

Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2015

1. Project Data

| Summary project data | | | |
|--|---------------------------|---|------------------------|
| GEF project ID | | 61 | |
| GEF Agency project ID | | 7029 | |
| GEF Replenishment Phase | | Pilot Phase | |
| Lead GEF Agency (include all for joint projects) | | World Bank | |
| Project name | | Biodiversity Protection | |
| Country/Countries | | Ecuador | |
| Region | | LAC | |
| Focal area | | Biodiversity | |
| Operational Program or Strategic Priorities/Objectives | | NA | |
| Executing agencies involved | | Ecuadorean Institute of Forestry, Natural Areas and Wildlife (INEFAN) | |
| NGOs/CBOs involvement | | Local NGOs (not specified) | |
| Private sector involvement | | Not specified | |
| CEO Endorsement (FSP) /Approval date (MSP) | | UA ¹ | |
| Effectiveness date / project start | | July 24, 1994 | |
| Expected date of project completion (at start) | | June 30, 2000 | |
| Actual date of project completion | | March 31, 2000 | |
| Project Financing | | | |
| | | At Endorsement (US \$M) | At Completion (US \$M) |
| Project Preparation Grant | GEF funding | .32 | .32 |
| | Co-financing | | |
| GEF Project Grant | | 7.2 | 7.2 |
| Co-financing | IA own | | |
| | Government | 1.5 | .37 |
| | Other multi- /bi-laterals | | |
| | Private sector | | |
| | NGOs/CSOs | | |
| Total GEF funding | | 7.52 | 7.52 |
| Total Co-financing | | 1.5 | .37 |
| Total project funding (GEF grant(s) + co-financing) | | 9.02 | 7.89 |
| Terminal evaluation/review information | | | |
| TE completion date | | June 29, 2000 | |
| Author of TE | | César Plaza and Gabriela Arcos | |
| TER completion date | | May 19, 2016 | |
| TER prepared by | | Laura Nissley | |
| TER peer review by (if GEF IEO review) | | Molly Watts | |

¹ The date of CEO Endorsement is not provided. The agency approval date was May 9, 1994.

2. Summary of Project Ratings

| Criteria | Final PIR | IA Terminal Evaluation | IA Evaluation Office Review | GEF IEO Review |
|---|-----------|------------------------|-----------------------------|----------------|
| Project Outcomes | -- | S | MU | MU |
| Sustainability of Outcomes | | UA ² | U | U |
| M&E Design | | NR | NR | MU |
| M&E Implementation | | NR | NR | U |
| Quality of Implementation | | S | U | U |
| Quality of Execution | | U ³ | U | U |
| Quality of the Terminal Evaluation Report | | -- | S | MS |

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The Project Document does not explicitly state the Global Environmental Objectives of the project. The Project Document states that the main objective of the project was “to enhance biodiversity protection by supporting the restructuring and strengthening of the institutional capacity and overall policy and legal framework for adequate management of the NSPA [National System of Protected Areas]” (pg. 7). At the time of the project design, the Government of Ecuador had established a NSPA of 15 conservation units. These units were classified as globally important, however they were increasingly under threat from rapid economic development and population growth. A lack of a defined national policy on protected areas, combined with an inadequate institutional framework, lack of compliance, and insufficient budgetary allocation, had constrained the effective protection and management of the NSPA (PD pgs. 4-5).

3.2 Development Objectives of the project:

The Project Document does not cite any development objectives. The Project Document outlines the following components in support of the main objective (pg. 7):

- **Component 1:** Institutional strengthening
- **Component 2:** Legal regulatory system
- **Component 3:** Outreach activities
- **Component 4:** Investment activities

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

There were no formal changes to the objectives during implementation. However, the TE notes that while the project’s original objective was biodiversity protection, the project adopted the “softer goal” of establishing the necessary conditions for protection to occur (pg. iv).

² The ICR, or TE, provides a rating of “uncertain” for project sustainability, which is equivalent to the GEF rating of unable to assess.

³ The ICR, or TE, provides a rating of “deficient” for Borrower Performance. The ICR Review indicates that a rating of “deficient” is equivalent to a rating of unsatisfactory (pg. 3).

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.

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| 4.1 Relevance | Rating: Satisfactory |
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The TE does not provide a rating for project relevance,⁴ while this TER provides a rating of **Satisfactory**. The project was designed during the pilot phase of the GEF Partnership, and therefore, the GEF Operational Programs were not yet applicable. However, the project objectives were consistent with the GEF biodiversity focal area, as conceived under the pilot phase. The project sought to enhance biodiversity protection by strengthening institutions and legal frameworks related to the National System of Protected Areas (NSPA). At the time of the project design, there were over 90 sectoral legal instruments relating to natural resource use and management in Ecuador, some of which (i.e. mining, agrarian reform, and hydrocarbons) ignored or contradicted the regulations dealing with protected areas. The Ecuadorean Government had made some efforts to clarify its policies regarding biodiversity protection and to enforce management practices, such as the “Global Plan for Tourism Management and Ecological Conservation of the Galapagos National Park,” completed by a Presidential Commission in 1991. Additionally, the Environmental Commission of the Congress, with support from non-governmental organizations, drafted a new environmental law (PD pgs. 5-6). The project’s objectives were consistent with these national efforts.

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| 4.2 Effectiveness | Rating: Moderately Unsatisfactory |
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This TER provides a rating of **Moderately Unsatisfactory** for project effectiveness. By project end, functioning institutional, legal, and financial frameworks was not in place, largely due the Ecuadorean Institute of Forestry, Natural Areas and Wildlife’s (INEFAN) failure to effectively manage the National System of Protected Areas (NSPA). Modest achievements included increased technical capacity of park staff, contributions to draft environmental laws, and improved infrastructure and equipment in the protected areas.

⁴ The TE, or Implementation Completion Report, does not provide individual ratings for project relevance, effectiveness, or efficiency.

A summary of the project's achievements, by component, is provided below:

- **Component 1: Institutional strengthening**

Expected results under this component included (1) improvement of INEFAN's management systems; (2) trained staff; (3) preparation of protected area management plans; (4) design of a revenue-generating system; (5) establishment of a biological monitoring system; (6) economic studies on resource use in the protected areas; and (7) establishment of a quarantine system for non-native species. The TE notes that operating manuals covering all aspects of managing technical, financial and administrative systems were developed, and an extensive training program was designed and conducted for 200 staff. However, INEFAN failed to adopt these systems, significantly limiting the effectiveness of the manuals and trainings (pg. 7). Similarly, economic studies were produced but they were not acted upon. The preparation of management plans was more successful, resulting in 7 full or partial plans by the end of the project. The other institution-building outcomes were not successful, including the design of a revenue-generating system, a biological monitoring system, and a quarantine system.

- **Component 2: Legal regulatory system**

Expected results under this outcome included: (1) a review of current legislation affecting protected areas; (2) legal reforms for protecting and managing biodiversity and natural resources; (3) regulations for operating permits and extraction activities within protected areas; (4) regulations allowing the creation of privately protected areas; and (5) regulations allowing community participating in the administration of protected areas and their buffer zones. By project end, a review of relevant regulations was completed and made available to the public. New regulations were also developed and proposed, however they were not endorsed by INEFAN's management (TE pg. 11). Overall, the regulatory framework was not reformed due to political considerations. The PPAR⁵ does note that the project did make contributions to the draft Biodiversity Law and the Special Law 278, which addressed sound urban development in the Galapagos Reserve (pg. 5).

- **Component 3: Outreach activities**

Expected results under this outcome included: (1) conflict resolution in the protected areas; (2) creation of Regional Coordination Committees (RCCs) to oversee park management; and (3) raising public awareness/education on biodiversity protection. The PPAR notes that a few localized achievements were realized by project end, however they had little impact on the system as a whole. For example, communities in the Sangay National Park negotiated border markings in order to resolve a land tenure conflict. Additionally, the PPAR did not find any evidence that RCCs were established. There is evidence that public awareness materials were developed and campaigns undertaken, however the project did not assess the outcomes of these activities (PPAR pg. 6).

⁵ The Project Performance Assessment Report (PPAR), prepared by the World Bank Independent Evaluation Group, assesses the programs and activities of the World Bank to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results. The PPAR for this project was prepared in 2002.

- **Component 4: Investment activities**

Expected results under this component included: (1) development of civil works and infrastructure (demarcation, trails, and visitor centers) in eight protected areas; and (2) provision of equipment and logistical support for INEFAN field staff. The results under this component were largely achieved by project end. Investments included the design, construction and interpretation of trails, construction of guard posts, basic park infrastructure, automobiles, and equipment of central office and parks. Additionally, visitor centers were established in four protected areas. These investments led to expanded patrols of the protected areas and additional environmental talks to communities (TE pgs. 11-12; PPAR pg. 7). It should be noted however, that some of the equipment purchased was inadequate or too expensive to operate (PPAR pg. 8).

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| 4.3 Efficiency | Rating: Unsatisfactory |
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This TER provides a rating of **Unsatisfactory** for project efficiency. Overall, the project was not cost-effective. GEF funds were fully disbursed at project end and only moderate outcomes were achieved. The TE notes that the project lost time and resources due to the ineffectiveness of the executing agency, Ecuadorean Institute of Forestry, Natural Areas and Wildlife (INEFAN) (PPAR pg. 8). Due to its relatively low position within INEFAN, the Project Coordinating Unit’s (PCU) influence and decision-making ability was limited, affecting the achievement of key results (TE pg. iv). For example, the PCU produced extensive plans for improving INEFAN’s institutional systems that were not acted upon by INEFAN’s management team. Additionally, the PCU overspent their budget for certain activities by more than 150%, which meant that other activities were underfunded (TE pg. v). The project also experienced chronic delays due to the Government of Ecuador’s slow disbursement of co-financing. Lastly, the PPAR notes that the project’s highly centralized decision-making process was inefficient, resulting in the purchase of equipment that was inadequate and too expensive for the protected area staff to operate (pg. 8).

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| 4.4 Sustainability | Rating: Unlikely |
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The TE provides a rating of **Unable to Assess** for project sustainability, while this TER provides a rating of **Unlikely**. There are significant risks undermining the sustainability of project results, particularly the absence of adequate institutional, legal, and financial mechanisms.

Financial Resources

This TER provides a rating of **Unlikely** for sustainability of financial resources. The project failed to establish a revenue-generating system for financing the National System of Protected Areas (NSPA). The

PPAR notes that a financially independent NSPA is a low priority of the government. The Ministry of Finance collects park entrance fees, however only a small portion of this revenue supports the NSPA. The PPAR notes that by project end, the funding wasn't sufficient to maintain the infrastructure and services of the NSPA (pg. 10).

Sociopolitical

This TER provides a rating of **Moderately Unlikely** for sociopolitical sustainability. By project end, stakeholder ownership over project objectives was relatively low. Local NGOs were involved in discrete activities, such as the development of the protected area management plans, however they were not integrated into the larger policy and strategic planning processes (TE pg. 15). The project also failed to establish Regional Coordination Committees (RCCs), which were the main mechanisms for community involvement in park management. It is also unclear whether the informational materials and campaigns resulted in increased public awareness of the long-term objectives of the project (PPAR pg. 6).

Institutional Framework and Governance

This TER provides a rating of **Unlikely** for sustainability of institutional frameworks and governance. The project failed to strengthen the institutions responsible for managing the NSPA, and by project end, INEFAN was disbanded. A new Ministry of Environment was created with the mandate to oversee the NSPA, however its capacity and sustainability were unclear (PPAR pg. 10). Additionally, the project failed to reform the legal and regulatory framework for the NSPA.

Environmental

The TE does not provide enough information to assess 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?

Actual co-financing was lower than expected. The Government of Ecuador contributed \$370,000 in co-financing, compared to the expected \$1.5 million. The TE attributes the difference in the level of expected and actual co-financing to "budget difficulties," and that this was accounted for by a "reduction in project-related activities for which the Recipient had full responsibility (pg. 1). The PPAR elaborates, noting that the deficiencies in co-financing particularly affected activities in the Galapagos National Park (pg. 13). It should also be noted that the co-financing that was disbursed was chronically delayed, negatively affecting the implementation of activities (TE pg. 14).

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?

In general, the executing agency, the Ecuadorean Institute of Forestry, Natural Areas and Wildlife (INEFAN), was inefficient and ineffective, which resulted in delays in project implementation. Additionally, chronic delays in the disbursement of co-financing affected project implementation. The project closed on March 31, 2000, three months before it was scheduled to close. Neither the TE nor the PPAR note the reason for the early closure of the project.

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:

Country ownership over the project was low throughout implementation. INEFAN’s management did not support the project’s proposals or products (PPAR pg. 10). The TE notes that that INEFAN staff viewed the project as an “enclave activity,” which created additional demands without bringing additional benefits (pg. 15). The lack of ownership over the project had a significant, negative effect on the achievement of outcomes and sustainability. In particular, INEFAN management blocked initiatives focused on institutional strengthening and legal reform.

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.

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| 6.1 M&E Design at entry | Rating: Moderately Unsatisfactory |
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The TE does not provide a rating for M&E design at entry, while this TER provides a rating of **Moderately Unsatisfactory**. The TE notes that “the monitoring and evaluation system appears to have been designed so as to focus on the completion of the activities, with much less attention paid to the effectiveness of the ‘models” being developed’ (pg. 7). This is reflected in the M&E framework outlined in the Project Document, which is activity-focused rather than results-focused. The framework does include performance indicators for tracking the completion of activities, however they are not SMART (specific, measurable, achievable, relevant, and timely). Many of the indicators are simply “reports” or “manuals.” The M&E plan does note that the project will monitor some aspects of biodiversity in the protected areas, such as the status and distribution of targeted flora and fauna, however no indicators or targets are provided.

The Project Document does provide a dedicated budget, \$776,500, for establishing and maintaining an M&E system over a five-year period. No provisions for evaluations are included in the M&E plan or budget.

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| 6.2 M&E Implementation | Rating: Unsatisfactory |
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The TE does not provide a rating for M&E implementation, while this TER provides a rating of **Unsatisfactory**. A monitoring system was in place throughout the life of the project, however it was used to track project inputs and the completion of project activities rather than progress toward achieving results. The TE notes, “While this was valuable for the purposes of project administration, it did not serve to flag or substantiate shortcomings in achieving the institutional development outcomes” (pg. 18). Moreover, the PPAR notes that the project failed to monitor any changes in biodiversity in the protected areas, as anticipated in the Project Document. The PPAR also notes that the monitoring system was dismantled at the end of the project (pg. 12). There is no evidence that any systems were in place to ensure that data would continue to be collected and used after project closure.

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.

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| 7.1 Quality of Project Implementation | Rating: Unsatisfactory |
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The TE provides a rating of **Unsatisfactory** for World Bank Performance, and this TER provides a congruent rating for quality of project implementation. Both the TE and the PPAR note that the project contained a number of programmatic and operational flaws. First, the project design was activity-focused and disjointed. The PPAR notes that the project design contained too many activities (35 in total) that were not clearly linked (pg. 12). While the project activities were “over-designed,” the expected results, particularly regarding biodiversity protection, were not clearly articulated (TE pg. iv). The M&E approach outlined in the Project Document mirrored these deficiencies and was inappropriate for tracking progress toward achieving results.

The selection of the Ecuadorean Institute of Forestry, Natural Areas and Wildlife (INEFAN) as executing agency was also problematic. As the TE notes, “INEFAN has been created to protect and manage the NSPA without having the experience or predisposition to execute this function” (pg. 16). In terms of supervision, the TE and PPAR note that the World Bank was diligent in assisting with implementation processes (i.e. disbursement, procurement, auditing, and other financing issues). However, World Bank supervision missions consistently rated the project as satisfactory despite little progress toward achieving objectives (PPAR pg. 13).

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| 7.2 Quality of Project Execution | Rating: Unsatisfactory |
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The TE provides a rating of **Unsatisfactory** for Borrower Performance, and this TER provides a congruent rating for quality of project execution. The executing agency for the project was the Ecuadorean Institute of Forestry, Natural Areas and Wildlife (INEFAN). A Project Coordination Unit (PCU) was established within INEFAN to execute project activities and UNDP was recruited to act as the procurement agent. The TE notes that INEFAN ownership over the project and its objectives was low throughout implementation (pg. ix). Due to its low position within INEFAN, the PCU was disempowered from making decisions, and INEFAN management blocked key initiatives focused on institutional strengthening and legal reform. INEFAN also resisted working with the NGO community on policy and strategic planning initiatives, which impacted the effectiveness of the Consultative Committee that was established. The PPAR also notes that INEFAN was institutionally unstable, due to high turnover in leadership and insufficient funding (pg. 13).

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 cite any environmental changes that occurred by the end 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.

The TE does not cite any socioeconomic changes that 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

By project end, 200 staff were trained on the operational manuals developed by the Project Coordinating Unit (PCU). The operational manuals covered all aspects of managing the proposed technical, financial and administrative systems. However, the trainings had limited effect, as IFEFAN’s management did not adopt the proposed systems (TE pg. 9).

b) Governance

By project end, the “Special Law for the Galapagos # 278” was passed, which permits the income and taxes generated in the Galapagos to be reinvested for the protection of the Galapagos Reserve. The TE notes that the project stimulated outreach and participation when developing the marine reserves strategic plan. Participation in project activities led to stakeholder discussions on the main issues affecting the Galapagos. The TE notes that the idea for the law emerged from these discussions (pg. v). It should be noted however, that the evidence of the project’s contribution to the passage of this law is largely anecdotal.

The PPAR also notes that components of the project’s proposed master plan for the NSPA, particularly those relating to decentralization, were incorporated into the draft Biodiversity Law, which was under review by the President of Ecuador at project end (pg. 5).

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 notes that the passage of the “Special Law for the Galapagos # 278” in March 1998 was an unintended outcome. As noted above, the project’s contribution to the passage of this law is not made explicit in the TE or PPAR.

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 TE does not cite any GEF initiatives that had been adopted at scale by project end.

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.

The TE provides the following lessons learned (pgs. 16-18):

- **Approach to Institutional Development:** The project was designed as a vehicle for improving an organization that had been given a role and a legal structure without having had experience on the ground. A special unit, the PCU was mandated to perform this task from within INEFAN, supported by UNDP as procurement agent. The outcome illustrated the dangers seen in many other projects, of both committing to an organization that has a legal and administrative structure but that has not yet begun to perform, and attempting to compensate for this by establishing a specialist implementation/coordination unit within the organization. Experience has shown that such PCUs frequently become seen as enclave operations. This was the root of poor ownership of the project by INEFAN; difficulty in mainstreaming the capacity of the surrogates (PCU and UNDP); and a lack of follow-up action on the PCU's studies and advice by higher levels of INEFAN's decision-making. An alternative would have been to establish a program of organizational strengthening, managed from without, setting expectations for performance for INEFAN, supported by incentives to perform appropriately. Experience has also shown that once an agency has a legal structure, it cannot be easily changed. Therefore, it is prudent to gain experience through working relationships prior to deciding what relationships will be legalized. It might have been preferable to execute the project with a "mission champion"; that is, temporary agency that would have managed a process through which roles, responsibilities and working relationships were developed prior to giving them legal form. Projects that have adopted this approach have placed PCUs at the disposal of a project "champion" with decisions about the legalization of an institutional framework being considered as a project "output", not an "input."
- **Community Involvement:** The involvement of communities in the planning and implementation of sustainable resource management and biodiversity protection was again shown to be important for the harmonious development of strategic management plans for PAs. The studies of the efficacy and efficiency of the plans made for the seven test cases undertaken in the project have not been completed, and should be to draw the detailed lessons from the experience. However, the willingness of these communities to undertake the exercise shows that they had positive expectations from the practice. The value and cost of replicating this experience should be evaluated. More attention should also be given need to the implementation of the plans.
- **NGO Collaboration:** The project also confirmed earlier lessons that the participation and collaboration between public authorities and the NGO and bilateral community was important for project implementation, but with some nuances. Representatives of leading local NGOs were

involved in the preparation phase from the beginning. The design and scope of the activities proposed were the result of numerous discussions, consultations, joint review and agreement on proposals, and of close cooperative efforts between Government authorities and NGO's representatives. This cooperation continued during project execution, with the participation of NGOs in the implementation of the decentralized project activities in and around targeted PAs. However, the project failed to bring these interests into a structured consultative process, the "consultative committee" that would have been necessary at the central level. If this had been done, civil society might have had a more coherent voice that could have exerted influence at the policy and regulatory level in favor of the reforms that the project sought. Without this, the value of efforts to disseminate information (as was done successfully) and some of the value of the BIC would have been partially lost. This project illustrated, therefore, that having determined that participation and a consultative process is important for project success, it would be crucial that an explicit process be prepared and included in the project's basic design, with resources identified as needed to make this effective at all levels (see the following point).

- **Flexibility in Execution:** The project was acknowledged to be experimental in several respects, including the application of concepts of community participation in the protection of individual NSPA sites, and the process of building implementation capacity within a legally constructed but non-functioning institution, INEFAN. During appraisal, it was very difficult to anticipate all the political and institutional changes that actually took place during project implementation. Unfortunately, the project specified numerous activities that it was committed to undertake so that it's "flexibility" was limited to how these would be implemented throughout the project, the question of not whether these or other activities would have been more effective in achieving the project's ultimate objectives was not addressed. In spite of repeated evidence that INEFAN was not developing as intended, no activity was dropped or modified, and no new activity was introduced that might have improved the project's efficacy. The project did not specify the indicators that would have shown whether the objective of institutional development was occurring, so that attempting to alter project actions during the project's implementation period to improve performance might have been difficult. This experience illustrates that when, as the project appraisal team noted, the project is experimental in nature, and would demand flexibility in its implementation, the design should emphasize and be guided by anticipated results, not detailed components as "blueprints" for action. When the project was initiated, the World Bank had not designed its "adaptable lending" instruments (Learning and Innovation loans and Adaptable Program Lending). If these had been available, and given the issues and constraints that were being faces, the adaptable lending approach might have been considered.
- **Monitoring and Evaluation:** The project would have been strengthened if the monitoring and evaluation system had been functional before the project began, through such actions as conducting baseline surveys or pre-project assessments of INEFAN's performance. This would have focused attention on the project's expectations for results. As there were no explicit performance goals, the emphasis of the system was to monitor the implementation of the

project's actions. While this was valuable for the purposes of project administration, it did not serve therefore to flag or substantiate shortcomings in achieving the institutional development outcomes that might otherwise have permitted the Bank and the recipient to adjust the project's design.

- **Strategic Vision of the NSPA:** The experience with this project again illustrated the weaknesses in implementation that may arise when concrete priorities for biodiversity protection, the ultimate purpose for the project, are not outlined ex-ante. Without a unifying vision of the NSPA as an ensemble, including such features as the locations and sizes of the PAs needed to constitute the NSPA, the meaning of "protection" in these different cases, criteria for either abandoning PAs that were not viable and/or adding PAs that were warranted, there was not a touchstone for assessing the efficacy of the project's many actions. Instead, project implementers, including the Bank, focused on setting "necessary conditions" among which it is more difficult to establish explicit priorities. It also proved difficult to alter the "menu" in light of implementation experience. Accountability for results was also hard to assign.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The TE provides the following "Implications for Further Operations," which include recommendations (pg. 19):

- One of the most significant implications of the project was to show the importance of changing the behavior of individuals at the local and the national level with respect to biodiversity protection. The completed project succeeded in doing this at the local level where individuals agreed to plan while taking biodiversity into account, but failed at the central level, where the staff of INEFAN were not motivated to alter their attitudes and approaches to resource management to accommodate a higher level of protection. The project recognized the risks and unpredictability of the time needed to achieve such a result and was unable to fully manage these factors with the design it adopted. Future operations should be designed to allow for a process of trial-and-error, action and feedback, leading to the internalization of a "protection culture." Future projects maybe designed as either Learning and Innovation loans or Adaptable Lending Programs to allow for greater flexibility both in how to implement pre-designed actions, but also in selecting what actions to implement.
- The institutional framework for protecting the NSPA has changed with the elimination of INEFAN and the creation of the Ministry of Environment. This should not, however preempt a process of developing institutional arrangements for the NSPA through an evolutionary process that would allow the public sector, and civil society, at the central and at the community levels, to each find their respective roles. The Ministry could indeed be the "champion" for developing the framework without itself being the project management agency. A new operation, therefore, should include an institutional development "component" that supports new models

for managing protected areas in Ecuador that are agile at solving emergency problems in biodiversity protection as soon as these are identified.

- The completed project produced promising experiences of planning and managing the NSPA at the community level. To allow for the replication of these experiences, both as a means of increasing protection coverage, and also for helping define the upstream institutions that would be necessary to sustain the fieldwork, a thorough evaluation of these experiences would be necessary. It would then be important to design the system that supported the re-application of the experience. A similar evaluation of alternatives for establishing a supporting financing system for the NSPA should be completed.
- Lastly, a permanent and open system for pooling the views and knowledge of the NGO and bilateral communities, building on the good will that already exists, should be established as an integral part of a follow-on operation. This process should provide a framework for steering further GEF support as an addition to the resources already committed or which may be committed to the NSPA. It should also provide a vehicle for articulating policy and strategic options needed for biodiversity protection. The follow-on project should plan for this as a monitorable component.

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's assessment of the relevant outcomes and impacts of the projects is thorough, however the outcome ratings provided are not congruent with the analysis and evidence provided. | MS |
| To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated? | The report is not always internally consistent- the ratings provided for the achievement of outcomes and sustainability are contradictory to the evidence provided. Exceptions include the ratings for quality of implementation and execution | MU |
| To what extent does the report properly assess project sustainability and/or project exit strategy? | The report does not adequately assess project sustainability. The report provides a rating of "uncertain," however it is clear from its own analysis that neither the financial, institutional or legal mechanisms are in place to ensure sustainability. | U |
| To what extent are the lessons learned supported by the evidence presented and are they comprehensive? | The lessons learned and recommendations are comprehensive and supported by the evidence (not the ratings) provided. | S |
| Does the report include the actual project costs (total and per activity) and actual co-financing used? | The report includes the actual project costs and the actual co-financing used. | S |
| Assess the quality of the report's evaluation of project M&E systems: | The report does not provide an adequate assessment of the project's M&E design. Some information is provided on the M&E system (or lack thereof) in place during implementation. | MU |
| 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).

Implementation Completion Report Review (World Bank OEDST, 2001)

Project Performance Assessment Report (World Bank IEG, 2002)