

## 1. Project Data

Summary project data			
GEF project ID		3889	
GEF Agency project ID		PN-X1003	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		Inter-American Development Bank (IADB)	
Project name		Mainstreaming biodiversity conservation through low-impact ecotourism in the National Protected Areas System (SINAP)	
Country/Countries		Panama	
Region		LAC	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		SP1 - enhancing sustainable financing mechanisms of PA systems at the national level; SP2 - increasing representation of effectively managed marine PA areas in PA systems; SP4 - strengthening the policy and regulatory framework for mainstreaming biodiversity; and SP5 - fostering markets for biodiversity goods and services.	
Executing agencies involved		Ministry of Environment (MiAMBIENTE)	
NGOs/CBOs involvement		None involved	
Private sector involvement		Beneficiaries	
CEO Endorsement (FSP) /Approval date (MSP)		February 2011	
Effectiveness date / project start		October 2014	
Expected date of project completion (at start)		August 2015	
Actual date of project completion		March 25, 2018	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.1	0
	Co-financing	0.118	0
GEF Project Grant		4.0	4.0
Co-financing	IA own	3.723,214	0

	Government	5.411,700	9.180,743
	Other multi- /bi-laterals	0.865,086	0
	Private sector	0	0.169,147
	NGOs/CSOs	0	0.683,958
<b>Total GEF funding</b>		4.1	4.0
<b>Total Co-financing</b>		10.118	10.033,848
<b>Total project funding (GEF grant(s) + co-financing)</b>		14.218	14.033,848
<b>Terminal evaluation/review information</b>			
<b>TE completion date</b>		December 2017	
<b>Author of TE</b>		Ana L. Baez	
<b>TER completion date</b>		November 2018	
<b>TER prepared by</b>		Spandana Battula	
<b>TER peer review by (if GEF IEO review)</b>		Ritu Kanotra	

## 2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	S	S	-	S
Sustainability of Outcomes		ML	-	MU
M&E Design		MS	-	MS
M&E Implementation		S	-	S
Quality of Implementation		HS	-	HS
Quality of Execution		S	-	S
Quality of the Terminal Evaluation Report		-	-	S

## 3. Project Objectives

### 3.1 Global Environmental Objectives of the project:

The Global Environmental Objective of the project was to “generate a model of low environmental impact ecotourism in the National Protected Areas System (SINAP) that contributes to biodiversity conservation and sustainability of protected areas (PA), in a framework of innovation, entrepreneurial integration, and sustainable social development” (TE pg 41).

### 3.2 Development Objectives of the project:

The Development Objective of the project was to mainstream biodiversity conservation through ecotourism in protected areas both at the national and local scale (CEO Endorsement document pg 11). The project aimed to achieve its objectives through three components, and they are:

Component 1: Policies and regulatory framework for biodiversity conservation and sustainable management of ecotourism in the SINAP –

Output 1.1. Public Use Plan guidelines, methodology and regulations approved by the Ministry of Environment (MiAMBIENTE, formerly ANAM);

Output 1.2. Procedural manual and user guide for granting and administering concessions, and PA comanagement approved by MiAMBIENTE;

Output 1.3. Number of concessions, operation permits and comanagement agreements granted;

Output 1.4. Number of MiAMBIENTE and ATP staff trained in the application of new public use planning tools;

Output 1.5. Number of external stakeholders (operators, guides, local guides) trained in regulatory tools for ecotourism in PAs;

Output 1.6. Number of guides and local guides certified as PA Tour Guides;

Output 1.7. Collection system for PA entrance fees and other services revised, updated, and improved;

Output 1.8. New alternative financing mechanisms and instruments designed and approved.

Component 2: Planning and investments to increase quality ecotourism products in PAs conserving biodiversity –

Output 2.1. Number of public use and PA management plans with ecotourism programs updated and approved;

Output 2.2. Number of PAs with studies on Limits of Acceptable Change completed;

Output 2.3. Number of PAs with improvements (restorations or new buildings) in the existing and/or new ecotourism infrastructure, in place and operating;

Output 2.4. Number of Protected Areas with ecotourism indicators integrated into monitoring (PMEMAP);

Output 2.5. Number of staff at national and local level trained in public use management;

Output 2.6. Number of agreements with municipalities to improve solid waste management in the buffer zones of the Project Pas.

Component 3: Strengthening of income generation potential for local stakeholders through ecotourism in selected Pas –

Output 3.1. Number of private sector and community-based organizations and TO working in PAs trained in public use management and good ecotourism practices;

Output 3.2. Number of business plans for PAs produced and being executed;

Output 3.3. Environmental education campaign on economic benefits from PAs developed and implemented;

Output 3.4. Promotion strategy and marketing campaign for ECOTUR-AP PAs, approved by ANAM and ATP and implemented;

Output 3.5. Number of value chains established for ecotourism development in the PAs.

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

There have been no changes to the objectives or the activities of the project during implementation.

#### **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.

<b>4.1 Relevance</b>	Rating: Satisfactory
----------------------	----------------------

The project is relevant to GEF's Biodiversity focal area and Strategic Priorities (SP). The project's components are aligned to SP1 on enhancing sustainable financing mechanisms of PA systems at the national level, SP2 - increasing representation of effectively managed marine PA areas in PA systems, SP4 - strengthening the policy and regulatory framework for mainstreaming biodiversity, and SP5 - fostering markets for biodiversity goods and services. The project is also consistent with "the priorities and plans of tourism development in Panama, promoted by the Panama Tourism Authority. For instance, the project contributes to the specific objectives, strategic lines and programs contained in the Panama Sustainable Tourism Master Plan 2007-2020 in that it fosters programs identified in the Tourism Master Plan, such as the Sustainable Development of Sustainable Tourism in the SINAP" (CEO Endorsement document pg 18). The TE gave a Satisfactory rating and the TER agrees with the rating.

<b>4.2 Effectiveness</b>	Rating: Satisfactory
--------------------------	----------------------

The TE gave a Satisfactory rating to the effectiveness of the project as progress was made in all three components which helped in "contributing additional actions related to the number of people involved, PAs benefited, and staff trained, which points at the effort, interest and commitment of the Coordinator and the technical team" (TE pg 42). The project was successful in developing green tourism mechanisms, trained staff for effective delivery of services in Protected Areas (PAs), improved PA infrastructure, and conducted awareness raising and trainings. Thus, the TER also gives a Satisfactory rating for project effectiveness. Below is a detailed explanation of achievement per component:

**Component 1: Policies and regulatory framework for biodiversity conservation and sustainable management of ecotourism in the SINAP:**

Under this component, the project satisfactorily set up guidelines and tools for regulatory framework for public use of Protected Areas. The project got approved the Handbook for the Preparation of Public Use Plans in the PAs of the National System of Protected Areas, and launched the Action Plan for the development of Green Tourism in Protected Areas (2016- 2026). The project also managed to regulate the Co-management of the National System of Protected Areas (SINAP), got endorsed four co-

management agreements and trained 65 staff of MiAMBIENTE in the application of new public use planning tools. As per the TE, “training efforts targeted at both the DAPVS (National Directorate for Protected Areas and Wildlife) staff and the local guides proved to be a good strategy to involve collaborators of the organization and prepare them for change” (TE pg 19). The TE stated that the PA revenue increased because of entrance fees, and concession and co-management services are expected to increase the PA revenues in the future.

**Component 2: Planning and investments to increase quality ecotourism products in PAs and conserving biodiversity:**

Under this component, the project had mixed results in developing Public Use Plans (PUPs) in order to equip the PAs with the necessary planning instruments and infrastructure for a responsible and sustainable management of ecotourism. As per the TE, “results of Component 2 have been the most challenging ones; the development of the PUPs for the selected PAs required not only technical inputs but also dissemination and validation through the official mechanisms of MiAMBIENTE” (TE pg 31). The project got approved PUPs in six PAs and in three of the PAs the PUPs were pending approval. Seven PAs had their infrastructure improved for ecotourism, for example, in Volcan Baru the entrance fee collection cabin was restored, three trails/thermal well area in Coiba were restored, and observation tower was designed and built in San Lorenzo. The project also trained 43 staff personnel in public use through workshops, and developed Management Effectiveness Tracking Tool (METT) in order to measure PA management effectiveness. However, as per the METT results only one PA had satisfactory results which showed that there was an immediate need to strengthen other PAs.

**Component 3: Strengthening of income generation potential for local stakeholders through ecotourism in selected PAs:**

This component aimed to commercialize and market tourism in PAs and empower local communities and private sector through trainings and raising awareness. The project was successful in implementing a promotion strategy and campaign and it has been able to “reach the public through different media and generate a moment of interest in the PAs in Panama. The continuation of these efforts is expected to be ensured with 20 million dollars under the form of a trust” (TE pg 40). It also built business plans for six PAs and strengthened value chains for the development of ecotourism at two PAs. On environmental education, the project carried out a campaign on the issue of the harpy eagle, conducted workshops on economic benefits from PAs, and played videos on green tourism at movie theatres. All the efforts under this component “enabled strengthening the community groups for the formalization of CBOs with legal capacity and other administrative instruments to strengthen them and turn them competitive in the co-management and concession processes for the different services in the PAs” (TE pg 40).

<b>4.3 Efficiency</b>	<b>Rating: Moderately Satisfactory</b>
-----------------------	--

The TE gave project efficiency a Moderately Satisfactory rating. In terms of time efficiency, the project had a late start with a 20-month delay due to procurement challenges and lack of consensus between MiAMBIENTE and the Panamanian Authority for Tourism (ATP). This led to the project team taking three extensions to finish the activities under implementation. On cost aspect, the project executed its funds per project components and made arrangements to “increase the amounts committed and channel other resources and alliances involving counterpart institutions” (TE pg 43). However, the TE stated that “it was necessary to make some adjustments to the original expense distribution proposal, mainly due to the delay suffered by the Project, which required that some activities be adjusted in time” (TE pg 48). Thus, considering the time delays adversely affecting the project budget, the TER gives a Moderately Satisfactory rating to efficiency of the project.

<b>4.4 Sustainability</b>	<b>Rating: Moderately Unlikely</b>
---------------------------	------------------------------------

The TE gave a Moderately Likely rating to the overall likelihood of risks to sustainability. As the financial, institutional and environmental risks are moderately high, the TER gives a Moderately Unlikely rating to the sustainability of the overall project benefits. Below is a detailed explanation of the sustainability criteria:

**Financial:** The TE briefly noted that ecotourism was the only activity being implemented but it was not profitable enough for sustainability of the Protected Areas, and it was important to diversify the income sources. The internal structures in PAs were not established to support implementation of activities in order to generate income such as concessions.

**Socio-political:** The TE mentioned that there was lack of environmental awareness amongst the private sector and local communities, they and were “not familiar with the concept of sustainability or green tourism, which has a rather negative impact on the proposal for circuits and chainings” (TE pg 57). There was also general decline in contributions towards implementing good practices landscape, ecosystem connectivity and sustainable destination. As per the TER, these factors could threaten the environmental sustainability of the project.

**Institutional:** The project faced continuous staff turnover which had implications on opportunity costs-benefits and competitiveness, and that affected the completion and monitoring of the tasks scheduled. Also the PAs had limited staff to manage ecotourism services which could jeopardize management, service quality and profitability.

**Environmental:** There are no risks to environmental sustainability.

## 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 project received co-financing amount of \$10,033,850 which was almost same as expected amount of \$10,000,000. Co-financing amount was disbursed per component of the project, however, the TE does not mention how it affected the outcomes.

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 faced a 20-month delay at the beginning because of lack of consensus between MiAMBIENTE and the Panamanian Authority for Tourism (ATP). It also had delays in payments to consultants because of bureaucratic processes of MiAMBIENTE as the delays were related to the procedure for reviewing and approving final outputs than to the payment process itself (TE pg 43).

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 mentioned that the Panamanian Authority for Tourism (ATP), one of the main partners in the project, did not "feel sufficiently involved to take ownership of these outputs and support them and ensure their continuation over time as necessary" (TE pg 53). There was also lack of consensus with ATP, which extremely delayed the implementation of the project.

## 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: Moderately Satisfactory
-------------------------	---------------------------------



The TE gave a Moderately Satisfactory rating to M&E design and stated that there was lack of sound data and a baseline, and some of the statistical data was not completely accurate. However, the indicators were measurable and linked to outcomes. The TE mentioned that for the “Results Framework, it is advisable to identify more competitive indicators which assess not only financial contributions, but also the impacts on components in order to increase sustainability, including values which are not tangible but nonetheless important for the protection and responsible management of the country's heritage” (TE pg 54). Thus, the TER also gives a Moderately Satisfactory rating to M&E design at entry.

<b>6.2 M&amp;E Implementation</b>	Rating: Satisfactory
-----------------------------------	----------------------

The TE gave a Satisfactory rating to M&E implementation but does not provide an explanation for the M&E process. The project did submit project implementation reports from 2014 to 2017 and conducted mid-term evaluation. As per the TE, evaluation was carried out three times during project's life cycle. The project also created Management Effectiveness Tracking Tool (METT) to monitor progress in order to measure PA management effectiveness. The TE does not mention any faults in M&E implementation, and thus the TER retains the TE rating.

## **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.

<b>7.1 Quality of Project Implementation</b>	Rating: Highly Satisfactory
--	-----------------------------

The implementing agency for the project was IDB, and the TE had given Highly Satisfactory rating to quality of project implementation. The TE stated that the IDB representative in Panama actively participated in the Steering Committee by providing supervision support which was highly effective and beneficial for the project. IDB along with GEF provided financing for project activities, and IDB DC staff gave technical and fiduciary support to the project. Thus, the TER retains the TE rating of Highly Satisfactory to project implementation.

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

MiAMBIENTE was responsible for coordination, administration and financial administration of the project, including procurement and the preparation of annual operating budgets and monitoring and evaluation reports. The project was given institutional priority by the Environmental Minister, and the coordination unit within MiAMBIENTE provided professional expertise and technical capacity to the project tasks. However, there were many staff turnovers at different levels which had an impact on the possibility to monitor and strengthen the work team. There was also lack of professionals who specialized in specific project areas which posed a challenge for the project coordinator. Hence, due to challenges in project execution, the TER gives a Moderately Satisfactory rating to quality of execution.

## 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 TE does not mention environmental impacts from 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.

The project generated advertising material for the PAs which is “expected to have a positive impact on potential visitors and generate a positive attitude in relation to their behavior in the PAs and the preservation of the resources that are part of the country's heritage” (TE pg 56).

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 developed the METT to monitor progress of the results, and trained staff in the application of planning tools.

b) Governance: The project set up ECOTUR-AP as an administrative entity, and as per the TE, its structure is the “greatest strength in terms of meeting the objectives and goals set, as is recognized by many stakeholders in the regions, who make reference to the responsibility, timeliness and dedication of the technical team in this particular project” (TE pg 55).

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.

The TE does not mention unintended impacts generated by the project.

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.

There has been no adoption of GEF initiatives at scale.

## **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.

As per the TE, key lessons for the project are (TE pgs 59-60):

- a) A Manual on Good Practices should be developed to serve as a reference for National Directorate for Protected Areas and Wildlife (DAPVS). The Manual should define a clear sustainability policy, the areas where good practices should be implemented to minimize negative impacts and maximize positive ones and clearly lay down the principles to be met by any service and new development to be implemented;
- b) New development or proposed investment should be adjusted based on the impact that it may generate or receive as a result of climate change;
- c) The project should contemplate the issue of gender and people with disabilities as a distinctive action to support equality in terms of participation and benefits; and

- d) Quality and sustainability criterion should be included in project to measure visitors' satisfaction or service delivery.

## 9.2 Briefly describe the recommendations given in the terminal evaluation.

The following are recommendations given by the TE (TE pgs 58-59):

- a) The “Action Plan for the development of Green Tourism in Protected Areas in the Republic of Panama 2016-2026” should serve as a master plan to guide any action and all new projects;
- b) The theoretical framework and the tools provided by the Project contribute to the competitiveness of the PAs as tourism destinations. However, it is necessary to make a significant shift of vision and prepare all stakeholders for it to be effective and to bet on the sustainability model;
- c) It is mandatory and necessary to comply more strictly and tangibly with the different criteria that enable clearly assessing its contribution to biodiversity and managing impacts, and materialize actions aimed at the sustainability of PAs;
- d) It is urgent to strengthen the other areas and issues related to the integrated and effective management of the PAs in order to improve the ratings obtained in the PA Management Effectiveness Monitoring Program (PMEMAP) tool;
- e) It is recommended that the destination approach be incorporated at all levels and in the regional and domestic tourism supply in order to avoid the isolation of the PAs;
- f) Apart from the funds contributed by GEF and administered by IDB, it is important to explore and welcome all financing opportunities provided that they respond to a clear and integrated vision and adopt sustainability criteria as a guiding principle;
- g) It is recommended that MiAMBIENTE adopt some determination on the issue of the presence and visit of tourist cruises and other groups in the public use areas of the PAs where ecotourism is proposed to be developed; and
- h) When assessing the opportunities to attract new investment resources, priority should be given to the investments that improve life quality, infrastructure, and the technical knowledge of the staff working on the field. There can be no sustainable tourism without considering the people who must make it happen.

## 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 TE describes elaborately describes the relevant outcomes and impacts and gives a good overview of outcomes that were expected in the project design.	<b>S</b>
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The ratings and description of evidence evaluation criteria are consistent and convincing.	<b>S</b>
To what extent does the report properly assess project sustainability and/or project exit strategy?	The TE only assessed financial sustainability of the project and there is no explanation of other sustainability criteria.	<b>MU</b>
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons learned and recommendations are elaborately presented in the report	<b>S</b>
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The TE provides project costs per component as well as co-financing information	<b>S</b>
Assess the quality of the report's evaluation of project M&E systems:	The TE gave rating for M&E system but did not provide any evidence or explanation of the M&E process	<b>U</b>
<b>Overall TE Rating</b>		<b>MS</b>

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

The TER did not use any other sources than TE and PAD.