

## Terminal Evaluation Review form, GEF Evaluation Office, APR 2015

### 1. Project Data

Summary project data			
GEF project ID		1089	
GEF Agency project ID		506048	
GEF Replenishment Phase		GEF-2	
Lead GEF Agency (include all for joint projects)		World Bank/IFC	
Project name		Philippines: Asian Conservation Foundation (ACF) – Asian Conservation Company (ACC)	
Country/Countries		Philippines	
Region		Asia	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		OP # 2	
Executing agencies involved		Not Given	
NGOs/CBOs involvement		N/A	
Private sector involvement		Private sector heavily involved through the Asian Conservation Company	
CEO Endorsement (FSP) /Approval date (MSP)		February 11, 2004	
Effectiveness date / project start		February 27, 2004	
Expected date of project completion (at start)		February 27, 2010	
Actual date of project completion		April 30, 2010	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0	0
	Co-financing	0	0
GEF Project Grant			
Co-financing	IA own	0	NA
	Government	0	NA
	Other multi- /bi-laterals	1.5	NA
	Private sector	19.5	NA
	NGOs/CSOs	0	NA
Total GEF funding		1.6	0.42
Total Co-financing		21.0	15.3
Total project funding (GEF grant(s) + co-financing)		25.5	15.72
Terminal evaluation/review information			
TE completion date		June 2010	
Author of TE		Evelyn M. Dimaanda <sup>1</sup> <sub>SEP</sub>	
TER completion date		January 2 <sup>nd</sup> , 2016	
TER prepared by		Caroline Laroche	
TER peer review by (if GEF EO review)		Molly Watts	

## 2. Summary of Project Ratings

Criteria	Final PIR*	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	S	S	--	S
Sustainability of Outcomes	NR	NR	--	UA
M&E Design	NR	NR	--	MS
M&E Implementation	NR	NR	--	UA
Quality of Implementation	NR	NR	--	UA
Quality of Execution	S	S	--	UA
Quality of the Terminal Evaluation Report	--	--	--	MU

\* The TE submitted was the final PIR. Scores for Final PIR and IA Terminal Evaluation are therefore the same.

## 3. Project Objectives

### 3.1 Global Environmental Objectives of the project:

The overarching environmental objective of this project is “to conserve significant coastal and marine biodiversity in the Philippines by creating unique partnerships between a private equity investment holding company, ACC, and local NGOs”(TE p.4). More precisely, the project was divided into the following two objectives:

1. Long-Term Conservation of Globally Significant Marine and Coastal Biodiversity
2. Demonstration of a Globally Replicable Model for Achieving Sustainable Use and Long-Term Conservation of Biodiversity

### 3.2 Development Objectives of the project:

There were no additional development objectives to this project.

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

The objectives weren’t changed, but there was a significant change in project design in May 2007 when one of the two planned ACCs (Asian Conservation Companies) was dropped. Indeed, it was decided that the ACC in El Nido would be pursued as planned, but that the ACC in Stellar Fisheries would be dropped. The second ACC was dropped due to difficulty fully funding the second ACC. (PIR 2011, p.4)

## 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.

<b>4.1 Relevance</b>	Rating: <b>Satisfactory</b>
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The TE rates relevance as satisfactory. This TER also rates relevance as satisfactory due to its good alignment with both GEF and national priorities.

This project was very relevant to the GEF Biodiversity Focal Area as it aimed to develop a new business model that could potentially help protect biodiversity not only in the Philippines, but all around the world.

It was also very relevant to the Philippines, a global center of marine biodiversity. As a matter of fact, “the Philippines stand out globally as a center of marine biodiversity. More than thirty million people directly depend on this marine wealth for income and protein. However, the marine biodiversity and resources of the Philippines are severely threatened by human activity” (TE p.9). Considering this, protecting marine biodiversity is, for the Philippines, an incredibly relevant and important issue.

Protecting marine biodiversity was already a priority of the Government of the Philippines, as demonstrated by the existence of the National Biodiversity Strategic Action Plan. This plan aimed to enhance “the relationship between the private sector and the conservation community” as “the relationship between the private sector and the conservation community remains minimally developed at present”. The project did support nationally established priorities in terms of conservation activities. (TE p.63)

<b>4.2 Effectiveness</b>	Rating: <b>Satisfactory</b>
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The TE rates output, outcome and impact achievement as satisfactory. This TE agrees and rates effectiveness as satisfactory due to the achievement of both core objectives and the delivery of most planned outputs.

The first objective, “long-term conservation of globally significant marine and coastal biodiversity” was achieved. As a result of the project, large marine areas are now conserved and sustainably managed. The main outputs delivered as part of this objective were (1) the setting up of conservation plans for 15 barangays (exceeding the planned 7), (2) the installation of 2078 reef structures, (3) the training of 724

community leaders, (4) completing 511 reports for conservation management and (5) the training of 179 community members on sustainable livelihood options (TE p.10). These contributed to the setting up of core no-take zones in 2,111 hectares and “the conservation and sustainable management of 174,520 hectares” (TE p.8). Most of the target indicators for conservation have been met or surpassed. As a matter of fact, “the area managed is more than three times the expected at project start, this because time and funding allowed for El Nido Foundation to expand their area of work.” (TE p.8).

The second objective of the project, “demonstration of a globally replicable model for achieving sustainable use and long-term conservation of biodiversity”, was also achieved. A new business model was developed, “with ACC as an investment vehicle that owns a company and partners with a local NGO to deliver conservation and social benefits” (TE p.10). According to the TE, “the model of the ACC has now been proved to work and now provides financial sustainability to the conservation organization and the protected area” (TE p.10). Indeed, the future financial sustainability of the project is assured as “the Conservation Trust Fund, the Ecotourism Development Fee and barangay contributions will, together provide about 10.5 million Philippine Pesos annually, or \$234,000 USD/year” (TE p.6).

Despite overall objectives being met, some of the planned outputs were not delivered. For example, the target for “number of recommended laws/regulations/amendments/codes enacted” was 10, and only 5 were achieved. Similarly, the project intended to improve or eliminate 6 procedures/policies/practices/standards, and only 1 change was achieved. Because of those small shortcomings, which did not appear affect project outcomes, the highest score that can be granted for effectiveness is ‘satisfactory’.

4.3 Efficiency	Rating: <b>Satisfactory</b>
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The TE rates efficiency as satisfactory, a rating this TER deems appropriate given that the project was able to achieve its objectives in a very cost efficient way.

According to the TE (Budget Appendix p.1), out of the 1.6 million USD<sup>1</sup> budgeted for the El Nido tranche of the project, only 0.42 million have been spent. Despite the small amount disbursed, “the conservation system and management of the marine protected area is in place and with a financial mechanism that promises to cover the expenses during the long term”(TE p.10).

Indeed, as part of the project, a combination of financial mechanisms was developed that have partially so far, and will fully in the future, substitute the funding from donors. Those financial mechanisms include a development fee, a conservation trust fund, and annual local government contributions. According to the TE, efficiency should be rated as satisfactory as “achieving long term financial

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<sup>1</sup> The original amount budgeted by the GEF was 4.5 million USD, out of which 1.6 million were allocated for the El Nido project. When the second tranche (Stellar Fisheries) was dropped, the planned GEF contribution for this project was revised to 1.6 million USD.

sustainability for a protected area is a significant accomplishment with an investment of less than \$1.6 million. “ (TE p.10)

Prior to project start, a cost-effectiveness analysis was done and confirmed that the conservation activities in this project are less costly than other comparable projects in the Philippines” (PD p.61). The better cost effectiveness was due to the participation of numerous and diverse stakeholders, the use of several sites managed by a central team, the leveraging of financing from other companies in the project area, and the logistical support and sustainable financing from ACC portfolio companies (PD p.61). While cost effectiveness was seriously taken into consideration during the project design stage, the TE does not describe whether or not those efficiency goals did indeed pan out.

Finally, the TE also describes some inefficiency in project reporting and management, but does not describe the nature of the problems incurred in greater detail.

4.4 Sustainability	Rating: <b>Unable to Assess</b>
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Sustainability is not assessed or ranked as part of the TE. This TER does not have enough information to make a sound assessment of sustainability and, apart from judging financial sustainability to be likely, cannot assign a rating.

**Socio-political Sustainability: Unable to Assess**

Given that the ACC is privately funded, socio-political risks to funding are low. However, there could still be socio-political risks, for example the rejection by communities of the no-take zones established as part of the project, or people’s refusal to follow the conservation rules put in place. However, no information was given on this topic as part of the TE, making it impossible to assess as part of this TER.

**Financial Sustainability: Likely**

As mentioned in the TER, “the financial mechanisms in place now; that is, the Conservation Trust Fund, the Ecotourism Development Fee and barangay contributions will, together provide about PHP 10.5 million [Philippine Pesos] annually, or \$234,000 [USD]/year. “ (TE p.6) This is enough to ensure the financial sustainability of the project.

**Institutional Sustainability: Unable to Assess**

There could be institutional risks, for example related to the companies set up by the ACC and the collection of the various fees put in place by the project. However, no information was given on this topic as part of the TE, making it impossible to assess as part of this TER.

**Environmental Sustainability: Unable to Assess**

No information was given on this topic as part of the TE, making it impossible to assess as part of this TER.

## 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?

15.72 m USD of co-financing, mostly from the private sector, was secured as part of this project. When compared to the 0.42m USD disbursed by the GEF, it is clear that the project would not have been possible without the co-financing.

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?

No extensions or delays were experienced as part of this project.

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:

The TE does not describe country ownership over the duration of the project, and this TER therefore cannot assess or describe country ownership.

## 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: <b>Moderately Satisfactory</b>
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The TE does not include a discussion of M&E design, nor does it assign M&E design a specific rating. This TER assigns M&E Design at entry a rating of Moderately Satisfactory due to overall adequate arrangements, but noting the absence of important evaluation activities as part of the plan.

Based on the information provided in the Project Document, an adequate monitoring plan was in place, with monitoring activities planned on “quarterly, semi-annual, annual, and tri-annual basis”(PD p.19). The monitoring was largely based on the indicators established as part of the logical framework of the project.

The logical framework itself was relatively strong, featuring good outcome measures in the form of quantifiable indicators, such as “fish biomass, coral cover, keystone species (such as primary marine predators), and fish catch” (PD p.20). While no baselines were established, this apparently “was standard at the time of project design and approval” (TE p.10). The logical framework mostly featured SMART indicators, and clearly presented means of verification, risks and assumptions. However, impact, outcomes and outputs appeared to be confused at times.

Mid-term and final evaluation activities were not planned or budgeted for. However, it was planned for external evaluators to “conduct tri-annual monitoring to ensure adequate progress in meeting the project’s stated objectives”(PD p.19).

Overall, the M&E arrangements appear to have been moderately satisfactory, with the main building blocks in place, but lacking some important elements, such as stronger evaluation activities, to be fully effective.

<b>6.2 M&amp;E Implementation</b>	Rating: <b>Unable to Assess</b>
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The TE does not include a discussion of M&E implementation, nor does it assign M&E implementation a specific rating. Given that the various PIRs also fail to describe M&E activities, little more can be inferred than the fact that monitoring reports were frequently produced by the project. Given no budget was planned for mid-term or terminal evaluations, it makes sense that no independent evaluation activities took place. Overall, too little information is available for this TER to be able to assess M&E implementation.

## **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.

<b>7.1 Quality of Project Implementation</b>	Rating: <b>Unable to Assess</b>
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For this project, the project implementation agency was the IFC. The TE rates IFC role and contribution to this initiative as satisfactory, largely because the project was successful and “since no one else has supported these initiatives” (TE p.12). Despite lacking a description and assessment of IFC’s performance as project implementing agency, the TE does provide pieces of information that could be used by this TER to assess the quality of project implementation:

- “A dynamic logframe that encourages adaptive management through revision of objectives and indicators on a regular basis, would have been beneficial. And IFC should have modified the logframe when needed.” (TE p.5)
- “The project had a number of different IFC task managers. Inevitably, high turnover creates challenges in communication and continuity.” (TE p.6)
- “The ENF project manager firmly believed in the project concept and was persistent in pursuing the project goals.” (TE p.6)
- “At times the client expressed concerns about the IFC staff turnover, and the remote management from Washington.” (TE p.6)
- “The commercial partner of ENF, ACC, has proven his commitment with the diligent contribution to the Conservation Trust Fund.” (TE p.6)

Overall, it appears like the IFC supported the project and performed well, but faced a few issues related to staff turnover. However, the TE submitted was a final PIR prepared by the IFC, and it does not appear to provide a neutral account of the IFC’s performance as part of the project. For this reason, this TER prefers not to assign a score to the project.

<b>7.2 Quality of Project Execution</b>	Rating: <b>Unable to Assess</b>
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The TE does not provide information on the project executing agency, therefore this TER is unable to assess quality of project execution.

## 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.

The project contributed to the setting up of core no-take zones in 2,111 hectares and “the conservation and sustainable management of 174,520 hectares” (TE p.8). This area is more than three times what was expected at project start.

Most importantly, the project secured the financial future of the marine protected area of El Nido, and provided a successful, replicable example for similar conservation work to be done in other areas.

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.

There is no evidence of socioeconomic change having taken place as part of the project.

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

There is no evidence of capacity changes having taken place as part of this project, nor was it a project goal.

b) Governance

There is no evidence of governance changes having taken place as part of this project, nor was it a project goal.

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.

There is no evidence of unintended impacts having taken place as part of this 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.

One of the main objectives of this project was to create a conservation model that would be replicable. Unfortunately, “the fact that ACC, IFC and the donor (GEF) all agreed on dropping the second tranche limited the opportunity to demonstrate successful replication of conservation activities at five sites in the Visayan region” (TE p.7). While the project had “some success in duplicating the successes at small marine sanctuaries over a larger portion of the protected area (...) the key question: whether the ACC model can be replicated at another site, remains unanswered” (TE p.7).

The TE reports, “there is significant private sector interest in replicating the ACC model at other sites both in the Philippines and in other south-east Asian countries. This interest from investors suggests an agreement with the approach. The fact that the model has yet to be replicated should not be interpreted to mean that replication is not possible, just that it has not yet been proven to occur. Recently, ACC announced the potential acquisition of another resort in Northern Palawan, which confirms ACC's interest in concentrating in tourism.” (TE p.7)

## 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.

Several lessons were generated as part of this project. A summary is included below. Comprehensive lessons can be found in the TE pp. 5-7).

1. Bottom-up protected area planning works ... slowly: As ENF's experience in El Nido has demonstrated, local buy-in takes place one stakeholder at a time. The project's greatest contribution has been to provide traction where it is needed most, at the local level through buy-in by stakeholders.

2. Evolving circumstances demand an adaptive approach. A dynamic logframe that encourages adaptive management through revision of objectives and indicators on a regular basis, would have been beneficial. And IFC should have modified the logframe when needed.
3. The project timeline significantly lagged at times due to delays in implementation and specially reporting. The main lesson learned is for the need to adapt and modify the expectations as soon as an administrative weakness is identified.
4. A micro focus is both an advantage and a disadvantage. This approach has worked for some project components, but not for others.
5. The financial mechanisms now in place may be able to provide the same level of protection that the GEF funds have provided.
6. A strong, capable sponsor is crucial for project success. Reporting requirements need to be reviewed in view of a sponsor capacity, without reducing the quality of information needed for IFC to supervise a project.
7. The project had a number of different IFC task managers. Inevitably, high turnover creates challenges in communication and continuity.
8. The fact that IFC chose to engage with a grant agreement directly with the Foundation instead of ACC, limited the influence and involvement in the investment and growth strategy of ACC.

9.2 Briefly describe the recommendations given in the terminal evaluation.

There are no additional recommendations beyond those already provided as part of the key lessons summarized above.

## 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?	The TE is in fact the final PIR, and while outcomes and impact are assessed, no evidence is provided.	<b>MS</b>
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is simply the final PIR. No evidence is presented and ratings are largely missing. There lacks assessments of key aspects of the project (implementation, execution, sustainability).	<b>U</b>

To what extent does the report properly assess project sustainability and/or project exit strategy?	The report mentions sustainability issues, but focuses on financial sustainability and does not discuss other potential sustainability risks.	<b>MU</b>
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Lessons learned appear to be comprehensive. As no evidence is provided in the TE, lessons cannot be said to be 'supported by evidence'	<b>MS</b>
Does the report include the actual project costs (total and per activity) and actual co-financing used?	Yes, all project costs (total and per activity) are included in the TE appendix, although it is not clear that the figures provided are the final budget figures.	<b>MS</b>
Assess the quality of the report's evaluation of project M&E systems:	The report does not mention M&E systems.	<b>HU</b>
<b>Overall TE Rating</b>		<b>MU</b>

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

*No additional material was used in the preparation of this terminal evaluation report.*