1. Project Data

Summary project data			
GEF project ID		2517	
GEF Agency project ID		GRT/FM-10575-RS (RS-X1017)	
GEF Replenishment Phase		GEF-3	
Lead GEF Agency (include all for joint projects)		Inter-American Development Bank	
Project name		Integrated Ecosystem Management in the Binational Sixaola River Basin Project	
Country/Countries		Costa Rica; Panama	
Region		LAC	
Focal area		Multi Focal	
Operational Program or Strategic Priorities/Objectives		OP12: Integrated Ecosystem Management	
Executing agencies involved		Binational Technical Executing Unit, with support from ANAM and MINAE	
NGOs/CBOs involvement		Cooperativa de Servicios Múltiples de Cacao Bocatoreño (COCABO), Asociación STIBRAWPA Personas Artesanas de Yorkín (STIBRAWPA), UPESABO, CBTC, and CATIE are some of the local NGOS involved as secondary executing agency.	
Private sector involvement		Not involved	
CEO Endorsement (FSP) /Approval date (MSP)		August 2, 2007	
Effectiveness date / project start		01/09/2008	
Expected date of project completion (at start)		01/09/2012	
Actual date of project completion		12/31/2013	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.5	0.5
	Co-financing		
GEF Project Grant		3.5	3.31
Co-financing	IA own		
	Government	0.97	1.53
	Other multi-/bi-	13.43	0

	laterals		
	Private sector		
	NGOs/CSOs		Info not available
Total GEF funding		4.0	3.81
Total Co-financing		14.4	1.53
Total project funding (GEF grant(s) + co-financing)		18.4	U/A
Terminal evaluation/review information			
TE completion date		October 2013	
TE submission date			
Author of TE		Leyson V. Guillen V.	
TER completion date		December 2014	
TER prepared by		Ritu Kanotra	
TER peer review by (if GEF EO review)		Joshua Schneck	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	S	S	N/R	S
Sustainability of Outcomes	L	ML	N/R	ML
M&E Design	N/A	S	N/R	S
M&E Implementation	N/A	MU	N/R	MU
Quality of Implementation	N/A	N/A	N/R	S
Quality of Execution	N/A	N/A	N/R	MS
Quality of the Terminal Evaluation Report	N/A	N/A	N/R	S

3. Project Objectives

3.1 Global Environmental Objectives of the project:

As per Project Document (PD), Global Environmental Objective of the project can be stated as 'to contribute to the improvement of health and integrity of the ecosystems, as well as well being of the population of Sixaola River Basin'. The Basin, covering a total of six protected areas, harbours important populations of threatened and endangered species[1] of top conservation priority. As project document notes, protected areas located in the Sixaola River Basin are categorized as globally significant for biodiversity conservation –La Amistad International Park (PILA), which has been declared World Heritage Site, and the wetlands located in the delta of the Sixaola River have been declared Wetlands of International Importance by the Ramsar Convention. The Talamanca-Central mountain range in the basin contains at least 10% of the main habitat types of the planet. As mentioned in PD, a series of interrelated problems such as, indiscriminate hunting and extraction of flora and fauna, inappropriate land use practices, water pollution and logging, were recognized as some of the main factors threatening the medium and long-term functional integrity of the ecosystem of the basin.

3.2 Development Objectives of the project:

The development objective of the project, as stated in the PD, is to 'promote the sustainable use and conservation of biodiversity, water, and soil resources, through the creation of an enabling environment for the integrated and cross-cutting management of the Binational Sixaola River Basin'. The specific objectives were to:

i. strengthen the binational institutional framework for integrated basin management and enhance the required technical and operational capacities of the involved institutions, indigenous organizations, and civil society organizations;
ii. promote the adoption of productive models that are compatible with the conservation and sustainable use of the water and soil resources; and
iii. promote the conservation and sustainable use of globally significant biodiversity.

In order to achieve these sub objectives, the project was divided into following three components:

[1] In San San-Pond Sak, there are two mammal species included in CITES Appendix I, as well as 8 orchid species and 13 bird species included in CITES Appendix II. In PILA, there are 5 mammal species and 1 bird species included in CITES Appendix I, as well as 9 orchid species, 1 mammal species, 15 bird species and 2 amphibian species included in CITES Appendix II.

Component 1 - Strengthening of the institutional framework and of the technical and operational capacities for integrated management

- Training provided to key institutes such as ANAM, MINAE, MAG, MIDA, Municipalities of Talamanca and Changuinola, and the two Ministries of Health- for land water pollution control, protected area management, control of agro-chemical and land-use planning; with equipment provided for establishment of a modern binational agro-chemical registry, installation of the Territorial Information System within the eight institutions.
- capacities of **social actors** enhanced through facilitating the development of environmental management capacities of the Indigenous Authorities; technical training of personnel from aqueduct associations in watershed management practices; and awareness raising of local actors on the legal and regulatory framework for natural resources management
- develop legal instruments to facilitate future bi national project meeting and support meetings (2 per yr) of Bi-national Basin Commission
- action Plans of PILA and Wetlands Bi- national Commissions defined, and analyse the viability of the integration of both of them in a single ASPT commission
- 2 instruments (entrance fees to protected areas, charge for pollution activities, user fees, voluntary contributions) consolidated and piloted to cover the recurrent costs associated to the management and protection of natural resources
- viability analysis and financing strategy for the establishment of a watershed trust fund
- 20 primary schools, 100 indigenous youngsters, 10 actors of basin to be involved in various environmental awareness, experience sharing forums for transboundary protected area management
- 300 producers to be trained in techniques and successful experiences in organic-agroecological production.
- periodic newsletters, a web page for dissemination to of results and lessons learned from the project.

Component 2. Promotion of productive practices compatible with conservation and sustainable use of water and soil resources

- develop incentive mechanisms (code of good practices and certification) to promote sustainable production among small and agro-industrial producers and instruments (legal-economic) of bi- national application for the reduction of contamination of the water
- promote adoption and replication of sustainable production practices through awareness generation (200 small farmers), exchange visits, creation of a seed fund to benefit 150 small farmers who adopt such practices, pilot experiences (at least 2440 ha) to shift cultivation from intensive to environment friendly practices; 240 sq km of indigenous agroforestry system established
- consolidate soil and water monitoring system through baselines, design of soil and water monitoring systems, database of pollutants to facilitate the development and application of harmonized regulatory, policy and incentive instruments and binational registry of agrochemicals.
- improve management of micro watersheds through participatory development of management plans (3) and small scale demonstrations projects

Component 3. To promote the conservation and sustainable use of globally important biodiversity

- harmonization and implementation of management plans of transboundary protected areas
- baselines consolidated and establishment of an integrated monitoring system of terrestrial and aquatic biodiversity put in place by both countries
- promotion of ecosystem connectivity through biological corridors through development of action plans for the recovery of biological corridors
- promotion of alternative livelihoods based on the sustainable use of biodiversity through preparation of interactive guidelines and practical training (300 inhabitants) on their application
- dialogue with credit- financial institutions and/ or credit programs for the development of innovative credit institutions, with at least 10 feasibility studies of initiatives proposed by beneficiaries interested in developing measures of alternative livelihoods and the 5 most promising ones to have financing

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

No changes to the GEOs, DOs, or activities are reported to have occurred during implementation.

4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 **Relevance**	Rating: **Satisfactory**

The project was relevant for GEF as the Sixaola basin harbors globally-significant biodiversity and ecosystems. It aligns with the operational Program #12 to promote an integrated and multifocal approach required to address interrelated problems affecting the natural resources in basin and threatening the medium and long-term functional integrity of its ecosystems. The project was also consistent with the objectives of conservation of the natural heritage of an important region (Sixaola basin) of the governments of Costa Rica and Panamá. Sixaola basin, spread across both the countries has its fifty percent area declared as of protected area status. Despite efforts in past, there was an apparent lack of functional binational institutional frameworks specific to the basin, incipient technical and operational capacities of the involved local and regional institutions to effectively apply integrated management and planning practices in the basin. The project was focused on strengthening the existing institutional structure in two

countries, reinforce the binational decision-making process and deal with the interrelated nature of problems in the basin through a multifocal and integrated approach.

4.2 **Effectiveness**	Rating: **Satisfactory**

According to the terminal evaluation report, effectiveness of the project is rated as 'satisfactory'; this review also found the same rating for effectiveness. Project has generated important results in terms of reinforcing binational decision-making process through strengthening bi national coordination framework, laying the foundations for a growing joint governance management model for the river basin. Significant investments made through the project in enhancing technical and operational capacity of key regional public institutes, has improved the core capacity of these institutes to manage activities in the basin. A variety of research initiatives through the project produced baseline information on the current situation of natural resources, with an emphasis on water resources, as well as planning tools, that will make it easier for Binational Commission for Sixaola Basin (CBCS) managers to take basin management decisions in future. Project has been able to facilitate integration of the civil society – through the environmental education processes and promotion of projects for sustainable use of biodiversity – result into supporting the basin protection activities. The project also deployed a great effort to impact the key stakeholders and the local population, through awareness raising strategies and the dissemination of information material on the importance of the basin and its shared management.

Some of the other outputs that couldn't be achieved to expected level could be due to project's execution delayed by 21 months. Several factors such as, high staff turnover, administrative delays in handling funds disbursal at the end of the executing unit and delays in signing agreements with strategic partners during initial stages. Project took off once these issues were identified and addressed after mid term evaluation. However, delays are bound to impact expected results and its effectiveness. Most of these failings are going to impact sustainability of some of the initiatives taken under various components of the project. For instance, it was expected that project would explore the sustainable financial mechanism, concession rights, entry fees, etc., to cover management and protection related cost of the basin, was largely unachieved. The project was expected to achieve large-scale impact, in terms of converting almost 2440 ha of land to environment friendly agriculture, to make a significant impact on environment as well as economic status of the producers. However, this target was not met due to time constraints and limited funds available. Failure of project to facilitate dialogue with financial institutes for supporting such environment friendly agriculture practices may result in progressive loss of initiatives taken in this direction.

Effectiveness of the project is further assessed along the three interrelated components of the project as detailed below:

1. Strengthening of institutional frameworks and technical and operational capacities required for integrated management. The project made a significant contribution towards the **functioning of Binational Commission for Sixaola River Basin** (CBCS) that provides a forum for dialogue between civil society and key regional public institutions of both countries, thus creating a space for joint governance. Key public institutes of both the countries like ANAM (National Environmental Authority of Panama), MINAE (Ministry of Environment and Energy of Costa Rica), the health ministries and the Emergency Commission consolidated their working agendas to cooperate in their institutional

arrangements within the SBRB (Sixaola Binational River Basin) (TE, pg 17). However, as per terminal evaluation, capacity of CBCS to coordinate interventions in the basin is confined to the working agendas of these public institutes (TE 13). The objective of development of strategic planning instruments for the Binational Commission of PILA and Binational Commission of Wetlands, and their integration in a single commission for transboundary-protected areas could also not be achieved. Project also played a limited role in facilitating coordination between various other projects and donors in the basin (TE, pg 43).

Significant investments in **enhancing the technical and operational capacity of key regional public institutes** of both the countries enhanced their core capacity to manage and coordinate activities in the basin (TE, pg 16). Authorities (ANAM and MINAE) responsible for protection and monitoring of activities in the basin lacked equipment to support their functions. But provision of logistics equipment (GPS, cameras, cars, engines, boats, refuges, among others) through the project, increased officials' capacity to respond in the performance of their duties of protecting protected areas and buffer zones of Refugio Nacional de Vida Silvestre de Gandoca - Manzanillo (REGAMA), La Amistad International Park (PILA) and San San Pond Sak.

Both TE and PIR record acceptable compliance of **public awareness *and* knowledge capitalization** through training programs, awareness raising events and sharing of transboundary experience amongst local stakeholders (base leaders, schools and producers) on agricultural eco-friendly productive techniques; awareness on legal and regulatory framework for natural resource management and watershed management.

However, the project failed in its contribution on the aspect of **strengthening the sustainable financing for basin management**. For instance, feasibility of establishing a Binational Trust Fund and watershed trust fund could not explored during the project. It was also expected that by the end of the project, 2 instruments (charge of entrance fees, user fees etc.) would be selected and piloted to cover the recurrent cost associated with the management and protection of natural resources- could also not be achieved. It can perhaps be inferred that due to lack of integrating such suggested financial mechanisms within the project, could impact future sustainability of some of the outputs achieved under the project.

2. Promotion of productive practices that are compatible with the conservation and sustainable use of water and soil resources. TE reports acceptable achievement in **adoption and replication of sustainable agro forestry and other productive practices** among producers within and outside the SBRB. Amongst others, one of the initiatives financed under this component, the project called "Fondo Semilla COCABO - Fondo de Inversión de Plantones de Cacao Injertados" was rated as the most successful in terms of in terms of sustainability and social impact (TE8). Interventions under this component allowed 850 families to be trained in organic cocoa production in agro-forestry plantations (TE 17, 47) and thirty-two (32) pilot projects on organic agriculture were carried out as experiences to be subsequently applied to the conversion of agro- chemically intensive production activities to more environmentally friendly production (TE 17). But, according to terminal evaluation, target of 2,440 ha of land to be shifted to more environmentally friendly production, was too ambitious both in terms of time and budget provided for this output (TE49). Training of leaders (12 Panamanian and 14 Costa Rican organizations) on management, accounting and proposal preparation, also increased the capacity of local organizations to execute and manage sustainable production projects and traditional production methods.

Both PIR and TE report that project generated important results in regards to the **strengthening of the binational watershed's governability,** such as the improvement of the community's understanding of the watershed's conservation, with water organisations or boards trained in concessions and regulation of rural aqueduct. This also led to the development of binational management plans for critical watershed areas by

the end of the project. Interventions under this component equipped local authorities (ANAM and MINAE) to **monitor soil and water status in the wetlands**. ANAM and MINAE are provided with database of source of contaminating agents to support the related environmental regulations but a binational registry of agrochemicals, one of the expected outputs under the project, and an important instrument to control the use of agrochemicals in the basin, was not achieved (TE 49).

Low progress reported on output related to developing ***'incentive mechanisms to improve environmental performance of companies, associations and economic agents in the region'*** (TE 30), the reasons for which are not stated in TE. However, project invested in the analysis of the possibility to create an experience of payment for environmental service in the Panamanian portion, since one such fund already existed in Costa Rica. This shows that project had limited success in reaching out to stakeholders from the private sector.

3. Conservation and sustainable use of biodiversity- Before the start of the project, protected areas in each country had separate management plans. **Harmonizing the management plans for transboundary-protected areas** under this component, contributed towards the protection of La Amistad International Park (PILA) and San San Pond Sak and Gandoca-Manzanillo wetlands in the basin (TE 18). However, one of the expected output of having a draft agreement and resolution for co management with indigenous authorities of PILA couldn't be finalized during the project (TE 51). An integrated **binational biodiversity monitoring system was developed** through collaboration with associated partners (The Nature Conservancy – TNC, University of Costa Rica, Smithsonian) and now is in place for use by ANAM and MINAET. The project seems to have achieved some results in promoting alternative livelihoods based on sustainable use of biodiversity through preparation of guidelines and awareness generation (TE 54). However, it didn't lead to identification of any pilot projects that could potentially be linked through other sources of co-financing.

4.3 **Efficiency**	Rating: **Satisfactory**

As reported in TE, the Project's execution was delayed by 21 months due to several factors or events including high turn over of key staff and lack of ownership of ANAM, deficiencies in handling the administrative processes required for disbursement of funds and delays in signing agreements with other associated organizations, most of these were either not perceived during project preparation or were uncontrollable. However, some of these issues were addressed after the project's mid term evaluation, and this improved project implementation considerably in the later stages. At the administrative level, project was duly executed, as verified by the different annual audits (TE 14). TE report also notes that activities aimed at generating different components, outputs and tasks were effectively conducted subject to the market costs of the different goods and services purchased. The Project did not result in an overlapping or duplication of the work done by other organization; quite the contrary, the project supported the strengthening of the capacities of the human resources, logistics and regulations of those institutions. The execution of labor contracts with social stakeholders having strong presence in the region enabled improving the completion of the works scheduled with a physical progress of 91% as reported by TE.

4.4 **Sustainability**	Rating: **Moderately Likely**

Sustainability of project outcomes is rated as 'Moderately Likely' in the TE. This review also assesses the same rating for sustainability. Both terminal evaluation and review recognize that there are moderate risks for some outputs to maintain their results. Outputs that are supported by local organizations having strong presence in the area are more likely to be sustainable. If public institutes involved in basin management, do not mobilize additional resources or allocate their current budget to support some of the initiatives taken under the project, sustainability of these initiatives can be lost in future. The existence of the Binational Commission is also threatened if there are no projects in future to bring different stakeholders together. Change in political situation in both the countries also poses threat to sustainability of some of the initiatives taken under the project.

Risks to the sustainability of project outcomes is further assessed along the following 4 dimensions:

Financial resource – Moderately Likely

At the time of terminal evaluation, Binational Commission had enough resources for two years, due to another project "*Brigdes Building Rivers Dialogues"*, executed by IUCN. However, TE notes that the existence of this body is '*threatened' i*f there is no project later that supports initiatives aimed at bringing the Commission's stakeholders together. Binational Commission, at the time of TE, lacked the internal capacity to mobilise additional financial resources to continue to provide such space for dialogue. One of the requirements under the project was to analyze the feasibility of establishing a Binational Trust Fund for financial sustainability but such a fund couldn't be created during the project (TE, pg 43).

As per PD, project was expected to develop and put in place a strategy for the sustainable financing of the recurrent costs associated with management of the Basin, in particular by supporting accompanying institutions in developing appropriate instruments (entrance fees, concession rights, resource use fees) to leverage resources. In addition, TE notes absence of economic resources for following up on the investments made by the project could result in the progressive loss of certain initiatives. This is more specific to the case of initiatives taken under Component 2 of 'promoting productive practices which are consistent with the conservation and sustainable use of water and soil resources'. Except for initiatives where social stakeholders such as Cooperativa de Servicios Múltiples y Cacao de Bocatoreño (COCABO), Asociación STIBRAWPA Personas Artesanas de Yorkín (STIBRAWPA, and Corredor Biológico Talamanca-Caribe) were involved, who already had a presence and will continue working in the region, other initiatives under this component run risk of low financial sustainability.

But TE notes that activities related to protection of ecosystems within the protected areas of the basin have a high sustainability, as ANAM and MINAE are committed to provide their staff and financial resources to address these actions. However, some other activities such as binational biodiversity, soil and water-monitoring plans developed under the project involve high cost of maintenance and MINAE and ANAM budgets are mainly targeted at the protection of protected areas. Lack of funding for maintaining and updating these systems could hamper further decision making-processes and adaptive management by the stakeholders.

Socio political – Moderately Likely

The Project was developed on the foundation of already existing working relationship between the two countries. To that end, project implementation arrangements have reinforced the binational decision-making process responding to integrated management of the Basin. But some of the outputs achieved under the project, such as land management plans operational but not binding and unenforceable, due to lack of political will to provide a legal framework to these plans, may not be very effective (TE 56). But, overall none of the project documents report lack of political will or conflict of interest between various stakeholders and key institutions involved in the management of natural resources and protected areas across the two countries. After completion of the project, the interviews carried out as part of TE, with institutional and civil society stakeholders show that there is a political will at the different decision-making and technical levels to carry on with the processes financed by the Project. However, as TE notes, to measure the sustainability of results, it will be necessary to conduct an ex-post evaluation after 2 to 3 years of completion of UTEB operations. TE mentions that change in the political situation in both the countries in future, might shift some of the priorities set in the project.

Institutional Framework and governance – Moderately Likely

As noted in TE, the Project has opened a new space for binational coordination within the regional sphere among ANAM-MINAET, MIDA-MAG and the Health Ministries, laying the foundations for a growing joint management model for the binational river basin across the two countries. Some of the key stakeholders from both sides were brought together under the project for formulating certain regulation, management plans and protocols, providing institutional framework for long-term sustainability of the interventions. As reported under TE and PIR, project has been able to build operational and technical capacities of some of the key local institutions, stakeholders and government officials for joint management of protected areas in the basin in future. TE rates linkages developed with some organisationss in the area such Cooperativa de Servicios Múltiples de Cacao Bocatoreño (COCABO), Asociación STIBRAWPA Personas Artesanas de Yorkín (STIBRAWPA), Unión de Pescadores Artesanales Bocatoreños (UPESABO) and Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), as highly positive due to their full presence within the Project's influence area, and will continue working on initiatives related to the project (TE 21). However, TE notes that t '*Binational coordination processes can also be slow and burdensome, as is the case of the proceedings for vehicles and goods crossing the border. This is mainly due to the fact that Costa Rica and Panamá's laws and proceedings'* (TE 27).

Environmental (U/A) No information was available in project documents (TE and PIR) to comment on the environmental risks impacting sustainability of the project outcomes.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The total amount of co financing approved for the project was USD14.4, out of which only USD 1.5 million

was made available. The two components of the co financing were IDB supported sustainable development program (1566/OC-CR and 1439/OC-PN) for USD 13.4 million and incremental co financing of USD 0.97 million (mainly in kind contribution) from the Governments of Panama and Costa Rica. . TE notes IDB funds were supposed to leverage resources for integrated management, but these funds were not available due to certain uncontrollable factors including '*delay in loan approval in Costa Rica-, as well as the fact that the available resources were restructured and only allocated to drinking water and sanitation under PMDSBT Phase II in Panama'.* As per the original plan in the PD, both the projects were supposed to contribute principally to components 2 and 3 of the project. It seems that some of the outputs under this component like 2,440 ha of land to be converted to environment friendly agricultural practices and 240 sq km of land to be brought under agro forestry practices, couldn't be achieved due to shortage of funds.

TE also states that the governments of Costa Rica and Panama contributed $1.5M in in kind co-financing compared to $0.97 million expected co-financing.. However, it is not clear from information in the TE and other reports what outputs and activities were supported from these funds and their impact.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The Project was designed with an time frame of 48 months (4 years) and its implementation took 69 months (5 years and 9 months) to complete. There are several reasons attributed to delays in TE – delays in obtaining approvals of the Annual Operational Plans (AOP)s and agreements with strategic partners and, particularly, of revolving fund disbursements. Project disbursements started one year later than expected because of problems arisen in the referendum held by the National Audit Office of Panamá.

Also, as noted in TE and PIR, project faced great staff turnover and the lack of ownership by the heads of the National Environment Authority (ANAM) during the first four (4) years of the project. This resulted in considerable delays in the execution of the activities scheduled in the different Annual Operational Plans (AOPs). Although MINAE (Ministry of Environment and Energy of Costa Rica) allocated high quality staff (academic education and professional experience), none of their staff was working on a full-time basis, which negatively affected the execution of the Project (TE, pg 6). Measures to address management deficit after mid term evaluation led to the identification of suitable staff (appointment of a new National Director of Hydrographic Basins of the ANAM in February 2012, as well as the technical team of the UTEB) and execution of labor contracts with strategic partners like ACBTC, CATIE, STRI, TNC (TE, pg 6). However, from the information provided in the terminal evaluation, the reasons for delay were mainly addressed after the mid term evaluation, that enabled improving project's process in the end.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links

Ownership of the project from both the countries seems to be high. This might seem contradictory to the fact that project was delayed during first four years due to lack of ownership by ANAM. However, TE attributes lack of ownership due to high staff turnover in the initial stages, which was beyond the control of the project. This program was started under the bilateral agreement signed by the Vice Presidents of both the countries at promoting the joint development of transboundary areas in an effort to achieve regional integration. At the local level, it is evident from the involvement of various local government organizations like health ministries, ministry of education MINAE (Ministry of Environment and Energy of Costa Rica) amongst others; support from leaders of the indigenous community and other community members; involvement and support from of key local institutes from the basin. As TE notes*, 'This successful*

experience is mainly the result of the good historic relationship between both countries and the stakeholders' shared desire to achieve social, economic and regional integration, and, also, the will to seek solutions to ordinary problems affecting the people living in the Basin' (Pg 21).

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 **M&E Design at entry**	Rating: **Satisfactory**

Project had a robust M&E design at entry of the project. Clear and specific output indicators were defined in the logframe matrix for monitoring the impact of the project. The Executing Unit, in collaboration with the involved institutions, was entrusted with the responsibility of completing baseline of outcome indicators indicated in the log-frame matrix and for operationalizing a detailed monitoring system during the project. It was also suggested that systems for tracking basin's biodiversity, soil, and water resources would be established and internalized in existing institutions, involving their staff and other local stakeholders, in order to ensure continuity after the life of the project.

M&E plan included semi-annual progress reports, reporting on the progress in implementing the annual operational plan, mid term review and final review. Key questions to covered by mid term and final reviews were also outlined in the project proposal. Project Budget allocated adequate funds for monitoring and evaluation are US$285,000 (including US$50,000 for the mid-term review and final evaluation to be covered by the GEF fee).

6.2 **M&E Implementation**	Rating: **Moderately Unsatisfactory**

Based on the information in the terminal evaluation report, implementation of the M&E plan outlined during the start of the project may be considered as moderately unsatisfactory. During project development, UTEB was vested with the responsibility to operate Project Evaluation System (PESys), conduct site visits to monitor progress of the project reported by various contractors. Data from both these sources was supposed to be fed into the general monitoring system. The UTEB did not articulate any PESys. There was no staff assigned by ANAM or MINAE to carry out this activity. It seems that perhaps these institutions lacked the technical capacity to design such a system. However, according to TE, the technical unit conducted site visits to monitor Project execution based on contractorś progress reports. Data collected from these '*inspections'* as well as additional data from result reports was used to support all payments and disbursement arrangements.

According to TE, UTEB was supposed to maintain a webpage to record progress and impact, as part of the

continuous monitoring activities. This information was to be shared with Bank periodically, to discuss progress and agree upon actions for the subsequent years. However, *'there is no evidence of verification of impact indicators to agree upon and the actions to be started in subsequent years'* (*TE 24)*.

Main corrective measures to boost the project execution were taken after the mid term review, which was conducted 41 months after the start of the project. One of the positive outcomes of the M&E plan was that a system for monitoring the status of biodiversity, soil and water resources in the Basin was set up and left operational at the Project closing to be run by ANAM and MINAE. But, according to TE, cost of maintenance of these monitoring plans is high and both the institutions may not have budget in future to meet such costs.

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 **Quality of Project Implementation**	Rating: **Satisfactory**

According to TE, IDB´s role throughout the whole monitoring process of the Project was to help obtain getting necessary approvals for AOPs, the agreements with key stakeholders, and particularly of revolving fund disbursements. However, Bank could exert little influence to speed up the administrative management of the ANAM and the Comptroller General of the Republic of Panama. Project, initially faced significant problems, related to administrative and financial procedures, which delayed the project by 21 months, and slowed the progress during first four years of the project as reported in PIR.

TE suggests that in '*binational projects located in areas isolated or far from the cities having binational objectives, their executing entities tend to lose institutional empowerment, which affects their executing capacity. Hence, during design of such projects, it is necessary to redouble the efforts aimed at supporting the executing capacity of the Executing Unit, especially in procurement, legal and financial aspects, with donor or lending agency playing a greater supervisory role'.*

7.2 **Quality of Project Execution**	Rating: **Moderately Satisfactory**

Project execution was delayed by 21 months, mainly due to high turnover of top decision-makers at the ANAM, resulting in lack of ownership by the executing agency that negatively affected the continuity of the institutional policy for the execution of the project.

However, it also seems that besides lack of suitable staff as well technical and operational capacity to

manage funds of this scale and nature, procedures followed by associated partners were long and highly bureaucratic. For instance, long review processes undertaken by Fundación NATURA's Legal Counsel delayed the execution of the Agreements signed with The Nature Conservancy (TNC), the ANAI, the Talamanca-Caribe Biological Corridor (CBTC) and the CATIE (several months for the first two Agreements and almost one year for the latter). These agreements were crucial for generating technical information that would serve as important inputs to decision-making by MINAE and ANAM in connection with the management of the Natural Heritage contained in the basin. Terminal evaluation mentions that the Binational Technical Executing Unit (UTEB) Administrator had serious deficiencies in handling the administrative processes in handling the administrative processes required for performing disbursements. This problem was, however, cured in the last stage of the Project.

But corrective measures taken after mid term review to cure management deficit (see details in section 5.2) enabled improving the Project's performance at its final stage. The new Director appointed at ANAM in February 2012, set into motion of the labor agreements entered into with strategic partners (ANAI, CATIE, TNC, INBio, Biological Corridor of Talamanca and STRI) enabled improving the Project's performance at its final stage.

8. Assessment of Project Impacts

Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate below that this is indeed the case. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

This information couldn't be ascertained from terminal evaluation and project implementation report. Logframe matrix of the project didn't specify environment stress or status related indicators to be tracked during and after the project. It was perhaps too ambitious to expect such changes in the given time framework of the project.

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

No changes in human well-being are reported in the TE or PIRs to have occurred by the end of the project.

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. "Capacities" include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. "Governance" refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution

processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

The project made significant investments in awareness generation, capacity building and information generation undertaken at local and national level and as reported under TE, include:

- As TE notes, key institutions (Ministry of Environment and Energy of Costa Rica (MINAET) – National Environment Authority (ANAM), Ministry of Agriculture of Costa Rica (MAG) – Ministry of Agricultural and Livestock Development of Panamá (MIDA), Health Ministries, Municipalities of Talamanca and Changuinola) involved in management of the basin have been strengthened in several areas related to land management, protected area management, agrochemical use control and in other operational issues, laying the foundation for a joint management model for the binational river basin (Pg 12, 16).

- Base leaders (social representatives) having links with the basin participated in forums for sharing experiences in the management of basins and good agricultural practices. Eight (8) meetings were held with the participation of the key stakeholders of the Basin –all of them under the Binational Commission-, as well as two (2) binational forums aimed at raising financing for development initiatives. As a result of this, the Project has opened a new space for binational coordination in future (Pg 16).

- Awareness raising and creation of print material containing information about the protected areas within the SBRB (Pg 8) - considered important for decision-making by MINAE and ANAM in connection with the management of the Natural Heritage contained in the basin (Pg 16).

- Information generated by the manatee research project undertaken in San San Pond Sak and Gandoca - Manzanillo wetlands by STRI, considered useful for the conservation and monitoring of the population of manatees in these areas (Pg 16).

- Twenty (20) training courses aimed at producers were held on proven organic and agricultural eco-friendly productive techniques and experiences and in the sustainable management of natural resources (pg 17).

- Technical and operational strengthening of both health ministries, which contributes to disease prevention activities conducted by the health ministries of CR and Panama (Pg 16).

- 7 leaders from 12 Panamanian organizations and 52 leaders from 14 Costa Rican organizations received management, accounting and proposal preparation training. As a result, local organizations increased their capacity to execute and manage sustainable production projects and traditional production methods (Pg 18).

According to TE*, 'this successful experience is mainly the result of the good historic relationship between both countries and the stakeholders' shared desire to achieve social, economic and regional integration, and, also, the will to seek solutions to ordinary problems affecting the people living in the Basin, no matter in what country they are settled' (Pg 29).*

b) Governance

According to terminal evaluation, the Binational Commission became an important space for dialogue between the civil society stakeholders and officials of the government institutions in both countries. Institutions like ANAM, MINAE, the health ministries, SINAPROC and the Emergency Commission have consolidated or articulated their working agendas to cooperate in their institutional arrangements in the SBRB (pg 17). The UTEB and the key stakeholders working in partnership with Unión Internacional para la Conservación de la Naturaleza (UICN) produced a set of regulations named Reglamento de la Comisión Binacional de la Cuenca del Río Sixaola, which was also endorsed by the Executive Secretariats created under the Costa Rica – Panamá Transboundary Agreement (Pg 7). The Project also had positive impacts in terms of creating an agenda for shared governance of natural resource in basin by setting in execution of the harmonized management plans and joint protection actions (Pg 18). Also, the health ministries of both countries undertook joint activities aimed at preventing diseases among boundary communities. The National System for Civil Protection (SINAPROC) and the National Emergency Commission of Costa Rica also developed flood early warning protocols jointly to alert the communities located in the low basin of Sixaola. (Pg 7).

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

TE and PIR do not document any such impacts.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

According to terminal evaluation, some of the initiatives that have the potential for replication outside the Sixaola basin are:

- Optimizing the use of agrochemicals and improving production (plantain production projects and organic production systems)
- Pest control (use of grafted cacao)
- New ways of fish production (cage fish farming)
- Sustainable farms and refuges built for rural tourism

However, TE notes that the accelerated Project's execution process over the last 15 months has not allowed the visualization of results to determine the catalytic role and replica ability of funded activities. An ex-post evaluation will probably help determine this variable. 1 SEP

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

Some of the lessons learnt through this project and that might be relevant for future GEF projects include:

. Binational coordination was strengthened through the involvement, capacity building and awareness generation among key stakeholders from the civil and institutional sectors in both the countries. This may be taken as a reference and replicated in other regions with similar characteristics.
. In case of Binational projects located in areas, which are isolated or far from the cities and which have Binational objectives, the implementing agencies, IDB in this case, might double up its efforts and provide additional support in enhancing the capacity of the Executing Unit, especially in procurement, legal and financial aspects. This aspect needs to be factored in while designing any such project in future.
. It is necessary to perform a thorough review of the expected outcomes in order to redefine achievable and realistic goals taking into consideration institutional political aspects (ANAM-MINAET), the budgets available and the existing technical capacity. Achievement of some of the outcomes like land use changes, may require longer time frames as compared to the duration of the project.
. Experience from this project shows that commissioning of small individual consultancies demands a great administrative and management effort from the executing agency. Future similar operations should contemplate consolidating activities covering complete outputs or groups of consultancies, in order to be able to conduct tenders involving larger amounts of money and thus encourage consulting groups to participate.

9.2 Briefly describe the recommendations given in the terminal evaluation.

Recommendations listed in TE are as follows:

- In designing binational projects, which require co-financing from other institutions in order to achieve their results and objectives, it is important to take into account the potential changes of government, as they imply a change in the national and regional priorities, which affects the project and the achievement of results.
- In case of binational projects, it is recommended that the agency in charge of administering the funds have a legal representation in both countries in order to facilitate and expedite the procurement processes.
- In order to ensure sustainability of the outputs like conservation and sustainable use of biodiversity, it will be necessary that local institutes involved (ANAM and MINAE) allocate staff and resources to their annual budgets for purposes of tracking and maintaining the Project's implementation results.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF EO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The report covers assessment of outcomes and impacts based on the indicators specified in the project. However, it doesn't mention reasons some of the indicators couldn't be fulfilled during the project. It doesn't provide any reasons, for instance, that a publicly available database of the projects was not created or training in concessions rights, entry fees payment for environment services couldn't be carried. It is not clear whether there was shortage of fund or time shortage, or lack of willingness of the project authorities, or their technical capacity to carry out such activities. There are other examples as well, where logframe indicators were not fulfilled, reasons and the resultant impact on achievement of project outcomes, was not fully explored during the evaluation.	**MS**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is consistent in providing evidence of the findings and ratings provided.	**S**
To what extent does the report properly assess project sustainability and/or project exit strategy?	Report covers in detail sustainability of different components of the project and the associated risks.	**S**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	TE provides a separate section on lessons learned, supported and drawn from the observation related to progress of the project in the preceding sections.	**S**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report includes activity wise cost (total and per activity) accounting and the co financing used. However, how the total co financing realized was spread across various components, specially also because the actual amount realized is more than double as compared to the original budget, could have provided useful insights into what components garnered maximum support from government.	**MS**
Assess the quality of the report's evaluation of project M&E systems:	It provides a detailed evaluation of project M&E systems in terms of what was expected at the start of project and actual achievements during the course of project.	**S**
Overall TE Rating- **0.3x(4+5)+0.1x(5+5+4+5)=4.6=S**		**S**

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

None