1. Project Data

Summary project data	
GEF project ID	2693
GEF Agency project ID	P095424
GEF Replenishment Phase	GEF-4
Lead GEF Agency (include all for joint projects)	World Bank (lead); KfW
Project name	Strengthening Biodiversity Conservation through the National Protected Areas Program
Country/Countries	Peru
Region	LAC
Focal area	Biodiversity
Operational Program or Strategic Priorities/Objectives	BD-SP1-PA Financing, BD-SP2-Marine PA, BD-SP3-PA Networks
Executing agencies involved	PROFONANPE (Peruvian Trust Fund for National Parks and Protected Areas), lead; National Service for Protected Areas, secondary
NGOs/CBOs involvement	PROFONANPE (Peruvian Trust Fund for National Parks and Protected Areas) (lead executing agency)
Private sector involvement	Unable to Assess[1]
CEO Endorsement (FSP) /Approval date (MSP)	4/6/2010
Effectiveness date / project start	11/9/2010
Expected date of project completion (at start)	5/2015
Actual date of project completion	5/31/2015[2]

Project Financing		At Endorsement (US $M)	At Completion (US $M)
Project Preparation Grant	GEF funding	0.20	
	Co-financing	0.43	
GEF Project Grant		8.89	8.65
Co-financing	IA own	10.00	0.00
	Government	0.60	0.60
	Other multi- /bi-laterals	8.23	14.85
	Private sector	3.00	1.80
	NGOs/CSOs	-	-
Total GEF funding		8.89	8.65
Total Co-financing		21.82	17.25
Total project funding (GEF grant(s) + co-financing)		30.72	25.90[3]

Terminal evaluation/review information	
TE completion date	3/30/2016
Author of TE	Michael Bliemsrieder (lead)

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[1] Planned co-financing from PlusPetrol did not materialize. The TE reports $1.8M in co-financing from "local sources of borrowing country" without specifying the source.

[2] This is the date of project closure, but some activities continued to be carried out until December 2015.

[3] The figures in the TE's table of actual costs by component do not match those in the table of actual costs by financier, making it difficult to determine actual project expenditures. This total reflects the disbursed GEF funds plus the reported actual co-financing amounts.

TER completion date	1/18/2019
TER prepared by	Cody Parker
TER peer review by (if GEF IEO review)	Neeraj Negi

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	MU[4]	MU		MS
Sustainability of Outcomes		U[5]		MU
M&E Design		NR		U
M&E Implementation		NR		MU
Quality of Implementation		MU		MU
Quality of Execution		MU		MU
Quality of the Terminal Evaluation Report				MS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project's Global Environmental Objective was "to contribute to the long-term ecological sustainability of [Peru's] Protected Areas by expanding the ecological representativeness of [Peru's] Protected Areas System and implementing conservation activities at various levels (national, regional, and private) within ecological corridors" (Endorsement Request, p. 9).

3.2 Development Objectives of the project:

The project's objective was to conserve Peru's key ecosystems and biodiversity of global significance by expanding and consolidating the protected areas network. This was to be achieved through three project components: 1. Institutional and policy program at the national level; 2. Ecological corridors program; 3. Ensuring the financial sustainability of selected ecological corridors (ER, p. 1).

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

There were no changes to the Objectives or the project components. However, following the Midterm Review in April 2013, the project underwent two restructurings: one in 2014 in which the results framework was revised and funds were reallocated among existing budget categories to account for an additional $6.6M in co-financing provided by KfW, and a Level 2 restructuring in 2015. Under the latter, two of the project's three Key Indicators and one Intermediate Outcome Indicator were replaced/revised to comply with the World Bank's new requirement to use Core Sector Indicators, to keep targets realistic, and to maintain an effective project scope (i.e., a targeted amount of Protected Area for marine-coastal ecosystems was dropped due to the start of a new GEF-funded project targeting those areas.) (TE, pp. 2-3).

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[4] This represents the rating for "Progress toward achievement of GEO". Implementation Progress is rated MS.
[5] TE rates "Risk to Development Outcomes" as "High".

4. GEF IEO 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 TE rates "Relevance of Objectives" as "High". This TER rates relevance as Satisfactory, as the project's outcomes were well-aligned with GEF, World Bank, and national priorities.

GEF's Biodiversity Focal Area Strategy 1 aims at strengthening financial, representative, and management aspects of protected areas. The project is in line with these goals through its support for integrated management of national, regional, local, and private protected areas under Component 1 as well as its establishment of an Asset Fund for future financial support for protected areas under Component 3. The project also supported the objective of the 2007-11 World Bank Peru Country Partnership Strategy to "[make] growth environmentally sustainable", and subsequently results area 3.3 of the 2012-16 Country Partnership Strategy for "strengthening environmental management" (TE, p. 9). The TE does not describe Peru's national goals for biodiversity conservation in detail but states that the project was in line with the country's protected areas strategy (TE, p. 12), which is demonstrated by the involvement of the National Service for Protected Areas (a government agency) in the project. Several conservation challenges were identified for Peru, such as a lack of technical skills at various institutional management levels; the absence of appropriate mechanisms for interagency and public-private coordination; inadequate funding to support conservation activities inside and outside formally protected areas; insufficient representation of critical biodiversity in formally protected areas; and a lack of economic incentives for local communities that generated an impact on protected areas. The project aimed to address these by improving management of national, regional and local institutional actors through training and technical support; strengthening the legal protection of important ecosystems through the creation of new protected areas and the design and implementation of management plans and conservation activities at various levels; and establishing a sustainable funding mechanism through the creation of an endowment fund (TE, p. 1). Project interventions were appropriate to address the identified problems, although slightly overambitious given project resources (TE, p. 10). Project relevance is rated as Satisfactory.

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

The TE rates project efficacy as "Substantial". This TER rates effectiveness as Moderately Satisfactory, due to achievement of most of the project's targets combined with the slightly negative performance of the established Asset Fund.

The project's key indicators were revised following the Midterm Review. The target of 250,000 new hectares of Protected Areas was halved, as 125,000 of those had been planned to be in a coastal-marine ecosystem that was subsequently addressed by a different GEF project ("Strengthening Sustainable Management of the Guano Islands"). The target of conservation/sustainable management initiatives improving by 40% (improvement as defined by the GEF SP2 Management Effectiveness Tracking Tool) in three corridors was found to be too difficult to apply and measure, and was changed to a simpler target of "250,000 ha of new areas outside current Protected Areas managed as biodiversity-friendly". Finally, one intermediate outcome indicator (Financial and institutional mechanisms developed to allow a sustained contribution from subnational governments and the private sector to national and regional Protected Areas, securing the financing of at least 50% of their management costs) was simplified to "New innovative sustainable financing mechanisms developed and implemented" due to a realization that the 50% target was not achievable given Peru's social and economic context at the time (TE, pp. 2-3). The remaining outcome indicators and targets were unchanged. The project met almost all of these targets and exceeded many.

Component 1: Institutional and policy program at the national level. Of a targeted 8 approved regulations to allow integrated management of national, regional, local, and private Protected Areas, 22 were developed and 16 approved, although the ICR does not provide details on the impact of these regulations. The environmental monitoring tools and "Peru Ecological Map" envisioned in the project document were not completed. 6 methodologies and guidelines for the development of planning tools appropriate for each level of Protected Areas were prepared and approved, against a target of 3. The information system for the National System of Protected Areas was updated and operational and a Public Awareness Strategy developed as originally targeted (TE, p. iv).

Component 2: Ecological corridors program. Five ecological corridors were identified in a collaborative and integrated manner and corridor strategies developed for them, against a target of four. Of the targeted 3 regional environmental units for monitoring the implementation of the corridor program, 7 were established and operational, although the TE notes that the efficiency of some units' M&E was found to be weak. 15 management plans were prepared and approved against a target of 5-10. Five administration contracts and management conservation agreements in selected Protected Areas were established and operational as targeted. 40 natural resources management subprojects to improve livelihoods and conservation were targeted; these projects included infrastructure for ecotourism (lodging, restaurants, etc.) as well as small-scale sustainable agriculture operations such as thyme plantations and hamster farming. Only 30 of the subprojects were completed by project close in May 2015, but 45 more were completed in the following six months, bringing the total to 75.

Component 3: Financial sustainability of selected ecological corridors. This component aimed to capitalize a trust fund, managed by PROFONANPE, to finance the recurrent costs of protected areas located within selected ecological corridors. Against a target of five, eight pilot sustainable financing mechanisms were developed and implemented, leading to the formulation of 13 public investment projects. The Asset Fund to cover recurring costs of national, regional and local Protected Areas within three of the four selected corridors was established with $12M as opposed to the original goal of $9M, despite the lack of co-financing from PlusPetrol, thanks to substantial additional contributions from KfW

($6.6M in addition to the originally committed $3M.) However, the TE opines that the Asset Fund was not adequately managed by the executing agency. From October 2012 until the writing of the TE in 2016, the Fund had generated no new returns. Since its initial capitalization, with the exception of one four-month period, the Fund showed a consistent downward trend and stood at a loss of 4.78% by end of project, with little prospect for improvement given Peru's economic situation (TE, p. 41). Nonetheless, there was still $12.3M in the fund at project close and the TE suggests that these funds could be utilized more effectively either by changing the management of the account or by reallocating the money to direct field investments to support protected areas and/or conservation income projects (TE, p. 41).

The TE concludes that the project's innovative conservation approach, complemented by its activities to build capacity at the regional and local level and leverage additional financial resources, effectively supported the mainstreaming of conservation efforts in the long term and enabled stakeholders to access financing for biodiversity initiatives at multiple levels (TE, p. 10). Furthermore, although only 40% of Component 2's 75 conservation income subprojects were determined to have reached their conservation objectives, the TE reports that this along with other activities was successful in mainstreaming biodiversity conservation into integrated land management approaches (TE, p. 11). It is noted that capacity and resources to implement the management plans for the new protected areas could not be developed in the project's five-year lifespan, posing a risk to achieving long-term biodiversity protection goals across the entire expanse of the new areas (TE, p. 11). Nonetheless, in view of the project's overall achievements against its targets, a rating of Moderately Satisfactory is justified.

4.3 **Efficiency**	Rating: **Moderately Unsatisfactory**

The TE rates project efficiency as "Modest". This TER rates efficiency as Moderately Unsatisfactory, mostly due to comparatively low economic return from the Protected Areas activities.

The economic analysis performed as part of the TE simulated four scenarios with varying levels of deforestation avoided, using four discount rates (2%, 6%, 8%, and 10%). The analysis shows that Net Present Value is negative under higher discount rates unless 100% of deforestation is avoided, and all Economic Rates of Return turn out low compared to those achieved in similar World Bank projects in Latin America (TE, p. 11). Of note is the fact that this economic analysis does not account for the entire project -- for example, no analysis was done of the 75 conservation income generating projects.

Component 1 finished successfully and under budget, while Component 2 spent 129% of its budget for reasons that are not made clear in the TE. Project management expenditures also ended up lower than budgeted, but given the management issues faced by the project this should not necessarily be taken as a positive. The project overall finished within budget, but this is because the over expenditure in Component 2 was offset by the additional funding provided by KfW to Component 3's Asset Fund, whose returns have been negative so far. Little other information about the financial performance of the project is available in the TE. While the project successfully achieved most of its targets within budget, the low rates of return justify a rating of Moderately Unsatisfactory.

4.4 **Sustainability**	Rating: **Moderately Unlikely**

The TE does not evaluate sustainability along the four dimensions, addressing only financial aspects and concluding that the "Risk to Development Outcomes" is "High". This TER rates sustainability as Moderately Unlikely, primarily due to external risks to financial sustainability.

Financial Resources: At the time of project close, there were a number of external factors threatening the financial sustainability of project outcomes. Peru's economic situation was precarious, with exports stalling, a generally pessimistic business outlook, weak currency, and upcoming presidential elections casting a shadow of uncertainty over it all. Therefore, continued funding for local and regional conservation initiatives was very much in doubt. Furthermore, the underperforming trust fund was incapable of maintaining the present level of project investments and benefits, even if its returns were to increase in the following years (TE, p. 13).

Sociopolitical: The TE reports positive results and appreciation from beneficiaries of the conservation income-generating subprojects, as well as successful capacity building activities. Nonetheless, it stresses the importance of access to financing for the continuation of such activities, and given the unlikeliness of such continued support, sociopolitical sustainability is jeopardized.

Institutional & Governance: The TE does not directly address institutional sustainability, but mentions that assistance provided to strengthen environmental management capacity at the national and regional government level resulted in more effective mainstreaming of biodiversity into development plans at both levels (TE, p. 12).

Environmental: No environmental factors are mentioned as impacting the sustainability of 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?

$3M in expected co-financing for Component 3's trust fund from PlusPetrol, a private oil company, did not materialize (TE, p. 20). The reason for this is not clear from the PIRs or TE, which does report $1.8M in co-financing from "Local Sources of Borrowing Country" without clarifying the source of these funds (TE, p. 18). Kreditanstalt für Wiederaufbau (KfW), the German development bank, ended up contributing $14.9M compared to the originally planned $8.3M; the additional $6.6M went into the trust fund under Component 3 (TE, p. 38).

Notably, the Endorsement Request includes a $10M loan from the World Bank. This figure is not mentioned in either the text or financing tables of the TE and does not seem to have materialized. From

the Endorsement Request, it appears this $10M was allocated entirely to Component 1. Given that Component 1 was successfully executed with only $1.85M of its originally budgeted $11.85M, it is unclear what activities this loan was meant to finance. No explanation is given and no impact on the project is discernible from this discrepancy.

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 not extended, although some activities (specifically, the conservation income subprojects under Component 2) were completed within a six month period after project close. The TE mentions that "project implementation suffered from delays due to a complex design and multitude of stakeholders involved" (p. 14), but these delays are not mentioned in the PIRs, and are not specifically noted as impacting attainment of project outcomes.

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:

The TE determines that the Government of Peru, though committed to the project, lacked the human and financial capacity to continuously and fully engage throughout project implementation (TE, p. 15). Delays and bureaucratic hurdles could have been mitigated with more active participation from government agencies such as the Ministry of Environment and National Service for Protected Areas (co-executing agency). On the other hand, interactions between the World Bank team and government officials were smooth and helped to resolve some problems. The TE rates Government Performance overall as Moderately Satisfactory.

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: **Unsatisfactory**

The TE does not provide a rating for M&E design at entry. This TER rates M&E design as Unsatisfactory, mostly due to the lack of a budgeted and thorough M&E plan.

The results framework is robust, with SMART indicators and annual targets. The Project Document and Endorsement Request lay out an M&E plan differentiated by component, reflecting the very different

nature of the three components. However, the plan is not very detailed. For example, the plan for the first component indicates that the National Service for Protected Areas will appoint "one staff [member] in charge of developing the information management system of [the National System of Protected Natural Areas] and ensuring its continued operation", without providing any details about the proposed "information management system" (ER, p. 4).

The other two components have somewhat more detailed M&E plans, but no M&E budget or specific reporting deadlines are provided. The TE points out the insufficiency of the plan to measure the achievements of Component 1, and also observes that the M&E plan lacked adequate tools to measure financial sustainability, concluding that all these problems taken together led to an M&E system that was "inadequate to provide full evidence to show how all aspects of the GEO had been achieved" (TE, p. 6).

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

The TE does not provide a rating for M&E implementation. This TER rates M&E implementation as Moderately Unsatisfactory, due to inadequate reporting of project results.

During preparation of the TE, it was found that there had been an over-reporting on a number of indicators which did not match observations during field visits. In some cases, this was due to problems in the interpretation of indicators, such as a different understanding of the metric applied leading to double-counting of areas; in other cases, improvements had indeed been made but the TE was unable to causally link them to project activities (TE, p. 6).

Furthermore, in a number of cases, progress reported was based on anecdotal evidence rather than empirical measurement. In some cases this was attributable to poor M&E design, but in some cases reporting was anecdotal even on easily verifiable numerical targets, because M&E implementation had not been performed in a way that guaranteed proper and robust collection and interpretation of results (TE, p. 7). Although corrective actions were identified and agreed upon following the midterm review, they were not treated as a priority by the project team and so were effected too late to have any impact on the M&E system.

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: **Moderately Unsatisfactory**

The project's implementing agency was the World Bank. The TE does not rate quality of project implementation, but rates both Quality of Supervision and the Bank's performance as Moderately Unsatisfactory. This TER rates project implementation as Moderately Unsatisfactory, mostly due to insufficient hands-on support during implementation.

The TE finds that the Bank did not adequately ensure a high-quality project design at entry given the ambition and complexity of the project's goals. The Bank does not seem to have expected major problems with implementation due to the reputation of the executing agency and the solid risk assessment carried out, yet issues such as the inadequacy of the M&E system should have been foreseen given that they had been commonly observed in similar GEF projects in Peru (TE, p. 14).

In terms of support during implementation, the Bank's performance was less than optimal. While the TE determines that the Bank team did try to find solutions to issues with the project, its involvement was not hands-on enough: the Bank team was insufficiently proactive in facilitating communication between partners (project team, EAs, and IA), not firm enough in taking corrective measures to address project management issues, and did not rigorously analyze the potential impact of changes introduced, especially in M&E and management (TE, p. 14). These deficiencies, combined with the ambitious project design and the complexity of the institutional arrangements involved, limited the effectiveness of Bank team interventions.

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

The project's lead executing agency was the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE), with the National Service for Protected Areas as partner. The TE only assesses PROFONANPE's performance, which it rates as Moderately Unsatisfactory. This TER rates project execution as Moderately Unsatisfactory, mostly due to a lack of oversight and adaptive management capability.

The TE concludes that PROFONANPE performed below its capacity. The project team was understaffed and overwhelmed by project activities, late in delivering critical reports, and unwilling to take advantage of opportunities to learn from other experiences or make adjustments to improve implementation (TE, p. 15). The team was also stretched thin logistically, given the dispersed locations of the conservation/livelihood improvement subprojects throughout the country.

PROFONANPE was overburdened and exhibited poor management effectiveness, as the number of subprojects and funds managed increased rapidly without the agency's organizational structure being adapted accordingly. During the last two years of the project in particular, PROFONANPE was focused on becoming the executing agency for GEF's Adaptation Fund and Green Climate Fund, which the TE speculates may have further reduced the agency's capacity to effectively oversee the project (TE, p. 15). As a result, opportunities were lost for closer oversight of the project team to ensure the implementation of corrective actions. As noted above, the overburdening of PROFONANPE may also have negatively affected management of the Asset Fund.

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 in the relevant sections below that this is indeed the case and identify the information gaps. 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.

The project supported the expansion of ecological representativeness through the identification and prioritization of key biodiversity assets at the regional and national levels, as well as incentivizing the development of conservation-friendly local businesses resulting in the biodiversity-friendly management of 338,000 ha in addition to the 176,000 ha of new protected areas established (TE, p. 12).

World Bank supervision teams found that the executing agency could have paid more attention to the application of environmental safeguards, as well as "other environmental issues" associated with the conservation income generating subprojects, but the TE does not specify what these issues were (TE, p. 8). Given the small scale of these subprojects, any negative environmental impacts would likely have been minor and localized.

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.

The TE identified "moderate to significant" improvements to the livelihood of some of the rural communities that were targeted through the 75 conservation/livelihood improvement subprojects. During field visits, community leaders, local farmers, students, and women expressed appreciation for the support provided by the project. Additionally, capacity building exercises empowered local communities through better organization, the development of community-based small-scale enterprises, and an overall increase of conservation-inclusive income generating activities (TE, p. 12).

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 TE does not discuss capacity building activities in detail, but reports the success of those described above in section 8.2.

b) Governance

The TE reports that the project supported environmental management capabilities at the national and regional government levels through assistance provided to the National Service for Protected Areas as well as seven regional governments, resulting in more effective inclusion of biodiversity conservation concerns into development plans at both the national and regional level (TE, p. 12).

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.

No unintended impacts affecting ecological or social aspects are noted (TE, p. 12).

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.

The conservation subprojects that were successful are likely to continue, showing that conservation-based economies are indeed a valid alternative to extractive industries. This was especially the case in areas where agroforestry was applied (TE, p. 12). However, there is no indication that this program will be scaled up or replicated beyond those implemented by the project.

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.

- When implementation is led from the implementing agency's HQ, reliance on local short-term service providers places an additional burden on the centralized project team and increases administrative/operational costs. Therefore, it is important to establish a capable and decentralized project team privy to local circumstances (TE, p. 16).

9.2 Briefly describe the recommendations given in the terminal evaluation.

1. With projects whose design and objectives are ambitious, resources must not be spread too thinly. In projects with modest financing, implementation should focus on fewer project intervention areas where anticipated results are achievable and sustainable; only after such interventions show success should upscaling or replication in other areas be considered.

2. Bank supervision should ensure that design flaws are identified and mitigated early on, even prior to Midterm Reviews. When MTRs include independent evaluations of project performance, an analysis of the project design should always be included and proactive and practical adjustments recommended to improve implementation effectiveness.

3. In cases where parallel financing is available, it is critical to ensure that components/activities can be fully implemented without requiring prior agreements among different financiers. When clarity on resource allocation and fund availability is lacking, project implementation will be hindered. In addition, co- and/or parallel financing can pose a challenge in attributing results to a particular funding source. Project design should therefore take this into account and plan so that activities and/or components are each funded by a single financier and results can be attributed to a particular financing source.

4. To ensure that a project's M&E design serves its purpose, project stakeholders must adequately understand its concepts and have the capacity to ensure appropriate implementation, especially when changes to the framework are being introduced. Where this is not the case, deficiencies need to be identified and addressed as a matter of priority. This could be done by providing additional technical assistance to the executing agency or, depending on the circumstances, bringing outside expertise into the project at the design or early implementation stage. To ensure that project achievements are readily available at project close, consolidation and systematization of results should be integrated in the M&E design.

5. Given the World Bank's ample experience in promoting the setup and implementation of Conservation Endowment Funds, in cases where investment strategies in a given project are not yielding expected returns, a more pro-active and closer supervision is required. Examples of this could be more hands-on capacity building, promotion of South-South exchange with other Endowment Funds, or active support of fundraising efforts.

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 IEO 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 adequately assesses project outcomes and impacts.	S
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is consistent and convincing, and ratings are well-justified, but some sections could use more detail.	MS
To what extent does the report properly assess project sustainability and/or project exit strategy?	The report discusses risks to the sustainability of project outcomes, but briefly and with an exclusive focus on financial aspects.	MU
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons and recommendations are comprehensive and supported by the body of the report.	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The figures in the table of actual costs by component do not match those in the table of actual costs by financier, making it difficult to determine actual project expenditures. The report does not account for a $10M WB loan included in the Endorsement Request which appears not to have materialized.	U
Assess the quality of the report's evaluation of project M&E systems:	Evaluation of project M&E is mostly adequate although somewhat lacking in detail. M&E design and implementation are not given ratings, jointly or individually.	MS
Overall TE Rating		**MS**

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

No additional sources were used in the preparation of this TER.