

GEFM&E Terminal Evaluation Review Form

1. PROJECT DATA				
			Review date:	8/8/05
GEF ID:	126		at endorsement (Million US\$)	at completion (Million US\$)
Project Name:	Brazilian Biodiversity Fund	GEF financing:	\$20	\$20
Country:	Brazil	Co-financing:	\$5	\$7.7 (includes return on investments of \$1.5 M)
Operational Program:	STRM	Total Project Cost:	\$25	\$27.7
IA	WB	<u>Dates</u>		
Partners involved:		Work Program date		05/01/1991
		CEO Endorsement		
		Effectiveness/ Prodoc Signature (i.e. date project began)		09/05/1996
		Closing Date	Proposed: 12/31/2001	Actual: 2/28/04
Prepared by: Antonio del Monaco	Reviewed by: Aaron Zazueta	Duration between effectiveness date and original closing: 5 years	Duration between effectiveness date and actual closing: 8 years	Difference between original and actual closing: 26 months
Author of TE: Musa Asad; Ruth Norris; Paula Freitas		TE completion date: October 13, 2004	TE submission date to GEF OME: 5/18/2005	Difference between TE completion and submission date: 7 months

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. OED)	GEFME
2.1 Project impacts	N/A	No information	No information	Unable to assess
2.2 Project outcomes	S	S	S	S
2.3 Project sustainability	N/A	Likely	Likely	Likely
2.4 Monitoring and evaluation	N/A		No information	MS
2.5 Quality of the evaluation report	N/A	N/A	Satisfactory	S

Should this terminal evaluation report be considered a good practice? Why? No. There was no

clear presentation of actual project costs

3. PROJECT OBJECTIVES, EXPECTED AND ACTUAL OUTCOMES

3.1 Project Objectives

- **What are the Global Environmental Objectives? Any changes during implementation?**

To provide long-term and sustainable support for conservation and sustainable use of biological diversity in Brazil. (Pro Doc)

- **What are the Development Objectives? Any changes during implementation?**

This goal would be pursued by supporting the establishment and development of a Brazilian Biodiversity Fund (FUNBIO) within the *Getulio Vargas Foundation* (FGV) that would administer a long-term grants program to promote conservation and sustainable use of biodiversity in Brazil. (Pro Doc) Specific objectives include: (i) creation of adequate institutional capacity for the Fund; (ii) assuring the financial effectiveness of the mechanism; (iii) establishing an adequate legal framework for the operation of the Fund; and (iv) demonstrating the trust fund as a mechanism for biodiversity conservation in Brazil through the achievement of six identified benchmarks. Benchmarks for measuring the Fund's success as a mechanism for biodiversity conservation were established in each of the following areas:

- a. Fund-raising success
- b. Financial effectiveness
- c. Public-private sector partnerships
- d. Government commitment
- e. Biodiversity impact
- f. Social impact

3.2 Outcomes and Impacts

- **What were the major project outcomes and impacts as described in the TE?**

The objective to provide long-term and sustainable support for conservation and sustainable use of biological diversity in Brazil was achieved. An effective institution FUNBIO was created, public-private partnerships were fostered and an adequate legal framework for biodiversity conservation was developed. FUNBIO is protected from attachment and taxation, and faces no legal barriers to effective operation. FUNBIO has exceeded the established benchmark for raising counterpart funds, having secured \$6.2 million in commitments from funding partners - the government, business, nonprofit, and philanthropic contributors. Investment guidelines were developed and implemented. Funded projects were expected to result in decreases in biodiversity loss, deforestation, poaching, and protected area encroachment. FUNBIO has supported about 68 sub-projects, focusing mainly on the themes of non-timber forest management (21%), agrobiodiversity (44%), management of fishery resources (14%) and conservation and environmental education (16%). An ecotourism program launched in 2000 focuses on identification and promotion of practices in tourism development and management that support rather than destroy the survival of ecosystems and habitats.

4. GEF OFFICE OF M&E ASSESSMENT

4.1 Outcomes

A Relevance

Rating: 5 (S)

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

Yes. The project was designed in 1991 but became effective in 1996 as a short term response measure under the biodiversity focal area. The project outcomes address several biodiversity OP strategies.

B Effectiveness

Rating: 5 (S)

- **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)? Rating:**

Yes. OED evaluation summary indicates that an effective and credible institution, FUNBIO, was created for supporting conservation of biodiversity in Brazil. FUNBIO is recognized as a national leader in promoting and supporting conservation of biodiversity (based on survey of opinion leaders (NGOs, donors, media)). FUNBIO is also recognized as one of the most successful of the GEF-financed trust funds,

especially in terms of the professionalism of its staff, the efficiency of its procedures, and its innovative approach to developing program themes and creative financing methods. FUNBIO has consistently met its targets for administrative cost ceilings and has been audited annually without any adverse findings.

C Efficiency (cost-effectiveness) Rating: 5 (S)

- **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?**

Given the project’s achievements it can be said that it was cost effective. However, the project duration was three more years than expected and there was no explanation in the ICR of the reasons for this delay. The level of synergy and coordinated impacts from this project and the companion National Biodiversity Project was less than what was foreseen at project design. This was largely due to: (a) disconnect between FUNBIO project cycles and Governmental cycles and schedule; (b) long length of time required at the national government level to develop national biodiversity priorities; and (c) the physical distance between FUNBIO, located in Rio de Janeiro and Ministry of the Environment, Water Resources and the Legal Amazon (MMA) in Brasilia.

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

A Financial resources Rating: 5 (S)

According to the ICR, financial sustainability is assured for another decade or so, as FUNBIO continues to attract matching funds for projects supported by the GEF donation, takes on financial management responsibilities in the GEF-Financed Amazon Protected Areas Project (ARPA), and launches a new program of integrated project funding in which support from various partners can be pooled with relatively low percentages of input by FUNBIO. In the long term, however, FUNBIO’s sustainability as an institution, and its ability to maintain a staff of highly qualified personnel, depends on having the kind of institutional permanence and flexibility that only a reserve of working capital can afford. The ICR indicates that FUNBIO’s power as a convener, coordinator, and organizer of significant funding efforts depends on having the operational capability to invest in research and development of its own, and to bring its own resources to the table, and therefore may need more GEF funding to attract matching capital from other donors in the long term.

B Socio political Rating: 5 (S)

According to the ICR, there is substantial evidence that social and conservation outcomes will be sustainable. This can be attributed to the continuing involvement of partners implementing the projects beyond the FUNBIO funding period. For example, public-private partnership and engaging of NGOs and local communities for biodiversity conservation was effectively carried out. Private partners and supporters of conservation projects include the National Steel Company, the Terra Institute, Klabin Parana forest products, Minas Gerais Power Company, and the Brazilian Tourism Institute. Representatives of NGO, academic, business, and government sectors have participated in technical committees and governing bodies, as well as project implementing organizations and consortia. There is also evidence that intellectual and knowledge resources generated by the project will continue to contribute to sustainable use of biological resources on an ongoing basis.

C Institutional framework and governance Rating: 5 (S)

As mentioned above, an effective institution FUNBIO was created, public-private partnerships were fostered and an adequate legal framework for biodiversity conservation was developed. FUNBIO is protected from attachment and taxation, and faces no legal barriers to effective operation. In addition, the ICR indicates that the code of conduct for bioprospecting was influential in the development of a provisional national policy regulating access to and exploitation of genetic resources, as required by the Convention on Biological Diversity. National priorities for biodiversity conservation were not decreed until 2003, seven years after the project was initiated. FUNBIO’s portfolio remains a small element in the national panorama of conservation priorities and financing.

D Ecological (for example, for coffee production projects, reforestation for carbon sequestration under OP12, etc.) Rating: 5 (S)

The ICR indicates that an assessment carried by FUNBIO shows increased involvement by communities in

agro-extractive activities and increased income from sustainable production of natural resources as an alternative to non sustainable practices. This shift was achieved in production projects, thanks to the project's focus on simple, appropriate technologies that communities can easily maintain and obtain benefits.

E Examples of replication and catalytic outcomes suggesting increased likelihood of sustainability **Rating: 5 (s)**

Many other donors are adopting business planning as a standard feature of sustainable production projects. Individual projects are developing methods for assessing and valuing sustainable uses, which should be more broadly applicable after their initial period of field testing.

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

A. Effective M&E systems in place: What were the accomplishments and shortcomings of the project's M&E system in terms of the tools used such as: indicators, baselines, benchmarks, data collection and analysis systems, special studies and reports, etc.? **Rating: 4 (MS)**

During the design phase, the project did not set a specific target for the extent of biodiversity to be conserved. Even today, Brazil's national environmental agencies continue to struggle to develop clear conservation objectives and monitorable benchmarks toward their achievement. FUNBIO's monitoring and evaluation program is limited to outcomes of specific projects. However, FUNBIO has not yet developed indicators that can be applied to its entire portfolio.

B. Information used for adaptive management: What is the experience of the project with adaptive management? **Rating: 4 (MS)**

Monitoring of some outcomes carried out by FUNBIO shows that FUNBIO subprojects have led to adoption of improved agricultural practices, management plans for local forest units, creation of forest corridors, and development of sustainable management plans for coastal resources.

Can the project M&E system be considered a good practice? No

4.4 Quality of lessons

Weaknesses and strengths of the project lessons as described in the TE (i.e. lessons follow from the evidence presented, or lessons are general in nature and of limited applicability, lessons are comprehensive, etc.)

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?

- The project experience indicates the importance of facilitating biodiversity conservation activities by communities or groups of people who have a vital interest in conservation, either because their livelihoods depend directly on biological resources, or because their quality of life depends significantly on use and existence values of biodiversity.
- The primary tool for catalyzing permanence and sustainable capitalization of trust funds is permanent capital, structured in such a way as provide incentives for matching permanent capital from other private and public sources. FUNBIO provided an opportunity to demonstrate the effectiveness of catalytic infusions of capital by creating challenges and opportunities, for example, agreed-upon releases of new, permanent capital in tranches of \$500,000 to \$1 million upon deposit of permanent capital from other sources (Ford Foundation, Moore Foundation, business sector donors). It is likely that the potential for a match would be a key to securing these additional sources.

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.
Not applicable

4.5.2 ratings	Ratings
<p>A. Does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? The ICR provides a good assessment of relevant outcomes and achievement of objectives as discussed above but does not discuss the reasons for the delay in project completion.</p>	S
<p>B. Is the report internally consistent, is the evidence complete/convincing and are the IA ratings substantiated? Yes</p>	S
<p>C. Does the report properly assess project sustainability and /or a project exit strategy? Yes.</p>	S
<p>D. Are the lessons learned supported by the evidence presented and are they comprehensive? Yes. Although there was a clear lesson that was not presented in the ICR and that may be useful for other projects seeking to establish a biodiversity conservation fund in a country. The lesson is that this project and other projects such as the Bolivia Biodiversity Conservation Project have demonstrated that in planning for sustainability via a fiduciary fund, more attention should be paid to: (i) the institutional strength and expertise of the executing agency; (ii) constraints of existing laws on the types of investments which can be realized locally and abroad; (iii) tax issues for external investments; and (iv) the composition of the board that would manage the fund. Given the constraints of the government agency to manage the use of the fund resources, a private entity may be a better choice for management and to attract other donors as this project demonstrated.</p>	S
<p>E. Does the report include the actual project costs (total and per activity) and actual co-financing used? There is some discrepancy in the Project Cost and Financing Tables and therefore it is difficult to discern the actual total project cost. The ICR indicates that cofinancing totaled \$6.2 million, in the form of matching funds contributed by partners including the Ford Foundation, Brazilian government agencies, NGOs and business organizations and consortia. In addition, the project has generated \$1.5 million in net investment returns. Inflows of cofinancing and investment returns are expected to continue through the rest of the project's lifespan (6-8 years). The GEF investment portfolio's value at the time the ICR was prepared was \$9.6 million, not including an additional disbursement of \$1.9 million deposited in February 2004.</p>	MS
<p>F. Does the report present an assessment of project M&E systems? Yes</p>	S

<p>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.</p>	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<p>Explain: It would be valuable to assess the impacts of the project after several years and other outcomes in light of National Biodiversity Project, the other GEF project that has been simultaneously implemented and is expected to close in Dec 2005.</p>		
<p>Is there a follow up issue mentioned in the TE such as corruption, reallocation of GEF funds, etc.? No</p>		

<p>4.7 Sources of information for the preparation of the TE review in addition to the TE (if any) OED Evaluation summary. 2004 project PIR and ICR</p>
