. This revised outcome should correspond to the original Outcome 7. The output of strengthening of the park’s management is not addressed in the TE. Its original output 7 states that the project will seek to develop “comprehensive awareness raising and communication” strategy through: distributing educational material; large turnout at biodiversity fairs; increased news; among others [p. 27, PD]. The TE states that fairs were largely attended. Awareness was raised through the activities at Centro Huillin, the Biodiversity Warehouse and the Minga Fund.

4.3 Efficiency	Rating: Moderately Satisfactory
----------------	--

The TE rates the project as *efficient* [p. 17, TE]³. This TER rates project efficiency as *moderately satisfactory* based on the fact that there were implementation problems related to disbursements at the beginning of the project. Initial implementation problems were caused by delays in the disbursement of resources at the start of the project, however the TE does not indicate whether the project as a whole was delayed. After this initial period, there were no problems reported with financial disbursements [p. 19, TE]. TE states that the project did not identify responsible parties that would take ownership of the project’s “goods” after the project’s completion and that relationships between the different agencies that were involved was not productive. Several actors blamed one another for issues that developed during the project [p. 17-18, TE]. TE also finds that the institutional inputs provided by the project are not likely to produce long-term outcomes. Without the support of the leading agency (CONAF) at the end of the project, it is unlikely that the project will meet the development objective of a “bio-diversity management” for Chiloé in the long-term.

4.4 Sustainability	Rating: Unable to Assess
--------------------	---------------------------------

The TE does not provide a rating for sustainability of project outcomes. This TER rated sustainability as *moderately unlikely*, based on the narrative of the TE. Principle risks to sustainability include a failure to explore institutional transfer of new management systems to local institutions, and the inability of some of the institutional activities to contribute to long-term sustainability.

Risks to the sustainability of project outcomes is further assessed along the following four dimensions:

- **Financial Sustainability. (Unable to Assess.)** This TER was unable to assess the financial continuation of the project since the TE provides very limited evidence.. The TE does not mention whether the government remains interested in providing additional funds.

³ No scales is provided.

- **Sociopolitical Sustainability. (Unable to Assess.)** The TE does not provide enough information to assess sociopolitical sustainability. However, one relevant risk that was identified was the potential conflict among stakeholders arising from the overlap of institutional responsibilities among agencies. This could be attributed to an oversight in the project’s design but it can also be attributed to agencies having allegiance to different political parties [p. 26, TE]. The TE does not clarify whether the project received citizenship support.
- **Institutional Sustainability. (Unable to Assess.)** This TER was unable to learn whether institutional frameworks will maintain project activities in the future. It was not possible to determine from the TE whether the establishment of the Advisory Council would continue to integrate ideas from communities, or whether the Landscape-Level Forest Management Plan would develop long-term projects. In addition, no institutional transfer of the new management system to the local institutions was considered [p. 24, TE]. A Public / Private Directory was created to promote community-based partnerships, but the TE states that this directory does not guarantee fair representation of all partners, since some members did not express their opinions about the project [p. 24, TE]. This risk was initially foreseen but identified as small [p. 14, PD]. Although CONAF did not provide enough support to the project, its restructuring is promising in that the project could gain greater leverage if this agency decides to support the project. Awareness campaigns ceased when the project ended [p. 21, TE]. Ensuring the continuity the project’s activities requires continued environmental education, to promote long-lasting behavioral change. It is unknown if an institutional framework that follows up on the project’s activities will be established.
- **Environmental risks. (Unable to Assess)** TE does not provide any information regarding environmental risks to the sustainability of project outcomes.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

Co-financing comprises 80% of the project’s total budget, and thus seems to have played a crucial role in the fulfillment of the project. Co-financing contributors include: the Government of Chile, the Catholic University of Chile, the Episcopate of Ancud, Foundation for the Americas (FdIA), and various NGOs [p. 1-2, PD]. Some of the organizations that had pledged co-financing withdrew their pledges. These withdrawn quantities were supplanted by other institutions, leaving the total amount of expected financing unchanged for the most part [p. 17, TE]. There was no significant difference in the level of expected and actual co-financing – total project funding at endorsement was US \$5.09 and at completion was US \$5.1 million. The TE affirms that co-financing was essential for activities such as the media awareness campaigns of the “Biodiversity Fair,” which enable the achievement of related project’s outcomes.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The project experienced a one year delay; which caused the project to end one year after its expected completion date. The TE does not explain why the project was delayed.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

This TER was unable to assess country-ownership. The TE confuses the country-ownership concept by equating it to management by UNDP Chile and UNDP Panama [p. 14, TE], and also by including the involvement of in-country actors that participated in the Directory, while CONAF was the leading implementing agency. The Directory was a shared partnership composed by the Government of Chile, government institutes like the Forest Institute (INFOR), Agricultural Development Institute (INDAP), the Ancud Diocese, and local community leaders from Chiloé, Longo and Huiliches de Chiloé [p. 10, TE]. The TE’s writing makes it difficult to determine the extent of influence by the Government of Chile.

6. Assessment of project’s Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 M&E Design at entry	Rating: Moderately Unsatisfactory
-------------------------	--

The TE does not rate the M&E design [p. 13, TE]). This TER rates the project’s M&E Design as *moderately unsatisfactory*, as there were significant shortcomings in the M&E design at entry. The PD produced a logical framework that was to be used as a monitoring and evaluation guide [p. 15, PD]. This logical framework states that, as appropriate, new indicators will be identified as a tool to measure project achievement. Overall, indicators provided are of poor quality, and in many cases, lack targets and timetables, are focused on outputs not outcomes, and lack baseline (although PD states that during first 4 months of the project, “detailed studies will be undertaken to establish a methodology and parameter to measure the current state (baseline) and the advancement of the project with respect to the baseline in terms of biodiversity conservation.” (PD, pg 23). In general, indicators do not meet GEF best practices – that is, they are not SMART (*specific, measurable, achievable, realistic and timely*). For example, under Immediate Objective 1, Strengthening the management of Chiloe National Park, one of the “indicators” is “*Improved public awareness and environmental education on the value of conserving globally significant biodiversity,*” which is closer to an (unspecified) target, and the indicator provided is simply “*evaluation of an awareness and environmental education programme.*” Similarly, the logical framework includes the overall goal of the project, A representative area of the diverse Valdivian Temperate Forest is protected. One of the three indicators associated with this overall goal is that “Populations of critical and indicator

species remain at viable levels within adequate size of projected area,” however it is unlikely that changes in population numbers over the project’s short timeframe (4 years) would be a timely or accurate indicator of project effectiveness, particularly considering the cyclical nature of population sizes and the lack of baseline data. No dedicated budget for M&E is provided in the PD. The PD states that partial evaluations will be carried out with the relevant stakeholders for each project component, along with two independent evaluations according to UNDP requirements, but does not provide a timetable for when these evaluations are expected to occur [p. 15, PD].

6.2 M&E Implementation	Rating: Unable to Assess
-----------------------------------	---------------------------------

The TE finds that M&E implementation was *satisfactory* [p. 16, TE]. However, this TER finds that there is insufficient information provided in the TE to assess or support the TE’s rating on implementation of the Monitoring and Evaluation system. The Project Document prescribed a partial evaluation and two independent evaluations. The first independent evaluation was carried out externally in August 2004. Although the TE states that monitoring by the UNDP and the Directory was present throughout the project [p. 16, TE], monitoring activities and their reports are not available in the TE. The second independent evaluations was conducted in January 2005 and revised the project and the M&E plan, which modified the project’s outputs/outcomes. However, it did not adjust the original logical framework [p. 16, TE]. It is unknown whether the partial evaluation was completed. The TE does not clarify if proper M&E training was provided to ensure that the collected data was used after the project ended. In addition, TE states that UNDP Chile and UNDP Panama (implementing agencies) were not “fully involved in monitoring and supervisory activities.” [p. 22, TE].

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 Quality of Project Implementation	Rating: Moderately Satisfactory
--	--

The implementing agency for this project is UNDP. The TE assesses the Quality of Implementation to be *satisfactory*. This TER however, finds that it had significant shortcomings regarding a deficient supervision and rates it *moderately satisfactory*. The UNDP’s project planning had moderate shortcomings: no information is provided in the project design on how the outcomes were to be met, or if indicators had a time frame. The UNDP did not foresee that the project’s objectives exceeded those of the existent resources and that the indicators did not ensure that objectives would be accomplished [p. 15, TE]. The UNDP Country Office Program Manager & UNDP Regional Technical Advisor (implementing agencies) did not get fully involved in the project’s supervision and monitoring [p. 22, TE]. The TE states that the UNDP

should have realized that the initial objectives exceeded the existing resources and that the initial indicators did not ensure the project's observance [p. 16, TE].

7.2 Quality of Project Execution	Rating: Unable to Assess
---	---------------------------------

The executing agency for this project is CONAF (the State Forestry Service). The TE did not rate quality of project execution. This TER was *unable to assess* Quality of Project Execution. Although the TE provides a critique on CONAF's lack of commitment, not enough evidence is provided. Despite the fact that several local and national agencies participated in the project, TE finds that the lead agency, CONAF, was not fully committed to the project's execution. Overall, the primary and secondary executing agencies (Chiloé municipalities, Chiloé's local government, CONAF, CONAMA, SERNATUR, FOSIS and SAG), were greatly involved in the project's implementation through the Directory and Advisory Council. The TE mentions that the relationship between the project manager and CONAF (primary executing agency) was problematic during the last part of the project, but it does not articulate if CONAF remained in the project after the rupture. The TE states that CONAF was not committed in carrying out the project as expected. This information contradicts the TE's general assessment of project execution by CONAF. Finally, the project's operation did not always run smoothly, perhaps due to the fact that there was possible institutional overlap between the multiple agencies and no delegation of responsibilities [p. 26, TE].

8. Assessment of Project Impacts

Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

No changes in environmental stress or status are noted in the TE to have occurred by the end of the project.

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

This TER found that the newly developed economic businesses that protected the biodiversity of Chiloé created socioeconomic change. However, no quantitative changes were documented in the TE. The project conducted alternative economic activities for small businesses, and some of these were self-sustainable [p. 5, 21]. The TE mentions that the Biodiversity Market helped to improve the small-businesses' product

quality [p. 17], however no quantifiable documentation was provided. The TE mentions that these activities created benefits to small businesses but the document does not point out the kind of benefits that they gained [p. 23, TE].

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. “Capacities” include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. “Governance” refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

The project raised public awareness to protect Chiloé’s biodiversity. Environmental education was offered in Region IX. A new model forest was initiated in Region X [p. 20, TE]. Although the TE does not give information on the amount of impact that awareness campaigns produced, local communities are likely to be more aware about the need to protect Chiloé’s biodiversity. Co-financing was materialized through activities such as the media awareness campaigns of the “Biodiversity Fair,” including more than 100 exhibitors by which the small-businesses were able to improve their products’ quality [p. 17, TE]. The Minga Fund provided small credits to those who wanted to initiate business projects while protecting biodiversity [p. 20, TE]., The Biodiversity Market also helped to improve craftsmen’s quality of product. However, the extent to which these activities enhanced local capacities is unknown

b) Governance

To create a system of governance that would enable the protection of Chiloé’s National Park, an Advisory Council for Integrated Conservation and Development Plan was established and encompassed multiple stakeholders such as national and local governments, local indigenous communities, among others. This council developed an Integrated Conservation and Development Plan (ICDP) to ensure participation, incorporation of environmental policies and operative guidelines “for the conservation of globally significant biodiversity” [p. 8, PD]. One of the stakeholders, the State Forestry Service (CONAF), broke ties with the project manager during the last part of the project. Despite the fact that a governance structure, in the form of an Advisory Council, was formed, there is no mentioning whether this structure remained functional.

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

No unintended impacts are described in the TE as having occurred as a result of the project.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

The TE does not report GEF initiatives adopted at scale.

9. Lessons and recommendations

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

Some of the lessons that the TE listed were the following:

On the Project's Design [p. 6, TE]:

- The project's design should be more modest and in a way that its complexity can be increased, as conditions permit;
- When a project has at its core a new model or concept to address an issue, this should be included in all activities, even those at the awareness and practice levels; and,
- Because organizations have different internal rationales, they should be considered and respected while planning innovative interventions such as the Model Forest.

On the Project's Impact [p. 6-7, TE]:

- A careful writing of the purpose is necessary so that it encompasses achievable objectives during the project's life period;
- It is important to learn about organization's internal practices so that the activities leave capacities that can effectively influence the attainment of a project;
- The project demonstrated that it was possible to promote economically sustainable activities by small-businesses that would allow for a sustainable use and conservation of biodiversity.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The TE provides the following recommendations:

On the project's significance, functioning and success:

- I. It is necessary to thoroughly evaluate the executing agencies' administrative and executing capacities because this would help to identify agencies' willingness in getting involved in the project;
- II. It is important to have a balance between the resources and the project's complexity, particularly when a project is innovative. The Terminal Evaluation states that, for these type of new projects, the GEF should allocate more resources;
- III. Commitment by all stakeholders must be ensured so as to prevent their unexpected withdrawal;
- IV. It is necessary to explicitly and clearly identify beneficiaries because the project did not do so.

On the potential impact and sustainability of results:

- I. To re-initiate contact with the institutions that participated at the Forest Model to establish a new project that strengthens the public-private administration of Chiloé National Park;
- II. To balance objectives and activities in the protected areas with those seeking productive activities and to enhance income of vulnerable population and impoverished indigenous communities;
- III. To insure that sustainability is attainable through having the corresponding government organization adopt the management system that was left behind by the project.

On the project's contribution to the development of activities and the attainment of environmental objectives:

- I. To insure that activities are replicable and in direct relation with the project's goal and purpose; and,
- II. To make sure that governance implies fostering participatory practices between the government and community organizations. The development of a directory does not guarantee that all parts are being represented.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF EO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	<i>The Terminal Evaluation provided limited evidence of the project's outcomes in supporting its conclusions.</i>	MU
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	<i>The TE provides some contradictory evidence on project execution by CONAF. Oftentimes, evidence was incomplete and unconvincing. No ratings for sustainability were provided.</i>	U

To what extent does the report properly assess project sustainability and/or project exit strategy?	<i>The report did not assesses the project's financial, sociopolitical, institutional and environmental sustainability.</i>	U
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	<i>The lessons learned are generally supported throughout the text by a reference to limited evidence.</i>	MS
Does the report include the actual project costs (total and per activity) and actual co-financing used?	<i>The project did include actual project costs but there is not an activity breakdown. Actual co-financing was also documented.</i>	MS
Assess the quality of the report's evaluation of project M&E systems:	<i>The TE did not assess monitoring and evaluation activities sufficiently.</i>	MU
Overall TE Rating		MU

Overall TE rating: $(0.3 * (3+2)) + (0.1 * (2+4+4+3)) = 1.5 + 1.3 = 3 = \text{MU}$

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).

Sources for TER: Terminal Evaluation and Project Document. No additional documents were used.