

GEF EO Terminal Evaluation Review Form for OPS4

1. PROJECT DATA				
			Review date:	03/10/09
GEF Project ID:	1416		<u>at endorsement</u> (Million US\$)	<u>at completion</u> (Million US\$)
IA/EA Project ID:	1427 (PER/01/G35)	GEF financing:	0.75	0.75
Project Name:	Community-based conservation and sustainable use of the Atiquipa and Taimara lomas ecosystems.	IA/EA own:	-	
Country:	Peru	Government:	0.12	
		Other*:	1.45	
		Total Cofinancing	1.47	NA
Operational Program:	1	Total Project Cost:	2.22	NA
IA	UNDP	<u>Dates</u>		
Partners involved:	Universidad Nacional San Agustin (UNAS)	Effectiveness/ Prodoc Signature (i.e. date project began)		04/2002 22/01/02 (PIR 2007)
		Closing Date:	Proposed: 05/06	Actual: 08/2006
		Prepared by: Ines Angulo	Reviewed by: Neeraj Negi	Duration between effectiveness date and original closing (in months): 49
Author of TE:	Gonzalo Llosa	TE completion date: April 2007	TE submission date to GEF EO: April 2008	Difference between TE completion and submission date (in months): 12 months

* Other is referred to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

2. SUMMARY OF PROJECT RATINGS AND KEY FINDINGS

Please refer to document GEF Office of Evaluation Guidelines for terminal evaluation reviews for further definitions of the ratings.

Performance Dimension	Last PIR	IA Terminal Evaluation	IA Evaluation Office evaluations or reviews	GEF EO
2.1a Project outcomes	HS	S	-	S
2.1b Sustainability of Outcomes	N/A	NA	-	ML
2.1c Monitoring and evaluation	-	S	-	S
2.1d Quality of implementation and Execution	NA	NA	-	S
2.1e Quality of the evaluation report	N/A	N/A	S	S

2.2 Should the terminal evaluation report for this project be considered a good practice? Why?

Some aspects of the TE could be considered a good practice, such as the comprehensive overall analysis of project achievements, and of its sustainability. On the other hand, financial and M&E information is not complete.

2.3 Are there any evaluation findings that require follow-up, such as corruption, reallocation of GEF funds, mismanagement, etc.?

No, the TE mentions that the project audit found that all financial management was in order.

3. PROJECT OBJECTIVES

3.1 Project Objectives				
a. What were the Global Environmental Objectives of the project? Were there any changes during implementation?				
The ProDoc states that the GEO is “to address and reduce habitat destruction, resource over-exploitation, and other human activities which pose a threat to the largest remaining remnant of the globally unique coastal lomas ecosystems of Peru and Chile”				
There were no changes to the GEO during project implementation.				
b. What were the Development Objectives of the project? Were there any changes during implementation?				
According to the ProDoc, the main objective was: “A protected Atiquipa Ecosystem and its attendant biodiversity effectively managed for conservation and sustainable use”				
Project expected outcomes included:				
<ul style="list-style-type: none"> - Community based conservation established and local communities have capacity to sustainably manage resources - Two community reserves established and operationalized as core biodiversity conservation areas - Recovery and management of 3 forest lomas areas - Income and welfare of the Rural Community of Atiquipa is increased and improved by generating sustainable agricultural activities 				
(describe and insert tick in appropriate box below, if yes at what level was the change approved (GEFSEC, IA or EA)?				
Changes in the project components were approved by UNDP.				
Overall Environmental Objectives	Project Development Objectives	Project Components	Any other (specify)	
		X		
If yes, tick applicable reasons for the change				
Original objectives not sufficiently articulated	Exogenous conditions changed, causing a change in objectives	Project was restructured because original objectives were over ambitious	Project was restructured because of lack of progress	Any other (specify)
				Outcome 3 was separated in three, outcome 3A, 3B and 3C in order to ease reporting on this outcome. Furthermore, outcome 3B target was reduced from 400 ha to 200 ha because management activities planned as pruning have been proven to be not adequate for this type of forest. Finally, livestock activities were given a priority over agriculture ones.

4. GEF EVALUATION OFFICE ASSESSMENT OF OUTCOMES AND SUSTAINABILITY

4.1.1 Outcomes (Relevance can receive either a satisfactory rating or an unsatisfactory rating. For effectiveness and cost efficiency a six point scale 6= HS to 1 = HU will be used)

a. Relevance (of outcomes to focal areas/operational program strategies and country priorities) Rating: S
A.1. What is the relevance of the project outcomes/results to:
(i) the national sustainable development agenda and development needs and challenges?
The project was in line with the government’s efforts to ensure greater involvement of local communities in the direct management of Protected Areas. Community management is a national priority objective mentioned reputedly in the

Political Constitution and several other legal instruments such as the Law for Native Communities and the Law for Sustainable Use of Natural Resources.
(ii) the national environmental framework, agenda and priorities?
The lomas of Atiquipa and Taimara have been identified by the Peruvian government as 1 one the priority zones for conservation. This is because of their status as the largest remaining lomas area in the world, the only remaining lomas area with forest and aquatic ecosystems, and its high degree of endemism.
(iii) the achievement of the GEF strategies and mandate?
Project achievements are relevant to GEF arid and semi-arid ecosystems strategy.
(iv) the implementation of the global conventions the GEF supports (countries obligations and responsibilities towards the convention as well as the achievement of the conventions objectives)
The project contributed to the biodiversity objectives of Peru's NBSAP, including improved knowledge and management systems, better information and institutional support mechanisms, and equitable sharing of biodiversity benefits.
A2. Did the project promote of International (Regional and / or Global) Cooperation and Partnership¹
Not applicable.
b. Effectiveness Rating: S
The project was able to successfully engage the community of Atiquipa in the conservation of the lomas. The direct link between the conservation of the lomas ecosystem and the availability of water and resulting increase in pastures was established, and now the community has started the legal procedures to officially declare its entire territory as a Private Protected Area. However, the TE notes that some of the planned activities were not implemented. For example, once field activities began, the staff saw that the silvicultural management component was not appropriate for the existing lomas forest and it was therefore dropped. In addition, an area of 1500 hectares in the Taimara lomas was to be purchased from existing private owners and annexed to the community of Atiquipa but this was not achieved (GEF funding was planned to be used to buy this land, but the project staff only learned that this was not an eligible GEF activity once the project started). On the other hand, other component achievements surpassed the expected goals. For example, 400 ha of fenced pastures were planned, but the project achieved 690 ha. Also, the goal of storing 1060 m ³ of water coming from fog traps was exceeded to 2060m ³ after the construction of an additional storage tank.
c. Efficiency (cost-effectiveness) Rating: MS
The TE notes that results that exceeded planned goals were achieved due to savings. For example, some material that was originally quoted in the city of Arequipa was bought at a lower price in cities closer to the project site. The TE also concludes that the lack of an adequate social baseline affected the project effectiveness since it was not clear from the start how much had to be invested in which activities in order to achieve project goals. Although the project was very successful at adapting and reorienting activities as needed, it is clear that the resulting changes implied unexpected costs (for example changing the focus from agriculture to livestock activities). Financial analysis of the project budget shows that the project followed the planned budget and that the audits found no irregularities. On the other hand, the TE mentions that \$289,264 are included as an expense of the "revolving fund", but that since the fund was just a disbursement arrangement between UNDP and the executing agency, it should not be considered an expense. No further information on what this money was actually used for is provided.
d. To what extent did the project result in trade-offs between environment and development priorities / issues (not to be rated)
No trade offs are mentioned. The community is improving the management of its territory while at the same time protecting the biodiversity of the lomas.

4.1.2 Results / Impacts² (Describe Impacts) (please fill in annex 1 – results scoresheet and annex 2 – focal area impacts (against GEF Strategic Priority indicators, where appropriate and possible)

There are 1,395 has. of Atiquipa lomas under management and protection, exceeding the programmed target by 195 has. This surface comprises of: - 250 ha for strict conservation, - 375 ha for reforestation (20 has. in the strict protection area), - 590 ha for pasture management, - 200 ha for silvicultural management and - 05 ha for farm work, not considered in the total under management and protection.
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¹ Please consider for regional and global project only

² Please consider direct and indirect global environmental results; any unexpected results; local development benefits (including results relevant to communities, gender issues, indigenous peoples, NGOs and CBOs)

4.2 Likelihood of sustainability. Using the following sustainability criteria, include an assessment of **risks** to sustainability of project outcomes and impacts based on the information presented in the TE. Use a four point scale (4= Likely (no or negligible risk); 3= Moderately Likely (low risk); 2= Moderately Unlikely (substantial risks) to 1= Unlikely (High risk)). The ratings should be given taking into account both the probability of a risk materializing and the anticipated magnitude of its effect on the continuance of project benefits.

a. Financial resources	Rating: ML
The TE mentions that the Project failed to develop an exit strategy, and that planning for financial sustainability did not seem to be a priority. Factors that still pose some risk to financial sustainability are: insufficient improvement of income generating activities in the community, the need to cover high costs of equipment maintenance, of activities related to the management of the lomas, and of surveillance (to deter illegal extraction of natural resources). At local level, the Atiquipa Rural Community has imposed a rate of US\$ 3.0 to the extraction of the tara pod plus the delivery of 100 kg of said product to finance protection activities of the hills. Funding for a follow-up 3 year project has been secured.	
b. Socio-economic / political	Rating: L
The Project had strong support of the regional government which declared the conservation of the lomas a public interest through an official regulation. The TE concludes that the project left tangible evidence that it convinced local people of the importance of maintaining activities focused at the recovery and protection of the lomas (although at the beginning there was some opposition to the project, by the end local support was very strong), but that the capacity of the Community of Atiquipa still needs to be strengthened.	
c. Institutional framework and governance	Rating: L
The community granted some land for the construction of a UNSA center in the project area, therefore it is expected that the involvement of the university in the area will continue after the end of the project. In addition, capacities of the local committees and communal organizations were strengthened during the project.	
d. Environmental	Rating: L
Overgrazing was a serious risk to the lomas, but to-date, almost all the Community members which are cattle raisers participate in the restoration activities because they have finally understood the advantages to manage their pastures and livestock within paddocks and the conservation objectives of these.	
e. Technological	Rating: NA
Not applicable	

4.3 Catalytic role³

a. INCENTIVES: To what extent have the project activities provide incentives (socio-economic / market based) to catalyze changes in stakeholders
At the end of the project, the only source of income for the population was the <i>tara</i> extraction and olive production. The important increase in the <i>tara</i> forest productivity is an outcome of the application of livestock incoming restriction measures to the Areas of Strict Protection and Reforestation of the hills of communal property. The community members have passed from a state of indifference regarding the <i>tara</i> pod harvest to be the main harvesters and stock pilers of this product. According to the PIR2007, to June 2007, the Atiquipa Community has created a Community based enterprise to manage and sell <i>tara</i> . This enterprise is now in the process of receiving its formal inscription in the Public Registry.
b. INSTITUTIONAL CHANGE: To what extent have the project activities changed institutional behaviors
No indication of institutional change.
c. POLICY CHANGE: To what extent have project activities led to policy changes (and implementation of policy)?
The Government of Arequipa (regional government) supported the project by declaring the conservation of the lomas a public interest through an official regulation. Furthermore, the Community of Atiquipa has set aside 250 has to be declared as a Protected Area (this is currently in the process of receiving the Ministerial Resolution to be recognized by INRENA as a formal Private Conservation Area).
d. CATALYTIC FINANCING: To what extent did the project led to sustained follow-on financing from Government and / or other donors? (this is different than co-financing)
According to the latest PIR, in March 2007, Atiquipa Rural Community has received a financing of US\$ 78,730 from the Agricultural Extension and Investigation Project (AEIP) for innovation and competitiveness of the Peruvian Agriculture (INCAGRO), to develop the Project: Consolidation of Restoration of the Atiquipa hills forest. This project also receives a contribution of US\$ 25,387 from the Community itself and US\$ 15,790 from the Atiquipa Municipality. The Project will have 3 years duration.
e. PROJECT CHAMPIONS: To what extent have changes (listed above) been catalyzed by particular

³ Please review the ‘Catalytic Role of GEF: How is it measured and evaluated – A conceptual framework’ prior to addressing this section.

individuals or institutions (without which the project would not have achieved results)?

The TE indicates that it was the strong participation and involvement of all stakeholders that determined the project success. UNDP played an important role in the restructuring of the project.

4.4 Assessment of processes and factors affecting attainment of project outcomes and sustainability.

a. Co-financing. To what extent was the reported cofinancing (or proposed cofinancing) essential to 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 it did, then in what ways and through what causal linkages?

The TE notes that detailed information on co-funding was not accessible, but it does include some findings related to this issue:

Some financing provided by both the Regional Government of Arequipa and Atiquipa Municipality (US\$ 128,382) was considered as co-financing but the TE mentions that it should not be considered as such since it did not contribute directly to project objectives (in this case the funds were used to build sport fields and to renovate the community's cemetery).

CI/Fundacion ProNaturaleza/Fundacion Pro Backus had committed \$20,000 to purchase a 50-hectare patch of endemic myrtle forest in the Taimara lomas to set as a PA, but this never materialized. The TE concluded that the project was too optimistic regarding the goal to purchase this land.

b. 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 it did, then in what ways and through what causal linkages?

The Project start suffered 8 months delay with respect to its approval because of problem in the coordination for the signature of the agreement and the organization of the Technical Team. There was also a more than 6 month delay in the implementation of the first reforestation module due to:

- Community's indecision to define which areas were assigned for reforestation.
- The 2003 summer drought obliged the use of the paddock of the first reforestation module for grazing of the Community's livestock, for 2 months.
- Postponement of the Start up of seedlings production for reforestation waiting for more favorable climatic conditions in order to collect the necessary fog water for seedlings irrigation.

The TE concludes that the project staff was able to overcome these initial delays and successfully achieve most of the planned objectives.

c. 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 Government of Arequipa (regional government) supported the project by declaring the conservation of the lomas a public interest thru an official regulation. In addition, since the project was implemented in an area identified by Peru as a priority area, it had the support of national government institutions such as the INRENA and the CONAM

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

a. M&E design at Entry **Rating (six point scale): MU**

The M&E plan described in the ProDoc identifies UNSA as the organization that would be in charge of overseeing M&E activities, and specifies that partners and local communities would receive training in participatory M&E. Reports on the project's activities would be made on a semi-annual basis, while reports on the achievement of the Project's objectives would be made annually. In addition, the ProDoc specifies that the Mid-term evaluation would be completed at the end of the 2nd year of the project.

The ProDoc available for this review does not include a Log Frame and the indicators included in the document cannot be considered as SMART as they do not consider baselines, targets or timelines. But is important to note that the TE mentions that at the time this project was conceived, UNDP did not require Pro Docs to have Log Frames.

b. M&E plan Implementation **Rating (six point scale): S**

The TE notes that the project staff supervised activities very closely and that their Annual Operational Plans (which included detailed description of activities and budgets) were monitored every 4 months and reported to UNSA, UNDP and the local community. In addition, a yearly progress report was presented to UNDP/GEF.

It also highlights the participatory monitoring of biodiversity that was started by the project, and that included training local people to perform fauna census. Information included in the PIR2007 show that a Surveillance Committee was established, and that monthly monitoring activities took place, focusing mainly in the protected area.

While the TE mentions that it did not found evidence that an M&E system was actually followed, and it could not determine who was in charge of these activities; it concludes that apparently all the team contributed with monitoring as part of their day to day activities.

b.1 Was sufficient funding provided for M&E in the budget included in the project document?

Not possible to assess. The ProDoc budgets \$35,000 for M&E activities, but does not specify the activities that would be implemented with this budget.

b.2a Was sufficient and timely funding provided for M&E during project implementation?

The TE does not mention problems related to lack of budget related to M&E activities, it even mentions that the

<p>participatory M&E activities performed by the community were part of the Capacity Development and Coordination budget. In addition, UNDP made 11 visits to the project site during its duration.</p>
<p>b.2b To what extent did the project monitoring system provided real time feed back? Was the information that was provided used effectively? What factors affected the use of information provided by the project monitoring system?</p> <p>Although there was no formal M&E system in place, the mid-term review and the supervision from UNDP lead to changes in both the executing arrangements of the project and of the focus of some components. The TE concludes that all the changes that were introduced to overcome the unexpected difficulties that surfaced through the duration of the project were adequate and greatly helped the achievement of project objectives.</p>
<p>b.3 Can the project M&E system (or an aspect of the project M&E system) be considered a good practice? If so, explain why.</p> <p>No. Although the project staff was able to adapt successfully to the challenges faced during project implementation, there are factors that cannot be considered best practices:</p> <ul style="list-style-type: none"> - The log frame was introduced 2 years after the project began. - Lack of an adequate baseline makes it difficult to assess project achievements.

4.6 Assessment of Quality of Implementation and Execution

<p>a. Overall Quality of Implementation and Execution (on a six point scale): S</p>
<p>b. Overall Quality of Implementation – for IA (on a six point scale): MS</p> <p><i>Briefly describe and assess performance on issues such as quality of the project design, focus on results, adequacy of supervision inputs and processes, quality of risk management, candor and realism in supervision reporting, and suitability of the chosen executing agencies for project execution.</i></p> <p>Overall, the TE concludes that the project design was good, but that it had a few shortcomings. For example, it notes that the social baseline for this project was not sufficiently detailed: a more in depth census and interviews with local stakeholders would have provided the project team with crucial information that was lacking in the ProDoc (including the importance of livestock activities over agricultural ones). In addition lack of clarity in the assignation of roles for each of the partner institutions resulted in delays and to a substantive review that lead to 2 of them, Regional Network of Agroecology (REDA) and the Labor Institute for Regional Development (ILDER), leaving the project. Finally, the planned acquisition of the forested lomas in Taimara was too ambitious and depended heavily on factors that were outside of the project control.</p> <p>UNDP played an important role in project supervision, particularly during the establishment of the Project Log Frame in 2004, and during the revision of the project execution arrangements; but these 2 actions were needed because of deficiencies in the project design in the first place.</p>
<p>c. Quality of Execution – for Executing Agencies⁴ (rating on a 6 point scale): S</p> <p><i>Briefly describe and assess performance on issues such as focus on results, adequacy of management inputs and processes, quality of risk management, and candor and realism in reporting by the executive agency.</i></p> <p>As explained earlier, the project went thru a substantive reorganization which resulted in the loss of two of the project partners (REDA and ILDER), leaving UNSA as the sole project executor.</p> <p>The TE concludes that this reorganization resulted in a noticeable improvement in project performance. It also concluded that the quality of execution was satisfactory because UNSA successfully established an adaptive management approach during the duration of the project that helped them overcome initial project design deficiencies. The only weakness identified in the TE was the lack of a social expert in the project staff, but this was covered through the use of external consultants.</p>

5. LESSONS AND RECOMMENDATIONS

Assess the project lessons and recommendations as described in the TE

<p>a. Briefly describe the key lessons, good practice or approaches mentioned in the terminal evaluation report that could have application for other GEF projects</p>
<ul style="list-style-type: none"> - The socioeconomic diagnostic is of great significance for the formulation and implementation of conservation projects and sustainable use of the biological diversity. This is an important lesson for the design of future GEF projects because it could help to explain which of the socioeconomic variables and assessments are vital to trigger

⁴ Executing Agencies for this section would mean those agencies that are executing the project in the field. For any given project this will exclude Executing Agencies that are implementing the project under expanded opportunities – for projects approved under the expanded opportunities procedure the respective executing agency will be treated as an implementing agency.

<p>behaviors in favor of ecosystem conservation</p> <ul style="list-style-type: none"> - Any project should pay more attention to management arrangements. There was a timely reaction to mitigate tensions among the executing agency (UNSA) and the implementing NGOs mentioned in the Prodoc, generated by a vague description of the roles to be performed. - The fact that the project was unable to comply with the targets regarding Taimara lomas is an omission which should not be ignored, especially if, according to the project design, this was a major objective. The proposal should have included a more incisive analysis of the real possibilities of intervention in that zone and should have measured the scope of the project avoiding that type of externalities and under compelling conditions. - Biodiversity conservation projects, where the participation of local actors is crucial, must show concrete and visible results in a very short time to "win" the conservationist cause before the initial disinterest becomes distrust. - Projects need to demonstrate that improving the conditions of the ecosystem through conservation practices, result in economic benefits for the residents, either through savings or increased profits. Projects must learn to quantify and effectively disseminate those benefits.
<p>b. Briefly describe the recommendations given in the terminal evaluation</p> <ul style="list-style-type: none"> - The project team should engage the target population from the design phase of the project, in order to avoid initial indifference or rejection, and balance excessive and exaggerated expectations. It is essential to have input from the local population in the project design. - When searching for alternatives to increase the income of local people, projects should include a careful analysis of the feasibility of each option, considering, among other things: <ul style="list-style-type: none"> • Market Access • Costs of production and processing • Fees for licenses, registrations, business formalization • Capacity of people (quality and quantity of labor, management frames) - To provide transparency to the financial management, projects should have some documentation detailing co-funding information. In this paper, a clear distinction should be made between co-funding that has actually been disbursed towards project implementation, and other contributions that do not add toward the achievement of project objectives.

6. QUALITY OF THE TERMINAL EVALUATION REPORT

6.1 Comments on the summary of project ratings and terminal evaluation findings based on other information sources such as GEF EO field visits, other evaluations, etc.

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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 document GEF Office of Evaluation Guidelines for terminal evaluations review for further definitions of the ratings. Please briefly explain each rating.

6.2 Quality of the terminal evaluation report	Ratings
<p>a. To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? The evaluation gives an adequate description and analysis of the project’s achievements and challenges.</p>	S
<p>b. To what extent the report is internally consistent, the evidence is complete/convincing and the IA ratings have been substantiated? Are there any major evidence gaps? The evaluation was constrained by the lack of ‘objectively verifiable indicators’ in the ProDoc, so it based its findings on the Log Frame created during project implementation. Information included in the TE is convincing.</p>	S
<p>c. To what extent does the report properly assess project sustainability and /or a project exit strategy? The section on sustainability is comprehensive; and in addition the issue is also addressed under the results and stakeholder participation sections.</p>	HS
<p>d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive? Lessons and recommendations included in the TE are supported by evidence. Lessons and conclusions are sometimes not distinguishable, and recommendations where not always clear.</p>	MS
<p>e. Does the report include the actual project costs (total and per activity) and actual co-financing used? While the TE includes a detailed analysis of expenditure of GEF funds, it mentions that it had no access to information on expenditures of co-financing. Some important issues (such as including the “revolving fund” as expenditure) are mentioned but not explained.</p>	MS

<p>f. Assess the quality of the reports evaluation of project M&E systems? The TE highlights the role of the informal M&E, but does not provide further analysis of this issue. The TE was restricted in the analysis by the lack of a formal M&E plan.</p>	<p>MS</p>
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7. SOURCES OF INFORMATION FOR THE PRERATATION OF THE TERMINAL EVALUTION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.

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8 Project stakeholders and Key Contacts (Names, addresses, emails etc – mandatory for field visit countries)

9. Information Gaps (for Field visit countries only)