

## GEF EO Terminal Evaluation Review Form

1. PROJECT DATA				
GEF Project ID: 868		Review date: Dec 23, 2009		
		at endorsement (Million US\$)		at completion (Million US\$) <u>Amounts taken from final PIR</u>
IA/EA Project ID: 1209		<b>GEF financing:</b>	0.75	0.75
Project Name: Establishment of Private Natural Heritage Reserves (RPPNs) in the Brazilian Cerrado		IA/EA own:	0.1	0.1
Country: Brazil		Government:		0.051
		Other*:		1.177
		<b>Total Cofinancing</b>	0.1	1.328
Operational Program: OP 3: Forest Ecosystems		<b>Total Project Cost:</b>	0.85	2.078
IA: UNDP		<b>Dates</b>		
Partners involved: Funatura (executing organization), Government of Brazil through the Brazilian Institute of the Environment (IBAMA), environmental bodies of the local governments of Goiás and Minas Gerais, rural proprietors, local entrepreneurs, community, local city halls, researchers and organizations of the civil society	Effectiveness/ Prodoc Signature (i.e. date project began)		Prodoc signed June 2001, first disbursement September 2001	
	Closing Date	Proposed: September 2004	Actual: September 2005 Operationally closed in October 2006	
Prepared by: Luisa Lema	Reviewed by: Neeraj Negi	Duration between effectiveness date and original closing (in months): 36 months	Duration between effectiveness date and actual closing (in months): 48 months	Difference between original and actual closing (in months): 12 months
Author of TE: Aline Tristão Bernardes		TE date: October of 2006	TE submission date to GEF EO: Sept 2009	Difference between TE completion and submission date (in months): 36 months

\* 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	S	HS	UA	S
2.1b Sustainability of Outcomes	N/A	HS	UA	ML
2.1c Monitoring and	UA	UA	UA	S

evaluation				
2.1d Quality of implementation and Execution	NA	NA	NA	S
2.1e Quality of the evaluation report	N/A	N/A	UA	MS

2.2 Should the terminal evaluation report for this project be considered a good practice? Why?

No. The TE does not provide information on actual expenditure and cofinancing. The information on cofinancing included in this review was based on the information provided in the last PIR and not cross checked by the terminal evaluation. The terminal evaluation does not include performance ratings on some of the parameters. The TE does make a good assessment of the overall performance of the project and draws important recommendations and lessons learned.

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?**

The proposed objective of the project was “to conserve biodiversity in areas near and adjacent to two National Parks in the Cerrado to function as ecological corridors (Cerrado is considered a globally significant biodiversity hotspot by CI, WWF, TNC and others)”. The language to describe the overall objective was modified throughout the PIRs and TE, but not its meaning; the objective described in the TE was “to conserve the biodiversity of the Cerrado biome through the following strategy... [development objectives]”.

**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 appraisal document the immediate objectives of the project were:

1. To stimulate private sector participation in biodiversity conservation of the Cerrado biome through the implementation of Private Natural Heritage Reserves;
2. To establish mechanisms for sustainability of the Private Natural Heritage Reserves;
3. To disseminate the lessons and experience of this project to other landowners are sensitized and adopt similar models.

There were no changes in the objectives of the project during its implementation. However, the scope of the expected outcomes was changed because of increased interest of the landowners to reserve their properties and availability of resources for expanding the activities of the project to other reserves in the region.

Overall Environmental Objectives	Project Development Objectives	Project Components	Any other (specify)	
			X (Outcomes; approved by UNDP)	
<b>c. If yes, tick applicable reasons for the change (in global environmental objectives and/or development objectives)</b>				
Original objectives not sufficiently articulated	Exogenous conditions changed, due to which a change in objectives was needed	Project was restructured because original objectives were over ambitious	Project was restructured because of lack of progress	Any other (specify)
				X (Increased interest in the project; resources invested outside new reserves)

### 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)**

<b>a. Relevance</b>	<b>Rating: S</b>
<p>The project outcomes were consistent with the GEF Operational Program 3, i.e. conservation and sustainable use of the biological resources in forest ecosystems. It is also consistent with Brazil's National Biodiversity Program (PRONABIO), established in 1994, and with Brazil's stimulus on private sector participation in biodiversity conservation efforts, in part through Decree N* 1922 (1996), which provides for the creation of Private Natural Heritage Reserves.</p>	
<b>b. Effectiveness</b>	<b>Rating: S</b>
<p>The project met all of its objectives, but some of its outcomes were not achieved.</p> <p>The number of protected areas created exceeded the expectations, but did not add up to the extension of land that was expected to become under protection. The project was expected to create four Private Natural Heritage Reserves; seven Private Natural Heritage Reserves were established and registered, five in the area of Chapada dos Veadeiros National Park and two adjacent to Grande Sertão Veredas National Park. Awareness activities and dissemination of the Private Natural Heritage Reserve related information took place through training events and cultural activities; one of the activities initiated by the project, the Meeting of the Peoples (<i>Encontro dos Povos</i>), will be continued by the local municipalities. The project participated in the production of the governmental technical documents to support the management of these figure of private reserves. It produced seven Rapid Ecological Assessments for the new protected areas and subsidized the initiation of the implementation of their management plans. In addition to the original outcomes, the project supported an ecological assessment for an already existing Private Natural Heritage Reserve located near Chapada dos Veadeiros National Park, and supported the establishment of five legal reserves (20% of property, as per Brazilian legislation) in the area.</p> <p>The project aimed at reserving 40,000 new hectares for protection, but resulted in an increase of only 2,263.07 hectares of protected area. Also, the project foresaw a funding mechanism for the newly created reserves; this funding mechanism was found to be unfeasible in the local conditions. The creation of a local network of Private Natural Heritage Reserve owners did not occur. These missing outcomes do not compromise the objectives of the project because:</p> <ol style="list-style-type: none"> <li>1) the project was overambitious in terms of the extension of the reserved protected areas; the areas that were declared Private Natural Heritage Reserve still have a significant value to biodiversity conservation, and provide important corridors in the mosaic of protected areas in the regions;</li> <li>2) the project provided individualized economic sustainability strategies to each Private Natural Heritage Reserve; and</li> <li>3) the executing organization continues to be present in the area and in contact with the project partners, and can temporarily serve as a channel of communication amongst Private Natural Heritage Reserve owners, until a formal association is created.</li> </ol>	
<b>c. Efficiency (cost-effectiveness)</b>	<b>Rating: MS</b>
<p>There were considerable delays during the registration of the new Private Natural Heritage Reserves. These delays were not caused by the executing organization or the landowners, but by bureaucracy and unclear procedures within the Brazilian Institute of the Environment. The wait for the approval for the recognition of the reserves led to holdups in the initiation of other actions foreseen by the project, which depended upon the official recognition of the areas as Private Natural Heritage Reserves. Specifically, the short timeframe left after the official registration of the reserves harmed the implementation of actions defined in the areas' management plans. As consequence, infrastructure was not completed or not developed at all in some of the Private Natural Heritage Reserves.</p> <p>Although the delays compromised the achievement of some of the outputs, the overall objective was met. Also, additional outputs of benefit to biodiversity conservation came out of the project, such as the work with legal reserves and existing Private Natural Heritage Reserves, and the contributions to the regulations on the latter.</p>	

**4.1.2 Impacts: summarize the achieved intended or unintended impacts of the project.**

<p>The project resulted in the reservation for perpetuity of 2,263.07 hectares of private lands in the cerrado biome. These new areas are enhancing the protection, connectivity and resilience of the ecosystem. As per the information provided in the PIRs, other achievements of the project that may lead to environmental impacts:</p> <ul style="list-style-type: none"> <li>• The project influenced the approval of a norm issued by the Brazilian Institute of Environment that regulates Private Natural Heritage Reserve recognition.</li> <li>• The project supported the establishment of five legal reserves (20% of property, as per Brazilian legislation) in the area. These reserves cover 603 hectares, which will enhance conservation and connectivity.</li> </ul>
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**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.

<b>a. Financial resources</b>	<b>Rating: ML</b>
<p>According to the terminal evaluation funding mechanisms for the protected areas were not explored because of limitations in time and the potential for inequity in distribution if such fund were created. Only those areas that are successful in tourism operations are likely to generate enough financial resources for adequate management. The TE argues that such mechanism would work only within the context of local public policies. The PIR done in 2006 argues that the fund is not critical to the sustainability of the project, as all the landowners voluntarily registered the Private Natural Heritage Reserves, which is a figure for perpetuity -therefore their existence is not dependent on the existence of a fund.</p> <p>In absence of sustained financial support for management of protected areas covered by the project, there is a risk that management needs for biodiversity conservation may remain unaddressed.</p> <p>On the other hand, financial resources for awareness and outreach events seem to be available, as local municipalities contributed financially to activities of communitarian mobilization during the project and the local communities have already mainstreamed these measures.</p>	
<b>b. Socio political</b>	<b>Rating: L</b>
<p>The establishment of numerous partnerships and the participation in local and national political processes related to the conservation of the Cerrado and the regulation of Private Natural Heritage Reserves, gave this project and the new private reserves high visibility before the local and regional governmental bodies. Numerous events and workshops with local communities resulted in a general acceptance of the project and even in the adoption of associated events.</p> <p>The 2003 PIR reports that there was distrust from local landowners caused by an imposed expansion of Chapada dos Veadeiros National Park through a Decree dated 27/SEPT/2001. The project faced resistance by many landowners in adhering to the proposal of transforming their properties into Private Natural Heritage Reserves. However, after a series of legal claims and notifications of persons affected by the expansion, the Brazilian Institute of Environment agreed to review the limits of the expansion. None of the following PIRs report any consequence to the project.</p>	
<b>c. Institutional framework and governance</b>	<b>Rating: ML</b>
<p>The project assisted in the preparation of Normative Instruction N° 24, of 14/04/2004 for Private Natural Heritage Reserve recognition by the Brazilian Institute of Environment supported the preparation of a draft for the Private Natural Heritage Reserve Regulatory Decree as part of the National Confederation of Private Natural Heritage Reserve Landowners, and participated in discussions on the proposal for a Methodological Route for Implementing Private Natural Heritage Reserve Management Plans.</p> <p>The intended local network of reserve owners was not consolidated. The last PIRs and the TE highlight the need to form this body.</p>	
<b>d. Environmental</b>	<b>Rating: L</b>
<p>Since Private Natural Heritage Reserves are registered for perpetuity, regardless of the sale of the land, it is expected that the contribution to biodiversity preservation through core areas and corridors will be maintained.</p>	

#### 4.3 Catalytic role

<b>a.. Production of a public good</b>
<p>The project led to the protection of 2,263.07 hectares of private land through reservation. Although a private good, these reserves do provide public services, including the increased conservation, connectivity and resilience of the cerrado biome, critically threatened by the expansion of the agricultural frontier.</p>
<b>b.. Demonstration</b>
<b>c.. Replication</b>
<p>No evidence that the project is being replicated, but the executing organization received additional funding to build on the results of the project.</p>
<b>d.. Scaling up</b>
<p>There is a local acceptance of Private Natural Heritage Reserves in the areas. It is expected that new Private Natural Heritage Reserves are registered.</p>

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

<b>a. Co-financing.</b>
<p>To what extent was the reported cofinancing (or proposed cofinancing) essential to achievement of GEF objectives? Were components supported by cofinancing well integrated into the project? 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?</p>
<p>The TE does not report on financial aspects and does not give an analysis on cofinancing. The discussion in this section</p>

is based primarily on the project appraisal document and PIRs submitted by the agency.

As per the project budget, cofinancing covered a significant portion of staff, contractors and equipment related expenses; also, all the start up activities, which included the negotiations with landowners and other stakeholders, was to be paid through cofinancing.

The expected cofinancing was \$100,000, however the IA decided to account for the value of the land reserved as cofinancing from landowners. The PIRs from 2006 and 2007 presented this amount; a total of \$1,177,162. Also, local governmental bodies contributed small amounts to different components of the project, which totaled \$51,000. As per the 2005 PIR, these bodies included Bank of Brazil Foundation, Brazilian Support Service for Small and Medium Businesses, Ministry of Agriculture Development, Goias Environmental Agency, Goias Secretary of Environment and Hydrological Resources and Goias Regional Development Agency. A total cofinancing of 1,328,000 was reported in the final PIR.

**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?

Several of the activities foreseen, such as the creation of a local network of Private Natural Heritage Reserve owners and the funding facility, were dependent upon the actual registration of the Private Natural Heritage Reserves. The delays in registration caused a bottleneck in the development of most of the project activities, particularly those related to ecological assessments, development and implementation of management plans. The delays were not caused by the executing organization or the landowners, but by an unexpected lengthy process of analysis and approval at the Brazilian Institute of Environment. On average each process lasted three years, which was the original timeframe of the entire project. The TE reports that this bureaucracy in the evaluation of the requests resulted in discouragement and withdrawal of landowners.

The 2003 PIR also reports that there was distrust from local landowners caused by the recently imposed expansion of Chapada dos Veadeiros National Park. Through Decree dated 27/SEPT/2001, the park was expanded from 60,000 to 230,000 hectares. For private landowners of areas affected by the park's expansion, the measure had a negative impact. With this situation, the project faced resistance by many landowners in adhering to the proposal of transforming their properties into Private Natural Heritage Reserves. After a series of legal claims and notifications from persons affected by the expansion, the Brazilian Institute of Environment agreed to review the limits of the expansion, which created favorable consequences to the project's execution.

**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.

The project experienced serious delays because of the slow registration process at the Brazilian Institute of Environment. The 2003 PIR reported that the institute had not concluded the Methodological Guidelines for Management Plans or the revision of the Executive Decree for Private Natural Heritage Reserves; it also reported that this caused "the indecision that normally permeates newly elected governments". The 2004 PIR also reported changes in requirements and redefinition of procedures for Private Natural Heritage Reserve recognition

Although the bureaucracy of the federal institutions caused delays in the implementation of the project activities, this situation triggered the project participation and leadership in several forums regarding Private Natural Heritage Reserves, in close collaboration with the government. The 2005 and subsequent PIRs reported that the efforts undertaken by the project with Federal bodies responsible for the creation and recognition of Private Natural Heritage Reserves produced fundamental results for setting legal landmarks (Normative Rule n. 24, 04/14/2004) and a Methodological Scheme for Creating Private Natural Heritage Reserve Management Plans.

On the other hand, some state government bodies, Bank of Brazil Foundation and Brazilian Service for Support to Small and Medium Businesses provided a small amount of cofunding.

#### 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**

Indicators were well specified in the Brief and are used in the PIRs, together with baseline data. The project allocated 15,000 USD for M&E.

**b. M&E plan Implementation** **Rating (six point scale): S**

As per the PIRs, there were at least two annual visits from the UNDP/GEF team and regular tripartite reviews. Data on the status of the indicators was collected regularly. The TE suggests that a mid-term evaluation would have been useful to aid the project revision process.

b.1 Was sufficient funding provided for M&E in the budget included in the project document?

Yes.

b.2a Was sufficient and timely funding provided for M&E during project implementation?

Yes.

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?

The TE considers that “the continuous evaluations of the project (tripartite) could have monitored the activities, in specific, the operational difficulties and propose eventual corrections in the design of the Project”. However, the initial delays caused by the registration process for the Private Natural Heritage Reserves were reported in early PIRs. Also, these reviews made recommendations on allocating some resources outside of the newly formed protected areas. These recommendations triggered a minor revision of the work plan.

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.

No. The TE did not analyze the full dimensions of the project; the evaluator invested more time in providing literature revisions and advice on ecotourism, than in making a comprehensive analysis on each of the expected activities and outcomes. It would have been useful for the TE to provide information using the logframe.

#### 4.6 Assessment of Quality of Implementation and Execution

**a. Overall Quality of Implementation and Execution (on a six point scale): S**

**b. Overall Quality of Implementation – for IA (on a six point scale): S**

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.

The project was well designed, although some ambitious goals (such as the additional area to be reserved for protection under the Private Natural Heritage Reserve) had been specified. UNDP provided adequate feedback to the project and informative PIRs; the country offices visited the project at least twice (Dec 2004, Sep 2005, as per PIRs) and held meetings with the partners. The executing agency chosen by UNDP had the adequate capacity and expertise to implement the project. The agency also collaborated with the project by providing spaces for partnership development and knowledge exchange through its inclusion in workshops (Protected Areas Financing Workshop, Mexico, July 2004), and events (Environment Week).

**c. Quality of Execution – for Executing Agencies<sup>1</sup> (rating on a 6 point scale): S**

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.

The TE considers that the excellent performance of FUNATURA as an intermediary and representative of the landowners before the Brazilian Institute of Environment, was of fundamental importance in the process of reserve registration. All the proprietors interviewed during the TE pointed out that without this intervention, the reserves would not have been registered within the timeframe of the project. They also stated that they would only go through the process again or recommend it if an institutional support of the quality of that provided by FUNATURA was available. The TE also cites that the fact that FUNATURA was involved with the communities before the beginning of the project helped in facilitating effective information dissemination and to elicit buy-in of the landowners on creation of the reserves.

The institutional presence of FUNATURA in the areas where the project took place, as well as its highly skilled technical team, propitiated the satisfactory development of the activities, even in view of the operational difficulties related to the delay in the approval of the processes by the Brazilian Institute of Environment. The organization involved an optimal number of quality partners that facilitated the flow of the project and that will contribute to its sustainability and strengthening. The organization reported on the obstacles to project execution to UNDP in a candid and timely manner, and worked diligently to address them.

### 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**

- Building a strong base of local support to the project before initiating activities allows for the facilitation of processes during implementation, and for their continuation afterwards.

<sup>1</sup> 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.

<ul style="list-style-type: none"> <li>- The private sector will be more inclined towards partnering in conservation entrepreneurship if there is a successful pilot model to see.</li> <li>- Institutional cooperation guarantees good results and amplification of the project actions.</li> </ul>
<b>b. Briefly describe the recommendations given in the terminal evaluation</b>
<ul style="list-style-type: none"> <li>- The project design should: <ul style="list-style-type: none"> <li>o cover an initial diagnosis to define priority conservation areas,</li> <li>o include a strategy for management of landscapes,</li> <li>o allow for outreach through local partnerships,</li> <li>o create mechanisms for continued adjustment according to results of monitoring, and</li> <li>o incorporate business plans for the reserves, including issues around ecotourism.</li> </ul> </li> <li>- The sustainability of the project will depend upon: <ul style="list-style-type: none"> <li>o the creation of the association of landowners,</li> <li>o the involvement of the management of the park,</li> <li>o have a local representation, and</li> <li>o partnering with research institutions.</li> </ul> </li> </ul> <p>Other recommendations are made for the governmental institutions, and not for the IA/EA.</p>

**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.**

None

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

<b>6.2 Quality of the terminal evaluation report</b>	<b>Ratings</b>
<p><b>a. To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?</b> The report is comprehensive and presents data about all the outcomes and impacts.</p>	S
<p><b>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?</b> The report provides good data, but does not track project achievements based on the expectations outlined in the project documents, it does not provide information on cofinancing, and it did not address M&amp;E related issues in adequate detail. It does not provide ratings on sustainability in a scale consistent with the terminal evaluation guidelines of the GEF.</p>	MS
<p><b>c. To what extent does the report properly assess project sustainability and /or a project exit strategy?</b> The report provides some information, based on the construction of partnerships and ecotourism operations. The information is not entirely relevant to all the areas of the project.</p>	S
<p><b>d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive?</b> The lessons learned are evident through annual reviews</p>	HS
<p><b>e. Does the report include the actual project costs (total and per activity) and actual co-financing used?</b> No. The financial information provided in this TER comes from the Final PIR.</p>	HU
<p><b>f. Assess the quality of the reports evaluation of project M&amp;E systems?</b> The TE gives a poor assessment of the quality of the design or implementation of the M&amp;E of the project.</p>	U

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