

GEFM&E Terminal Evaluation Review Form

1. PROJECT DATA				
			Review date:	8/8/06
GEF ID:	117		at endorsement (Million US\$)	at completion (Million US\$)
Project Name:	Atlantic Biological Corridor	GEF financing:	7.1	7.1
Country:	Nicaragua -	IA/EA own:	0	0
		Government:	1.2 (database) 1.57 (ICR)	1.49
		Other*:	12.8 (database) 8.7 (ICR)	8.33
		Total Co-financing:	14.0 (From GEF database) 10.27 (From ICR)	9.82
Operational Program:	OP3	Total Project Cost:	21.1 (From GEF database) 17.4 (From ICR)	16.92
IA	WB	<u>Dates</u>		
Partners involved:	Nordic Development Fund	Work Program date		10/01/96
		CEO Endorsement		06/06/1997
		Effectiveness/ Prodoc Signature (i.e. date project began)		10/20/1998
		Closing Date	Proposed: 03/31/2003	Actual: 09/30/2005
Prepared by: Antonio del Monaco	Reviewed by: Aaron Zazueta	Duration between effectiveness date and original closing: 53 months	Duration between effectiveness date and actual closing: 83 months	Difference between original and actual closing: 30 months
Author of TE:	Gunars Platais; Teresa M. Roncal	TE completion date: 3/31/2006	TE submission date to GEF OME: 6/19/06	Difference between TE completion and submission date: 3 months

* Other was: rural municipalities (\$4.1), CIDA (\$0.2), Nordic Development Fund (\$3.5), and PROCODEFOR/Holland (\$5) according to the database. It seems from this breakdown that the difference in co-financing at inception came from the municipalities because the difference between the database amount (\$12.8) and the ICR amount (\$8.7) is precisely \$4.1 million. However, this level of breakdown was not available in the ICR to confirm this information.

2. SUMMARY OF PROJECT RATINGS

GEFME Ratings for project impacts (if applicable), outcomes, project monitoring and evaluation, and quality of the terminal evaluation: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU), not applicable (N/A) and unable to assess (U/A). GEFME Ratings for the project sustainability: Highly likely (HL), likely (L), moderately likely (ML), moderately unlikely (MU), unlikely (U), highly unlikely (HU), not applicable (N/A), and unable to assess (U/A). Please refer to document "Ratings for the achievement of objectives, sustainability of outcomes and impacts, quality of terminal evaluation reports and project M&E systems" for further definitions of the ratings.

	Last PIR	IA Terminal Evaluation	Other IA evaluations if applicable (e.g. IEG)	GEFME
2.1 Project	MS	S	S	MS

outcomes				
2.2 Project sustainability*	N/A	L	L	ML
2.3 Monitoring and evaluation	MU	No rating	No rating	MS
2.4 Quality of the evaluation report	N/A	N/A	S	S

*Rated ML by the EO because of presence of some financial risks.

Should this terminal evaluation report be considered a good practice? Why? No

3. PROJECT OBJECTIVES, EXPECTED AND ACTUAL OUTCOMES

<p>3.1 Project Objectives</p> <ul style="list-style-type: none"> What are the Global Environmental Objectives? Any changes during implementation? The prodoc indicates that the main objectives of the project are to reduce rural poverty, improve natural resource management, and conserve key biodiversity. The TE indicates that the objective was to promote the integrity of a biological corridor along the Atlantic slope of Nicaragua by ensuring the conservation and sustainable use of biological resources in the region. What are the Development Objectives? Any changes during implementation? The Prodoc indicates that specific operational goals are: (a) To establish a mechanism based on municipal governments and community organizations for reducing rural poverty through rural investment in economic infrastructure, improved natural resource management, and small-scale communal productive activities. (b) To ensure that central government institutions acquire the capacity to provide a coherent overall framework for natural resource policy-making and enforcement, accounting for global, national, and regional environmental priorities. (c) To promote the long-term integrity of a biological corridor along the Atlantic slope of Nicaragua, conserving key national and global biodiversity values. According to the Project Document, GEF funds would be applied to the incremental costs of protecting globally significant biodiversity in the Atlantic Biodiversity Corridor (ABC). The ABC is the Nicaraguan component of the regional Mesoamerican Biological Corridor.
<p>3.2 Outcomes and Impacts</p> <ul style="list-style-type: none"> What were the major project outcomes and impacts as described in the TE? The TE indicates that the project contributed to the development of a regional planning framework to conserve and manage biodiversity while supporting the development of policies, strategies, and planning and monitoring tools. These instruments strengthened the ability of central, regional, and local governments and organizations to conserve biodiversity and manage natural resources. This, in turn, facilitated medium- to long-term strategic planning. As an overall impact, stakeholders now recognize that a biologically important corridor of natural habitat extends along the Atlantic Coast which has created local ownership of the planning process. The training provided to local communities created new planning and natural resource management skills within them. In this context, 89 Community Planning Programs were prepared. These provided communities with a management tool to guide decisions about future investments and help assess socioeconomic and environmental impacts in priority areas. The TE indicates that the regional governments agree and also are committed to support activities that will conserve the ABC. For example, the project helped establish Regional Planning Committees in both Autonomous Regions. These committees are composed of representatives of regional government councils, mayors' offices, private sector, universities, community organizations, and civil society. The committees function as a forum to promote consultation and facilitate participation by enabling stakeholders to analyze and evaluate policies, laws, programs, projects, actions, and alternatives. This empowerment through participation has resulted in

improved analytical capacity to provide solutions to decision-makers and has strengthened the Autonomous Regions.

The TE indicates that despite these efforts, the indicator of diminishing or reverting deforestation was not achieved in all priority biodiversity areas and historical land use change analysis of some areas shows an expansion of the agricultural frontier. In certain vulnerable areas of the Atlantic Coast, the pressure of migration on the agricultural frontier simply overwhelmed all efforts to stabilize it. In some areas, failure to move quickly and consolidate indigenous land rights contributed to this scenario. Nevertheless, the investment in park infrastructure, park management plans, and local personnel greatly slowed illegal invasions into protected areas compared to what might have happened in the absence of the project's investments.

According to the IEG review, although the project had limited impact on forest and biodiversity losses during the project period, it was broadly successful in helping commence Nicaragua's Atlantic Biological Corridor conservation program. The project's institutional achievements were major, and can be expected in due course to have important mitigating impact on biodiversity degradation.

The IEG review indicates that the project established, from scratch, an initial legislative, institutional and capacity base for biodiversity conservation in Nicaragua and for the country's role in the Mesoamerican Biological Corridor. While the process of institutional establishment and consolidation is not over, a highly creditable start was made.

4. GEF OFFICE OF M&E ASSESSMENT

4.1 Outcomes and impacts **Rating: MS**

A Relevance

- **In retrospect, were the project's outcomes consistent with the focal areas/operational program strategies? Explain**

The project was relevant in the context of the GEF OP 3 and 4 (Forest and Mountain ecosystems). In addition, the project objective fitted into the WB Country Assistance Strategy (CAS) which included (i) capacity building, (ii) poverty alleviation, (iii) improved environmental management. The project was also relevant to the Government as it was in agreement with these needs. In addition, the project fitted together with another project: the Bank financed Nicaragua Rural Municipalities Project ("PROTIERRA"). It was recognized that population density on Nicaragua's Pacific coast, and high population growth nationally (3.1 percent per annum) would put pressure on colonizing the Atlantic coast, the area of the GEF project. PROTIERRA was to help improve living conditions in the west, thus mitigating the incentive for relocation, and the ABC project was to mitigate the drive towards the Atlantic biological corridor through protective land planning and management, including involvement of indigenous communities. The GEF project's design concept appropriately recognized that the implementation approach needed to be participatory, decentralized, and involving substantial public outreach and capacity building.

S

B Effectiveness

- **Are the project outcomes as described in the TE commensurable with the expected outcomes (as described in the project document) and the problems the project was intended to address (i.e. original or modified project objectives)?**

IEG notes that:

1. **Environmental impacts:** The Efficacy of the project was **Modest** so far because the project's achievements in successful mitigation of forest and biodiversity losses are still limited. Specific to the project's Development Objective, the rate of deforestation (and impacts on biological diversity) is not reported in the ICR to have significantly reduced, and in some areas under particular encroachment-pressure from the overpopulated west coast of Nicaragua, the rate of deforestation is reported to have actually increased. Nevertheless, the Bank ICR and the Government TE both comment that project impact on deforestation was beginning to be felt in the last several years of the project. The ICR indicates that "the investment in park infrastructure, park management plans, and local personnel greatly slowed illegal invasions into protected areas compared to what might have happened in the absence of the project's investments." This appears a reasonable assessment, especially considering the likely impact of the major

institutional reforms achieved under the project.

2. Institutional Achievements: The major achievement of the project was its legislative, institutional, capacity building and cultural innovations, which have initiated an enabling base for achieving the ultimate goal. Actions included: (i) new legislation to enable grass-roots resource management by local indigenous communities; (ii) the piloting of protected areas and community management, with initially promising results; (iii) the establishment of new institutions at all levels, including local levels and civil society; (iv) major decentralization through a complete shift from central to local planning, decision making and implementation; (v) establishment of a National Environmental Fund for channeling of funds to support conservation activities; (vi) introduction of resource mapping, community planning and resource monitoring systems; (vii) establishing participatory processes for resource planning and management; (viii) capacity building related to the areas above; and (ix) public awareness and education programs using national media, schools and other means.

MS

C Efficiency (cost-effectiveness)

- **Include an assessment of outcomes and impacts in relation to inputs, costs, and implementation times based on the following questions: Was the project cost – effective? How does the cost-time Vs. outcomes compare to other similar projects? Was the project implementation delayed due to any bureaucratic, administrative or political problems?**

IEG notes that the project components were implemented largely as planned and individual component costs were between 80 to 120 percent of appraisal estimates. The benefits from the project, if the corridor conservation program is continued are likely to be significant. However, the mitigation of forest cover and biodiversity losses, the improved welfare of the indigenous communities and the project's contribution to the regional biological corridor still remain to be seen so it is not possible to make an assessment of efficiency at this time.

UA

4.2 Likelihood of sustainability. Using the following sustainability criteria, include an assessment of sustainability of project outcomes and impacts based on the information presented in the TE.

A Financial resources	Rating: ML
IEG indicates that for project's sustainability continuation of support to the ABC program over a longer time period is required. This will partly be provided under the GEF financed Nicaragua / Honduras Corazon Transboundary Biosphere Reserve Project, especially in continuing to support the institutions. Continued support for the project field sites is, however, not provided.	
B Socio political	Rating: L
The TE indicates that one of the most important operational decisions taken in the course of the project was to decentralize project management to the Atlantic Coast region, a transition that took place in early 2002. This effectively brought the project closer to the target populations and made for greater ownership by local and regional governments. In effect, the project was successful in supporting the inclusion of biodiversity conservation and improved natural resource management into the local, regional, and national decision-making processes. Providing local communities with alternative livelihoods through the subprojects also was important in reducing pressure on protected areas and biodiversity corridors. These mechanisms will remain in place beyond the life of the project.	
The project involved indigenous communities in forest management, provided support for the resolution of indigenous land tenure issues, and better land use practices and technologies in the biological corridor. The ICR reports the interest in participation of the indigenous communities, and their improved welfare. One of the greatest impacts of the project was its support in making the Law on the Communal Property Rights of Indigenous People and Ethnic Communities of the Atlantic Coast, Bocay, Coco, Indio and Maíz Rivers (Law 445) a reality. With this law in place, indigenous people's lands have begun to be demarcated and titles issued, thereby assuring their rights to ancestral lands. Legal title in turn can significantly reduce pressure on biodiversity,	

<p>because titled lands are not as easily subject to exploitation by third parties. At the time of this ICR, legal impediments to registering Law 445 titles are being resolved under the Bank-financed Land Administration Project (PRODEP). The implementation of community-driven subprojects that focus on strengthening productive systems, agroforestry systems, community-based tourism, fishing, and biodiversity conservation has strengthened the productive base while providing avenues for natural resources conservation. These subprojects had an impact on incomes in recipient communities, thus reducing pressure on natural resources.</p>	
C	Rating: L
<p>Institutional framework and governance</p> <p>The project had several important achievements that can contribute to this dimension of sustainability. For example, the government increased national and international awareness of the ABC and its underlying concepts; strengthened national and regional planning mechanisms that incorporate biodiversity concerns for the Atlantic Coast region and strengthened local planning mechanisms for the Atlantic Coast region. In addition, according to IEG, the government has a strong interest to continue and strengthen the program.</p> <p>The planning instruments for regional, municipal, and local development prepared with project support have been adopted by local governments and are being applied. Regional and local planning and management efforts are expected to improve as environmental concerns are internalized in the policy debate.</p> <p>Another important project outcome was the inclusion of the Regional Development Plans of the Atlantic Coast regions in the National Development Strategy. This long-term vision provides guidelines on natural resources management and prioritizes areas for conservation and sustainable use. Management plans approved by local authorities (councils and local commissions) now serve as the strategic bases for NRM planning, because they promote conservation in large areas of the corridor and provide clear guidelines for future investors and donors.</p> <p>A positive social impact is expected in the medium term as the plans laid out are implemented and political decision-makers focus on poverty alleviation in a context of environmentally sustainable development.</p>	
D	Rating: UA
<p>Ecological (for example, for coffee production projects, reforestation for carbon sequestration under OP12, etc.)</p>	
E	Rating:
<p>Examples of replication and catalytic outcomes suggesting increased likelihood of sustainability</p> <p>Much of what is mentioned under outcomes can have a catalytic effect to bring about change, starting the institutional framework, demonstration of local economic development alternatives compatible with sustainable environmental management. The TE does not discuss the potential for replication however there is potential for this.</p>	

4.3 Assessment of the project's monitoring and evaluation system based on the information in the TE

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A.	Rating: UA
<p>In retrospect, was the M&E plan at entry practicable and sufficient? (Sufficient and practical indicators were identified, timely baseline, targets were created, effective use of data collection, analysis systems including studies and reports, and practical organization and logistics in terms of what, who, when for the M&E activities)</p> <p>IEG indicates that building a strong M&E system was a key feature in project design and was included under the Corridor Planning and Monitoring component of the project. Since the PAD listed in the PIMS does not include annexes, which could have included an M&E plan, it is difficult to know whether a substantive M&E plan was included in the documents at the point of CEO Endorsement and to assess the quality of that M&E plan.</p>	

<p>B. Did the project M&E system operate throughout the project? How was M&E information used during the project? Did it allow for tracking of progress towards projects objectives? Did the project provide proper training for parties responsible for M&E activities to ensure data will continue to be collected and used after project closure?</p>	<p>Rating: MS</p>
<p>The project was largely successful in establishing M&E capacity and initiating monitoring processes. Activities included: development of monitoring systems for measuring biodiversity and trends at both regional and local levels; training in M& E of the national agency and regional and local bodies; completion of a national ecosystems map; conducting a historical analysis of vegetative cover and changes over time; development of a geographic information system; and some in-depth biodiversity studies of priority protected areas. The basic structure and training for a good biodiversity monitoring and planning system was established. As this did not exist at the beginning of the project, utilization has only recently commenced. This is reported to be facilitating planning of local resource management programs. However, the limited biodiversity data in the ICR suggests that the data collection and reporting systems still need full development and utilization.</p>	
<p>C. Was M&E sufficiently budgeted and was it properly funded during implementation?</p>	<p>Rating: S</p>
<p>The TE report shows that monitoring component of the project was well funded and a major part of the funding allocated to this component had been utilized.</p>	
<p>Can the project M&E system be considered a good practice? No.</p>	

4.4 Lessons

Project lessons as described in the TE

<p>What lessons mentioned in the TE that can be considered a good practice or approaches to avoid and could have application for other GEF projects?</p>
<p>According to IEG review, some key lessons are:</p> <p>1. Decentralization, participation, communication and capacity building are typical core needs in a biodiversity program: Under the project, decentralization of management to local governments and communities promoted ownership and actions where the actions needed to be made. Maximizing participation, leadership and implementation by local stakeholders capitalized on their local knowledge, interest and human resources. The program also involved the participation of a diverse resource structure (government, universities, NGOs, private sector) to provide technical support and guidance. Communication was a major thrust of the project and helped create public awareness of the need for conserving the nation's natural resources. Major training and capacity building was also provided. As a new program, all stakeholders needed to acquire the understanding and skills to implement their roles.</p> <p>2. Establishing a biodiversity conservation program generally requires a long-term program approach. The significant institutional achievements of the project have made a start towards fully establishing and achieving a biodiversity conservation program. The forthcoming Nicaragua/Honduras Corazon Transboundary Biosphere Reserve Project will support the substantial further activities required to develop and consolidate the ABC biodiversity program. Some degree of further support even beyond the successor project's closure may also be needed. It would have been better, and considerably less risky, if a long-term approach, and the resources to do this, had been planned and assured from the start.</p> <p>3. Involve local players in monitoring. Monitoring is significantly improved when it is carried out by local players who are trained and empowered. Involving local universities was important to provide training and continuity to the monitoring.</p> <p>4. Assess well political realities before setting conditions. The other unmet Disbursement Conditionality was the approval and implementation of the National Environmental Fund (NEF). This condition was waived toward the end of the project, after which monies were available for</p>

the subprojects. The concept of having an NEF that could manage the resources for subprojects made eminent sense; however, the political difficulties of implementing this were underestimated.

4.5 Quality of the evaluation report Provide a number rating 1-6 to each criteria based on: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, and Highly Unsatisfactory = 1. Please refer to the “Criteria for the assessment of the quality of terminal evaluation reports” in the document “Ratings for the achievement of objectives, sustainability of outcomes and impacts, quality of terminal evaluation reports and project M&E systems” for further definitions of the ratings.

4.5.1 Comments on the summary of project ratings and terminal evaluation findings
In some cases the GEF Office of M&E may have independent information collected for example, through a field visit or independent evaluators working for the Office of M&E. If substantial independent information has been collected, then complete this section with any comments about the project.
N/A

4.5.2 Quality of terminal evaluation report	Ratings
<p>A. Does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? Yes, the ICR contains an assessment of this and presents a candid discussion of shortcomings such as the lack of impacts and depleting forest cover as of the project end.</p>	S
<p>B. Is the report internally consistent, is the evidence complete/convincing and are the IA ratings substantiated? There were inconsistencies in the outcomes ratings and there was no rating for project M&E systems. The prodoc indicates that the main objectives of the project were to reduce rural poverty, improve natural resource management, and conserve key biodiversity which were reflected in the project components. However, the mitigation of forest cover and biodiversity losses, the improved welfare of the indigenous communities and the project's contribution to the regional biological corridor still remain to be seen according to IEG. Furthermore, according to IEG, achievements in successful mitigation of forest and biodiversity losses are still limited. Specific to the project's Development Objective, the rate of deforestation (and impacts on biological diversity) is not reported in the ICR to have significantly reduced, and in some areas under particular encroachment-pressure from the overpopulated west coast of Nicaragua, the rate of deforestation is reported to have actually increased. Therefore, a rating of satisfactory outcomes as indicated in the ICR and EIG review is not supported by the evidence presented.</p>	MS
<p>C. Does the report properly assess project sustainability and /or a project exit strategy? The project's ICR discusses arrangements during project implementation to transition to regular operation. In addition it provides a good assessment of some sustainability dimensions but could have elaborated more on the financial constraints affecting sustainability.</p>	S
<p>D. Are the lessons learned supported by the evidence presented and are they comprehensive? Yes</p>	S
<p>E. Does the report include the actual project costs (total and per activity) and actual co-financing used? Yes. Although there is a discrepancy between the GEF database and the data presented in the ICR. It would have been useful for the ICR to present a breakdown in the sources of co-financing (page 23 of ICR) to better assess the source of the shortfall.</p>	MS
<p>F. Does the report present an assessment of project M&E systems? Yes, very</p>	S

candid assessment with strengths and weaknesses.	
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4.6 Is a technical assessment of the project impacts described in the TE recommended? Please place an "X" in the appropriate box and explain below.

Yes: X	No:
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Explain: It would be useful to carry out an impact assessment in a few years to see how the sustainability constraints played out and to measure actual impacts that the ICR mentions that could be seen in the short term. This assessment could be done in the context of the larger Mesoamerican biological corridor initiative being carried out from Mexico to Panama.

Is there a follow up issue mentioned in the TE such as corruption, reallocation of GEF funds, etc.? No
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4.7 Sources of information for the preparation of the TE review in addition to the TE (if any)

Project document, ICR and IEG evaluation review.
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