

GEFM&E Terminal Evaluation Review Form

1. PROJECT DATA				
			Review date:	7/24/06
GEF ID:	133		at endorsement (Million US\$)	at completion (Million US\$)
Project Name:	PAMBC Atlantic Mesoamerican Biological Corridor Project	GEF financing:	8.4	8.4
Country:	Panama	Co-financing:	4.4	1.88
Operational Program:	OP 3	Total Project Cost:	12.8	10.28
IA	WB	<u>Dates</u>		
Partners involved:	National Environmental Authority (ANAM)	Work Program date		05/1/97
		CEO Endorsement		05/27/1998
		Effectiveness/ Prodoc Signature (i.e. date project began)		11/20/1998
		Closing Date	Proposed: 06/30/2004	Actual: 06/30/2005
Prepared by: Antonio del Monaco	Reviewed by: Aaron Zazueta	Duration between effectiveness date and original closing: 67 months	Duration between effectiveness date and actual closing: 79	Difference between original and actual closing: 12 months
Author of TE: Elsie Garfield and Karen Luz		TE completion date: 12/23/05	TE submission date to GEF OME: 3/15/06	Difference between TE completion and submission date: 3 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 outcomes	S	S	S	S
2.2 Project sustainability	N/A	L	L	L
2.3 Monitoring and evaluation	S	No rating	No rating	MS
2.4 Quality of the evaluation report	N/A	N/A	S	S

Should this terminal evaluation report be considered a good practice? Why?
No. Refer to section on quality of TE for shortcomings.

3. PROJECT OBJECTIVES, EXPECTED AND ACTUAL OUTCOMES

3.1 Project Objectives

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

According to the project document: To address the root causes leading to migration to, and expansion of, the agricultural frontier while enhancing on-site protection of areas of high biodiversity values both inside and outside of protected areas.

According to the TE, to contribute to the long-term conservation and sustainable use of biodiversity in the Panamanian portion of the Mesoamerican Biological Corridor (PAMBC).

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

According to the project document:

- (i) to direct resources for investment and technical assistance towards priority areas of rural poverty to reduce natural resource degradation and outmigration; and
- (ii) to conserve biodiversity in areas of global and regional interest and maintain integrity of the MBC on the Atlantic Coast.

The project focuses one set of instruments on the poorer and more populous central and southern provinces of the Pacific to reduce the outmigration that pushes the agricultural frontier (and invasions of public forests and protected areas); and another set within the Mesoamerican Biological Corridor, to control access to high biodiversity areas and diminish both the pull factors and in situ threats to biodiversity.

The TE indicates that development objective is to promote substantial actions on the part of stakeholders to achieve conservation and sustainable use of biodiversity through land use practices that integrate biological, social and economic priorities.

3.2 Outcomes and Impacts

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

IEG indicates that protected areas in Panama have been substantially strengthened; legislation and regulations to plan and manage protected areas with full participation of indigenous communities have been implemented.

IEG indicates that even though the project did not select the most useful key performance indicators, there is evidence the project contributed to improving the management/conservation of Panama's Atlantic MBC sites against encroaching settlements and other threats. The number of new settlers to the Atlantic side of the MBC could not be measured, but anecdotal evidence suggests that improved park management plans, coordination with law enforcement agencies, and negotiations with new settlers, have alleviated the encroachment by new settlers. The ecosystem maps developed by the project also showed a significantly slower rate of deforestation in project areas. It is too early to tell if legislative requirements for environmental impact assessments can effectively contain the deleterious effects from the mining and transportation sectors, especially because during the project, the global demand for mining products had been low; and only one highway project had been proposed in the project area. Nevertheless a good start has been made - - pressure from local and international groups, and good management by the National Environmental Authority (ANAM) led to rejection of the highway proposal through the project's conservation area.

IEG indicates that a notable project achievement is the development of formalized agreements and mechanisms which dramatically improved how ANAM and the National System of Protected Areas (SINAP) work with indigenous communities and their authorities in the PAMBC. The institutional culture of ANAM has been transformed whereby communities are not viewed as the problem, but as part of the solution, to sustainable development. The physical and operational capacity of SINAP was also strengthened (vehicles, equipment, training) but at project close its financial sustainability remains uncertain.

With project advocacy and support, the National Council for Indigenous Development was established. As a result not only are the issues of indigenous peoples elevated to the national stage, indigenous authorities are now formally recognized and are able to define their own development strategy.

IEG indicates that a total of 100 subprojects were implemented in 118 (appraisal target was 100) communities (75% of which were indigenous groups) and directly benefited 35,000 people. All subprojects promote land use techniques consistent with conservation and the sustainable use of biodiversity. While there were some problems, the Beneficiary Assessment found the subprojects overwhelmingly popular and participants recounted their gains in technical and organizational skills. However the financial sustainability for some of the "productive" subprojects is uncertain.

4. GEF OFFICE OF M&E ASSESSMENT

4.1 Outcomes

Rating: S

A Relevance

S

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

IEG indicates that the project objectives were consistent with the CAS of 1994 and 1998, and the Interim Strategy Note of 2005 where environmental conservation and sustainable growth were strongly associated with poverty reduction strategies, and where there was a focus on the entrenched poverty of rural and indigenous groups. From the GEF perspective, the project is relevant in the context of OP3, Forest Ecosystems and OP4, Mountain Ecosystems.

B Effectiveness

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)?**

IEG indicates that the project objective was substantially achieved with some shortcomings. The concept of the Mesoamerican Biological Corridor and its importance to sustainable development in Panama is now fairly well understood by society at large, and the communities, settlers and indigenous groups who reside therein. In addition there is anecdotal evidence of a slow down in the rate of deforestation of the project area and human encroachment. However, this awareness has not reached a level to generate public debate with respect to the potential threats from the mining and transportation sectors that have interests in Panama's MBC area. At the project level, the lack of a project implementation plan (PIP), a good M&E system from the beginning and changes in Bank task managers contributed to implementation delays.

According to IEG, the biodiversity monitoring system is being established, although it was not fully operational during the project. Collectively, analysis of data gleaned from vegetation and ecosystem mapping (satellite imagery) and rapid ecological evaluations, has provided essential information on the most critical sites and the impact of population pressures. These maps (widely used by researchers, academia and environmentalists) facilitate not only in-country assessments and planning but also cross-country work on biodiversity along the entire Mesoamerican Biological Corridor. A network of universities, researchers and NGOs are now collaborating with ANAM to collect, analyze and disseminate the biodiversity data gathered. Monitoring of endangered species has been initiated.

C Efficiency (cost-effectiveness)

MS

- **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 indicates that the ICR did not, but could have, provided some discussion on efficiency, eg. by ascertaining whether the actual unit costs for certain activities were within the appraisal projections.

More importantly, this is a GEF project, and the ICR should have reported on whether the estimated local and global benefits (the GEF increment) ex ante (Annex 4, PAD) actually worked out. It would have been a qualitative assessment but would still have given some indication of project efficiency.

IEG suggests that the WB may have reduced their contribution to the project from \$2.29 million as initially projected to \$0.2 million but that this is unclear from the ICR. If this is true, it is possible

that the GEF ended up paying for more than the incremental costs of subprojects of communities that are consistent with biodiversity objectives and sustainable uses, and instead paid for a larger portion of these subprojects, which is contrary to the purpose of GEF funds and would diminish the cost-effectiveness of the use of GEF funds.

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
The TE indicates that one threat to sustainability is ANAM's limited financial resources. Furthermore, the financial sustainability of the production sub projects is uncertain and therefore, after project closure, if these subprojects are indeed unsustainable financially, then local populations could have an incentive to migrate in search of better opportunities, and occupy areas in the MBC, thus diminishing the achievements of the project.	
B Socio political	Rating: L
The TE indicates that the prospects of sustainability at the local and regional levels seem highly likely given the already evident changes in ANAM's role and its relation with communities, the growing awareness of the relevance of conservation and sustainable use of natural resources to the livelihoods and heritage of individuals and communities, increased knowledge and involvement of children through their schools, the validation of the four protected areas management plans by the local communities and indigenous comarcas, and the linking up of this project's efforts with new investment projects in the PAMBC which can build on its achievements. The TE indicates that ANAM's continued a permanent communication with leaders of the comarcas; continued technical assistance to communities which carried out subprojects; provided a training plan in marketing for beneficiary groups; and provided information to the beneficiary groups on public and private sources of funding and technical assistance so that they can continue to grow.	
C Institutional framework and governance	Rating: L
The TE indicates that the new laws and mechanisms for conservation and environmental management supported by the project (such as the proposed modifications to the rules governing Environmental Impact Assessments to include among other aspects the Mesoamerican Biological Corridor) make it likely that the project's achievements will be carried forward. Likewise, Panama's continued engagement as part of the Central American Commission on Environment and Development (Commission Centroamericano de Ambiente y Desarrollo, or CCAD) and the Mesoamerican Biological Corridor (MBC), and its commitments under the Convention on Biological Diversity will continue to focus attention on the efforts in the PAMBC. According to the TE the government has requested from a Bank-financed Project Preparation Facility to move forward on the roadmap and has supported the development of investments within the PAMBC area aimed at balancing economic development needs and biodiversity conservation, including the on-going National Land Administration Program (PRONAT) financed by the Bank.	
D Ecological (for example, for coffee production projects, reforestation for carbon sequestration under OP12, etc.)	Rating: U/A
None described in the TE	

4.3 Catalytic role

a. Production of a public good
b. Demonstration
c. Replication
d. Scaling up

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

A. M&E design	Rating: U
The PAD does not include a log frame and a separate section on M&E. It only indicates that an M&E plan will be developed during project implementation. It, however, does have a discussion on project risks.	
B. M&E plan Implementation	Rating: MS
According to IEG, the development of a systematic biodiversity monitoring (eventually to be integrated into the National Environmental Information System) has completed its initial stage of development. However, IEG found that the choice of key performance indicators was less than ideal: one could not be effectively collected, and the other two were too narrow or broad to determine overall project impact. There was also inadequate data from the project M&E to assess	

the cumulative impact of the community subprojects (a key component) on conservation of globally important biodiversity. Nonetheless the project benefited from the MTR and independent evaluations commissioned by the project.

It seems that the log frame was used as a basic tool to measure progress towards some objectives. The TE indicates that another area where ANAM's performance could have been better is timely follow through on key activities, such as: design and implementation of the biodiversity monitoring system; setting up the monitoring and evaluation system of the project, and gathering baseline information; approving the four protected area management plans so that implementation could begin during the project; and developing a sustainable financing strategy for the SINAP, although one notes that important building blocks (i.e., individual park strategies) were developed. ANAM compensated for the lack of the project M&E system by good progress reports, and excellent mid-term review and completion reports prepared by independent evaluation teams.

IEG indicates that ecological mapping and other project financed monitoring of biodiversity, was completed as planned, but provisions were inadequate (including technical assistance) for thorough analysis, interpretation and the dissemination of this knowledge. At project end, remedial action was taken on this and the issue was resolved.

C. M&E budgeted and properly funded

Rating: S

Based on the information provided in the PAD, the project had components such as Biodiversity Monitoring and Project Management where in M&E related activities have been included. These components seem to be well funded. The TE informs that the project implemented the Biodiversity Monitoring component successfully.

Can the project M&E system be considered a good practice?

No

4.4 Lessons

Project lessons as described in the TE

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?

Integration of indigenous people in the design and implementation of project activities can have an appreciable impact on project success. Given that indigenous peoples generally occupy some of the best lands for biodiversity conservation, it is critical to ensure their full participation in determining how biodiversity is best conserved.

A common weakness of projects providing small grants for productive investments is the lack of attention to marketing issues as part of subproject design, and of technical assistance to beneficiaries to address these challenges during implementation. Many organizations benefiting from subprojects in this project were ill-equipped to face these challenges.

In GEF projects with a community driven development subprojects component, the potential and actual contribution of these subprojects to the conservation of biodiversity of global importance needs to be better analyzed ex-ante and measured ex-post. Furthermore, the targeting of certain types of subprojects to locations where they could make the best contribution, needs to be considered.

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.
None.

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? The ICR provided a candid and comprehensive account of project experience. However the ICR can be faulted for not discussing project efficiency. As required for GEF projects, a detailed estimation (albeit qualitative) of the local and global benefits to be achieved had been presented in Annex 4 of the PAD. The ICR should have assessed if indeed these were achieved and how efficiently, given the costs expended. Especially in light of the reduced project costs. Comments from the Borrower (full text of their completion report was attached) corroborated the ICR findings.</p>	MS
<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, the discussion on sustainability touches of key aspects and shortcomings as well as the transition to regular operations through other activities carried out by the government with the assistance of other agencies and building in the projects approach.</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? IEG indicates that at appraisal, IBRD/IDA was to contribute \$2.29 million, GEF \$8.4 million, the government \$1.0 million, beneficiaries \$1.1million, making a total of \$12.8 million. Actual project costs were \$10.3 million, with the government bearing \$1.1 million and the beneficiaries only \$0.6 million. It is unclear (although likely according to IEG) from the ICR whether the remaining \$8.4 million was supported entirely by the GEF grant, (ie. with little or no IBRD/IDA support). The project experienced implementation delays partly as a result of Panama's presidential elections, and partly due to lack of Bank oversight. It was extended by one year to close in June 30, 2005. There is some inconsistency in financial data presented in the ICR's Annex 2, fourth table and para 5.4 in the text. For example, the ICR indicates that "Total actual project costs were US\$10.3 million, 98% of the total project cost estimated at appraisal", but \$10.3 million is 80% of the cost at appraisal. The ICR should have explained better why funds were reduced and whether this reduction came from IBRD/IDA initial contribution commitment, and any impacts this may have had on the incremental cost requirement of the GEF.</p>	MU
<p>F. Does the report present an assessment of project M&E systems? Yes, it provides a very candid assessment of M&E detailing its shortcomings and the information that the project was able to collect in an anecdotal manner.</p>	S

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: Given that the project impacts were only anecdotal and the TE indicates that it wasn't until project end that an appropriate M&E system was in place, it would be very useful for the GEF and WB to have a technical assessment of impacts a few years down the line even after the completion of the other projects mentioned above under "Replication", to assess the degree of effectiveness of the GEF intervention and draw lessons for the Biodiversity focal area and sustainable rural development.

Is there a follow up issue mentioned in the TE such as corruption, reallocation of GEF funds, etc.? IEG suggests that the WB may have reduced their contribution to the project from \$2.29 million as initially projected to \$0.2 million but that this is unclear from the ICR. If this is true, it is possible that the GEF ended up paying for more than the incremental costs of subprojects of communities that are consistent with biodiversity objectives and sustainable uses, and instead paid for a larger portion of these subprojects, which is contrary to the purpose of GEF funds and would diminish the cost-effectiveness of the use of GEF funds. This issue would have to be assessed to determine if indeed this is the case.

4.7 Sources of information for the preparation of the TE review in addition to the TE (if any)

ICR, IEG Evaluation summary, project document