

GEF EO Terminal Evaluation Review Form for OPS4

1. PROJECT DATA				
GEF Project ID: 513		Review date:		
IA/EA Project ID:		<u>at endorsement</u> (Million US\$)		<u>at completion</u> (Million US\$)
Project Name:	Forestry and Conservation Project	GEF financing:	17	2.6
Country:	Papua New Guinea	IA/EA own:	17	UA
		Government:		UA
		Other*:	5	UA
		Total Cofinancing	22	UA
Operational Program:	OP3 – Forest Ecosystem	Total Project Cost:	40	UA
IA	World Bank	<u>Dates</u>		
Partners involved:	National Forest Authority, Department of Environment and Conservation, Department of Finance's Office of Planning and Implementation, PNG Conservation Trust Fund Board	Effectiveness/ Prodoc Signature (i.e. date project began)		2002 January 18
		Closing Date	Proposed: 2005 December 31	Actual: Cancellation date: 2007 June 22 (PMIS) 2005 June 30 NCO) ¹
Prepared by: Shaista Ahmed	Reviewed by:	Duration between effectiveness date and original closing (in months): 47 months	Duration between effectiveness date and actual closing (in months): CANCELLED	Difference between original and actual closing (in months): CANCELLED
Author of TE (NCO): World Bank (Rural Development and Natural Resources Sector Unit, East Asia and Pacific Region)		TE (NCO) completion date: 2006 October 13	TE submission date to GEF EO: CANCELLED	Difference between TE completion and submission date (in months): CANCELLED

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

2. SUMMARY OF PROJECT RATINGS AND KEY FINDINGS

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

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

¹ NCO refers to Note on Cancelled Operation

evaluation report				
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2.2 Should the terminal evaluation report for this project be considered a good practice? Why?
 Yes. The note on cancelled operation (NCO) for this project provided an extensive examination of the problems and issues during the project's preparation and implementation and provided a timeline of events that occurred that led to the project's suspension and subsequently its cancellation.

2.3 Are there any evaluation findings that require follow-up, such as corruption, reallocation of GEF funds, mismanagement, etc.?
 No.

3. PROJECT OBJECTIVES

3.1 Project Objectives

a. What were the Global Environmental Objectives of the project? Were there any changes during implementation?

According to the project document:

“The global environmental objective is to foster improved management and conservation of important forest ecosystems in one of the world's most biodiversity-rich and extensive remaining tropical rainforest region.”

According to the Note on Cancellation (NCO) there were no changes in the global environmental objectives during the implementation of the project.

b. What were the Development Objectives of the project? Were there any changes during implementation? (describe and insert tick in appropriate box below, if yes at what level was the change approved (GEFSEC, IA or EA)?)

According to the project document the development objectives of the project are following:

1. Establishment of numerous and widespread, permanent, community-supported conservation areas that are representative of PNG's biodiversity
2. Maintenance of regenerating natural forest cover in production and community forest areas
3. Provision for conservation reserves within logging sites
4. Establishment of legal mechanisms and a Conservation Trust Fund able to support landowner based conservation and sustainable-use activities
5. Increased landowner participation in, and benefits from, design and operation of sustainable-use and conservation activities

According to the NCO there were no changes in the development objectives during the implementation of the project.

Overall Environmental Objectives	Project Development Objectives	Project Components	Any other (specify)		
c. If yes, tick applicable reasons for the change (in global environmental objectives and/or development objectives)					
Original objectives not sufficiently articulated	Exogenous conditions changed, causing a change in objectives	Project was restructured because original objectives were over ambitious	Project was restructured because of lack of progress	Any other (specify)	

4. GEF EVALUATION OFFICE ASSESSMENT OF OUTCOMES AND SUSTAINABILITY

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

a. Relevance (of outcomes to focal areas/operational program strategies and country priorities) Rating:

A.1. What is the relevance of the project outcomes/results to:	
(i) the national sustainable development agenda and development needs and challenges?	
According to the project document sustainable management of its forest resources is a requirement under the PNG constitution. In 1991 the PNG government implemented the Forestry Act, which was later amended in 1993, which facilitates the establishment of a sustainable forest industry. In conjunction with the World Bank and others, the PNG government initiated the National Forest and Conservation Action Program to reverse the damages to PNG's forest ecosystems by uncontrolled logging practices.	
(ii) the national environmental framework, agenda and priorities?	
According to the project document, PNG identified the empowerment of landowners to conserve and sustainably utilize its nation's biodiversity as a national priority in "several government strategies" including a GEF-funded country study. Also the project is consistent with guidance outlined in COP3 and COP4 which push for capacity building and use of economic incentives to promote the conservation and sustainable use of biodiversity. See above section for more information.	
(iii) the achievement of the GEF strategies and mandate?	
In terms of project design, the project is consistent with GEF's OP3 forest ecosystem conservation goals. The project's main focus is the conservation of PNG's rainforests, which are recognized as being the world's largest remaining tracts of rainforests and one of the 200 most important eco-regions world-wide. The project's development objectives support the conservation and sustainable use as well of management of PNG's forest ecosystem by providing local landowners with the knowledge and resources to enable them to pursue alternative development options and include provisions for the conservation of reserves.	
(iv) the implementation of the global conventions the GEF supports (countries obligations and responsibilities towards the convention as well as the achievement of the conventions objectives)	
Papua New Guinea ratified the CBD – Convention on Biological Diversity in 1993. The project would help to facilitate Papua New Guinea in meeting its obligation under this convention.	
A2. Did the project promote of International (Regional and / or Global) Cooperation and Partnership ²	
NA	
b. Effectiveness	Rating: U
<p>The project was broken down into 4 components: Landowner Forest Decision-Making, Mama Graun Conservation Trust Fund, Sustainable Forest Management, and Environmental Assessment and Monitoring. The project was intended to be implemented over the course of six years. Instead, the project was effective for only approximately 15 months until the project was suspended. According to the note on cancelled operation (NCO), by the time the IBRD loan and GEF grant were cancelled very little of the project had been implemented. However, there were a few achievements in some of the components of the project:</p> <ul style="list-style-type: none"> ▪ Landowner Forest Decision-Making Component: unit was "partly staffed", but measures were not taken to proceed to its full operation ▪ Mama Graun Conservation Trust Fund: a few establishment activities were completed and some promotional material was prepared <p>With the respect to the Sustainable Forest Management and Environmental Assessment and Monitoring components of the project, very little had been done by the project's cancellation date.</p>	
c. Efficiency (cost-effectiveness)	Rating: U
<p>By the time the project had been cancelled only \$2.6 million had been disbursed. As previously mentioned, in light of the project's developmental objectives, the project's achievements were very minimal at the time of the project's cancellation (see section 4.11b). With the limited information provided in the NCO it is difficult to assess to what extent the money that was disbursed was put toward the achievement of the few project activities described in section 4.11b and how effective these activities were.</p> <p>The NCO provides several reasons behind the eventual cancellation of the project:</p> <ol style="list-style-type: none"> 1. Weak government: <ul style="list-style-type: none"> - No government in PNG had served full term of five years - Government changed immediately after loan effectiveness - New government's understanding of the objectives and background was limited 	

² Please consider for regional and global project only

<ul style="list-style-type: none"> - PNG's government expressed that loans conditions conflicted with their "export-driven economic policy" 2. Unrealistic optimism regarding achievement of project's objectives despite record of political instability 3. Inappropriate lending instrument selection 4. Weak social assessment in project preparation phase 5. Lack of analysis regarding institutional capacity 6. Complex project design 7. Difficult relationships amongst the project's stakeholders (i.e. government and landowners, timber companies, etc.) 8. Project risks were not clearly understood and explored through "what if" scenarios 9. Lack of follow-up on the part of the PNG government regarding outstanding 'covenants' which eventually led to the suspension of loan and project's cancellation
d. To what extent did the project result in trade offs between environment and development priorities / issues (not to be rated) – this could happen both during the designing of the project where some choices are made that lead to preference for one priority over the other, and during implementation of the project when resources are transferred from addressing environmental priorities to development priorities and vice versa. If possible explain the reasons for such tradeoffs.
UA

4.1.2 Results / Impacts³ (Describe Impacts) (please fill in annex 1 – results scoresheet and annex 2 – focal area impacts (against GEF Strategic Priority indicators, where appropriate and possible)

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

a. Financial resources	Rating: UA
UA	
b. Socio-economic / political	Rating: UA
UA	
c. Institutional framework and governance	Rating: UA
UA	
d. Environmental	Rating: UA
UA	
e. Technological	Rating: UA
UA	

4.3 Catalytic role⁴

a. INCENTIVES: To what extent have the project activities provide incentives (socio-economic / market based) to contribute to catalyzing changes in stakeholders
UA
b. INSTITUTIONAL CHANGE: To what extent have the project activities contributed to changing institutional behaviors
See section 4.3c
c. POLICY CHANGE: To what extent have project activities contributed to policy changes (and implementation of policy)?
The NCO recognizes during the project PNG's government "achieved several important policy advances" such as the

³ Please consider direct and indirect global environmental results; any unexpected results; local development benefits (including results relevant to communities, gender issues, indigenous peoples, NGOs and CBOs)

⁴ Please review the 'Catalytic Role of GEF: How is it measured and evaluated – A conceptual framework' prior to addressing this section.

updating of the Forestry Act, changes in the Forestry Board structure, refining of the sustainable forest management practice rules, introduction of “performance bonds”, as well as the implementation of a “moratorium” when it was clear certain loan covenants were being violated. However the NCO asserts that these advances may not be entirely attributable to the project itself.
d. CATALYTIC FINANCING: To what extent did the project contributed to sustained follow-on financing from Government and / or other donors? (this is different than co-financing) UA
e. PROJECT CHAMPIONS: To what extent have changes (listed above) been catalyzed by particular individuals or institutions (without which the project would not have achieved results)? UA

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

a. Co-financing. To what extent was the reported cofinancing (or proposed cofinancing) essential to achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project’s outcomes and/or sustainability? If it did, then in what ways and through what causal linkages? UA
b. Delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project’s outcomes and/or sustainability? If it did, then in what ways and through what causal linkages? From the outset of the project was delayed to numerous factors (high risks, complex design, etc.) but the main factor being the government reluctance to fully commit to the project. According to the NCO the project’s preparation took over four years, from the first identification mission to Board approval which was mainly due to the “perceived lack of ownership by government”. In July of 2003 the Bank notified the government that 8 outstanding (loan) covenants needed follow-up action otherwise the Bank would be forced to suspend the project. By August 31, 2003 the government had resolved only four of outstanding issues forcing the Bank to suspend the Loan and the GEF grant.
c. Country Ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability highlighting the causal links. From the outset of the project there was a conflict between PNG’s national objectives and the project’s objective. The NCO indicates the PNG government expressed early on that the loan’s conditions, which were designed to mitigate uncontrolled logging practices, conflicted with their “export-driven economic policy”. As a result the PNG government dragged its feet in terms of cooperating with the Bank in the project’s implementation. In 2003 the Bank notified the government that 8 outstanding (loan) covenants needed follow-up action otherwise the Bank would be forced to suspend the project. While the government took some action, four issues were unresolved and as a result the project was suspended and subsequently cancelled.

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

a. M&E design at Entry Rating (six point scale): S
It appears from the outset of the project, the M&E system was sufficient to monitor the project’s results and track its progress towards achieving the project’s objectives. The project design included a comprehensive list of indicators to monitor the project’s progress and achievements. The project was broken down into four major components and each component was broken down into various activities. One of the four project’s components, Environmental Assessment and Monitoring, was dedicated expressly to the development and implementation of the project’s monitoring activities within the new environmental framework that was being enacted under PNG’s Environmental Act. The project document provided detailed information regarding the specific monitoring and evaluation activities for three of the four components and broke down, by project phase and financier, the total costs of each M&E activity.
b. M&E plan Implementation Rating (six point scale): UA
b.1 Was sufficient funding provided for M&E in the budget included in the project document? Due to the project’s cancellation it is difficult to assess if sufficient funding was provided for M&E activities in the project’s budget. However, as mentioned in section 4.5a the project document provided detailed information regarding the M&E activities that would be conducted and broke down, by both project phase and financier, the amount each M&E activity would cost.
b.2a Was sufficient and timely funding provided for M&E during project implementation? UA

b.2b To what extent did the project monitoring system provided real time feed back? Was the information that was provided used effectively? What factors affected the use of information provided by the project monitoring system? UA
b.3 Can the project M&E system (or an aspect of the project M&E system) be considered a good practice? If so, explain why. UA

4.6 Assessment of Quality of Implementation and Execution

a. Overall Quality of Implementation and Execution (on a six point scale): UA
b. Overall Quality of Implementation – for IA (on a six point scale): UA
Briefly describe and assess performance on issues such as quality of the project design, focus on results, adequacy of supervision inputs and processes, quality of risk management, candor and realism in supervision reporting, and suitability of the chosen executing agencies for project execution. UA
c. Quality of Execution – for Executing Agencies⁵ (rating on a 6 point scale): UA
Briefly describe and assess performance on issues such as focus on results, adequacy of management inputs and processes, quality of risk management, and candor and realism in reporting by the executive agency. UA

5. LESSONS AND RECOMMENDATIONS

Assess the project lessons and recommendations as described in the TE

a. Briefly describe the key lessons, good practice or approaches mentioned in the terminal evaluation report that could have application for other GEF projects
The NCO presents the following lessons learned from the project’s cancellation: <ul style="list-style-type: none"> i) Projects in difficult governance environments may benefit from a formal assessment of borrower commitment using some form of “political mapping” ii) A social analysis and household-level analysis of the incentives for “beneficiary participation” in different situations should be conducted during the project’s preparation phase iii) An institutional analysis is critical when governance issues are of concern iv) Large, multiple-component, multiple-covenant specific investment loans (SIL) are risky where governance is weak and there is a long history of political instability v) Comprehensive risk assessment should be conducted, including alternative scenario analysis before deciding on a project’s scale and scope vi) There should be sufficient dialogue between the Bank and the various stakeholders and potential project ‘spoilors’ vii) For social challenging projects a social assessment should be conducted that sufficiently assesses the needs of beneficiaries viii) Short-term versus long-term benefits for households presented with forest exploitation or conservation options needs to be sufficiently explored
b. Briefly describe the recommendations given in the terminal evaluation
UA

6. QUALITY OF THE TERMINAL EVALUATION REPORT

6.1 Comments on the summary of project ratings and terminal evaluation findings based on other information sources such as GEF EO field visits, other evaluations, etc.
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Provide a number rating 1-6 to each criteria based on: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, and Highly Unsatisfactory = 1. Please refer to

⁵ Executing Agencies for this section would mean those agencies that are executing the project in the field. For any given project this will exclude Executing Agencies that are implementing the project under expanded opportunities – for projects approved under the expanded opportunities procedure the respective executing agency will be treated as an implementing agency.

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

6.2 Quality of the terminal evaluation report	Ratings
<p>a. To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? The report provided the necessary level of assessment given that very little was achieved due the project's cancellation.</p>	S (5)
<p>b. To what extent the report is internally consistent, the evidence is complete/convincing and the IA ratings have been substantiated? Are there any major evidence gaps? The NCO is internally consistent, with a through analysis of the bottlenecks and issues that plagued the project in its preparation phase, implementation and the steps that led to its cancellation.</p>	S (5)
<p>c. To what extent does the report properly assess project sustainability and /or a project exit strategy? The report provided the necessary level of assessment given the project's cancellation.</p>	S (5)
<p>d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive? Many of the lessons provided are supported with the evidence provided in the NCO, with many being applicable to other GEF projects.</p>	S (5)
<p>e. Does the report include the actual project costs (total and per activity) and actual co-financing used? While the report provided some information regarding the project actual costs up until the project's cancellation, it could have provided more detail.</p>	MS (4)
<p>f. Assess the quality of the reports evaluation of project M&E systems? Since project was cancelled only after 15 months after the loan effectiveness, there was no M&E systems setup to assess.</p>	UA (0)

7. SOURCES OF INFORMATION FOR THE PRERATATION OF THE TERMINAL EVALUATION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.

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

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9. Information Gaps (for Field visit countries only)

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