

GEF EO Terminal Evaluation Review Form for OPS4

1. PROJECT DATA				
		Review date:		12/03/2008
GEF Project ID:	957		<u>at endorsement</u> (Million US\$)	<u>at completion</u> (Million US\$)
IA/EA Project ID:	1427	GEF financing:	0.99	0.99
Project Name:	Conservation and Sustainable Use of Biodiversity in the Amaraeeri Communal Reserve and Adjoining Indigenous Lands	IA/EA own:	0.00	0.00
Country:	Perú	Government:	0.00	0.41
		Other*:	0.75	0.23
		Total Cofinancing	0.75	0.64
Operational Program:	3	Total Project Cost:	1.74	1.63
IA	UNDP	<u>Dates</u>		
Partners involved:	FENAMAD <i>(Indigenous Federation of the River Madre de Dios and Tributaries)</i>	Effectiveness/ Prodoc Signature (i.e. date project began)		08/31/2003
		Closing Date	Proposed: 09/01/2006	Actual: 09/2007
Prepared by: Ines Angulo	Reviewed by: Neeraj Negi	Duration between effectiveness date and original closing (in months): 37 months	Duration between effectiveness date and actual closing (in months): 49 months	Difference between original and actual closing (in months): 12 months
Author of TE:	Eduardo Durand, Luis Gomero	TE completion date: Sep 2007	TE submission date to GEF EO: April 2008	Difference between TE completion and submission date (in months): 7 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	S	-	MS
2.1b Sustainability of Outcomes	N/A	ML	-	ML
2.1c Monitoring and evaluation	-	S	-	MS
2.1d Quality of implementation and Execution	NA	NA	NA	S
2.1e Quality of the evaluation report	N/A	N/A	S	S

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

Yes. The TE presents a comprehensive assessment of project achievements and shows an understanding of the project context that result in the incorporation of realistic and insightful recommendations.

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?
 This project aims at the “*conservation of biodiversity and forest ecosystems in an area of 450,000 hectares of Tropical Amazon Forest*”.
 No changes were made to the GEO.

b. What were the Development Objectives of the project? Were there any changes during implementation?
 According to the TE, the development objective of the project was that the “Amarakaeri Communal Reserve (ACR) is legally established, effectively managed by local indigenous communities, indigenous culture and practices are preserved, and effective alternative livelihood opportunities are developed for indigenous communities and immigrant resource extractive communities”.
 There were no changes to the project’s DO.
 The expected components of the project have been subject to changes and variations throughout the formulation and implementation of the project. The ProDoc describes three expected outcomes; later as a result of a review of the Logical Framework, seven outcomes were identified, and finally, the project ended up with six outcomes, because outcome 1 was completed with the start of the project itself.
 (describe and insert tick in appropriate box below, if yes at what level was the change approved (GEFSEC, IA or EA)?)

Overall Environmental Objectives	Project Development Objectives	Project Components	Any other (specify)
		X	

If yes, tick applicable reasons for the change

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)
	The original project concept was presented in 1998, implementation only began in 2003, and by then the legal context for the Communal Reserves had changed.			

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: S

A.1. What is the relevance of the project outcomes/results to:

(i) the national sustainable development agenda and development needs and challenges?

The establishment of communal reserves, and the equitable sharing of benefits from reserves, is part of Peru’s overall strategy for rural poverty alleviation, and a source of recurrent revenue to provide for protected areas management.

(ii) the national environmental framework, agenda and priorities?

Conservation of Amazonian tropical forests with the participation of local populations is in line with the goals identified and considered as high priority in national environmental policies, plans, programs and regulations The Government of Peru has committed to expand effective forest conservation in the Amazon region to cover at least 10% of the biome. In addition, community management is a priority national objective repeatedly reflected in the Political Constitution (1993) and legal instruments including the Law for Native Communities (Ley de Comunidades Nativas), the Act on Conservation and Sustainable Use of Biological Diversity, the Act on Natural Protected Areas, the Guiding Plan for Natural Protected Areas, and the Constitutional Law on the Development of Natural Resources.

(iii) the achievement of the GEF strategies and mandate?	
Project outcomes were highly relevant to GEF's long term objectives of protecting biodiversity by promoting sustainable financing of PA systems at the national level, increasing representation of effectively managed marine PA areas in PA systems, and strengthening terrestrial PA networks.	
(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)	
Involvement of indigenous people in the management of protected areas is highly relevant to the CBD objectives, particularly Article 8(j) which highlights the importance of preserving and maintaining knowledge, innovations and practices of indigenous and local communities. It is known that at least 41 endangered species of fauna, including 23 species of mammals, 10 species of birds, and 8 species of reptiles, reside within the Project area.	
A2. Did the project promote of International (Regional and / or Global) Cooperation and Partnership¹	
Not Applicable	
b. Effectiveness	Rating: MS
According to the TE, the project has contributed to strengthening the administrative management of the ACR, with a legal base that guarantees its status as a Natural Protected Area (NPA). It has achieved the proper demarcation of their boundaries, has developed management plans, has trained personnel in the NPA regulatory aspects, particularly in regard to the Communal Reserves, and has secured funding in the short and medium term, with high probability of additional resources by the Government formally committed from the 2008 NAFTA agreement with the U.S. Environmental Agreement. The project achieved an important increase the quality of Protected Area Management according to the scorecard. The ecotourism activities contribution to the economy of the communities still requires a sustained reinforcement and support. The Wanamei company needs further development including the transfer of assets and the maintenance of training, particularly on management issues, in order to consolidate achieved progress and goals. The results related to outcome 5 (decrease of negative impacts of mining and logging) were not entirely met, but the TE concludes that the project was too ambitious in this regard and that the implementation team were effective in dealing with the issues that were directly under their range of influence.	
c. Efficiency (cost-effectiveness)	Rating: MS
Although there is no specific analysis of the project's efficiency, the TE mentions that there were delays at the start of the project due to a change in the project office location, recruitment of qualified staff, and the need to refine expected results and determine adequate indicators. Due to these delays the project end date had to be postponed twice. On the other hand, the TE notes that regardless of the isolated location of the project, difficulties in coordination and project implementation were successfully overcome. The TE also concludes that the final cost for project administration was of 7.5% which is in the normal range for this type of project.	
d. To what extent did the project result in trade offs between environment and development priorities / issues (not to be rated)	
The project will have impact on the livelihoods of the local communities. While the Wanamei Tourism Enterprise will be a source of income for all participating communities, it is still too early to expect any substantive financial gains from it. Meanwhile, the TE reports that communities still have the expectation of extracting timber from the forests which would have to be stopped at least until an approved forest management planned is approved.	

4.1.2 Results / Impacts² (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: L
There is high likelihood of adequate funding for the follow up operations of the ACR and ACE. While current sources of INRENA (CAF Project-INRENA) and PAN II have a horizon of no more than two or three years, it is expected that the Peruvian government will comply with the commitment made for the North American Free Trade Agreement (NAFTA) to invest about US\$20 million (58 million soles) for protected natural areas. The financial demands for the maintenance of income-generating activities (Wanamei, resource management and others) have good prospects given the strengthened capacity of FENAMAD, and the availability and access to adequate	

¹ Please consider for regional and global project only

² 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)

financial sources to meet these proposals (for example SGP and the National Employment Fund).	
b. Socio-economic / political	Rating: ML
Although the TE notes that the project had the support of the regional government, it concludes that changing political and electoral interests at this level is a risk to the sustainability of the new created ACR. In general, development priorities at the regional level are still considered more important than environmental concerns. In addition, the Regional Government is promoting an initiative, supported by municipal governments, to "promote the integration of the Region" by building the Choque-Itahuanía road, which cuts the ACR in the upper area which is the most environmentally sensitive.	
c. Institutional framework and governance	Rating: L
Not only has the ACR been established, the capacities of FENAMAD and local indigenous organizations have also been built so that they can effectively participate in the management of this new protected area. The existence of a management plan for the protected area has also helped assure the governance sustainability of the project.	
d. Environmental	Rating: ML
Gold extraction (both formal and informal), and wood extraction is still important risks to the areas adjacent to the ACR (buffer zone). Other risks emerged during project implementation, which are outside the scope of the project's influence, such as concessions for oil extraction and the construction of the Interoceanica Highway. Various actions were taken to lessen the impact of these activities in the ACR, but the influence that FENAMAD can have on development decisions in the areas adjacent to the ACR are limited.	
e. Technological	Rating: NA
Not applicable	

4.3 Catalytic role³

a. INCENTIVES: To what extent have the project activities provide incentives (socio-economic / market based) to catalyze changes in stakeholders
The project has supported the creation of the Wanamei ecotourism enterprise and other income-generating activities (including forest management plans), but the TE found that the benefits from these activities are not significant yet and that they will need extensive support in order to act as true incentives to curb negative environmental behavior/practices.
b. INSTITUTIONAL CHANGE: To what extent have the project activities changed institutional behaviors
According to the TE this project has strengthened indigenous communities' organizations capacities and has been pivotal in introducing the issue of indigenous rights into the behaviors of local and regional governmental institutions.
c. POLICY CHANGE: To what extent have project activities led to policy changes (and implementation of policy)?
Peru had no previous experience of co-management of Natural Protected Areas through collaboration between the indigenous people and the State. Therefore, this project is an important contribution to the development of guidelines for the collaborative management of Communal Reserves in Peru.
d. CATALYTIC FINANCING: To what extent did the project led to sustained follow-on financing from Government and / or other donors? (this is different than co-financing)
The project was able to get commitments from both government and NGOs to continue financing of project achievements. The Frankfurt Zoological Society (FZS) will contribute to the monitoring system; INRENA committed \$80,000 dollars to support the implementation of the Master Plan and the constituent meeting of the ECA-RCA; a donation of FONDAM of \$200,000 dollars will strengthen the component of ecotourism; PROFONANPE committed \$60,000 to ensure sustainability in the management of the ACR; and the Interoceanic Highway Fund, which committed \$330,000 dollars a year (70% from the CAF and 30% from the Treasury).
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)?
The TE identifies FENAMAD as a key player during the project design and implementation. The influence and political weight of FENAMAD has been vital to compensate for divergent positions from local and regional governments and influence in favor of the interests of the Project.

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?
Co-financing represented almost 40% of the project's budget. Some project components were entirely funded by co-finance and therefore would not have been implemented without it (including component number 5: Mitigation of

³ Please review the 'Catalytic Role of GEF: How is it measured and evaluated – A conceptual framework' prior to addressing this section.

The TE mentions that PIRs were a good tool to analyze project achievements and test the indicators. It also mentions that close financial supervision by UNDP was crucial in improving project use of funds in the last years.
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. Although all M&E requirements were met regardless of existing capacity limitations and challenges of communications and transportation, there was no methodological rigor.

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.

According to the TE, the design of the project is consistent with the addressed problem. In terms of objectives and results it is somewhat ambitious in view of its expected duration and the cultural, geographical and economic context in which it is run. The possibility that in this context the efforts of generating income reached sufficient maturity to make way for sustainability, and that training is internalized and take the necessary effect, faces a difficult challenge. On the other hand, the design took into account sufficiently broad context of development and the needs of the project to complement other local initiatives, both governmental and non-governmental organizations.

The selection of FENAMAD as the executing agency implied a closer supervision of UNDP to guarantee an efficient administration of the funds, but the TE concludes that the direct involvement of FENAMAD was crucial to the project’s success.

Supervision from UNDP played an important role during project implementation. Field visits of the UNDP Program Officer resulted in recommendations that have filled the lack of methodological rigor in M&E activities, and helped to achieve the necessary corrective effects in a timely manner.

c. Quality of Execution – for Executing Agencies⁴ (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.

As mentioned earlier, FENAMAD involvement in the project was crucial to its success, since this Federation is well regarded and was able to convene the participation of all relevant stakeholders (communities, indigenous groups, NGOs, local governments, etc).

According to the TE, the project’s technical team had the necessary skills; both on a professional level and in their performance, especially at the level of the Coordinator and the Chief Administrator, whose experience and technical soundness have been of critical importance in the process of execution.

The TE mentions that the technical team and FENAMAD had to go thru a process of adaptation at the beginning of the project in order to adapt project plans to comply with the standards of the donor and, at the same time, maintain flexibility needed to implement a project on such a remote rural area.

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

⁴ 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.

- The regulations and standards for projects and technical and administrative procedures which necessarily accompany the agreements for grants by multilaterals, are difficult to implement in remote rural areas and between different cultures. They should include preparation time and possibly introduce flexible procedures which, without losing rigor or control can be implemented more easily.
- The contribution of social sciences is essential to undertake projects involving intercultural relations. This does not mean that the continued presence of anthropologists and sociologists is essential in the project team, but in the conception and design. The presence of social specialists, however, is much more important when it is on the side of the "receiver" of messages. That is, it is key that the participants or beneficiaries have a voice capable of carrying their message to those responsible for implementation.
- Training sessions and passive-based teaching are not the best methods to convey knowledge or new ways of perceiving the environment to people of different cultures. "Do together" activities, in this case internships and live shows, have much more effect, regardless of the apparent higher relative cost. Many of the lectures or passive learning is lost by not being incorporated into cultural knowledge or implemented in practice, and thereby the investment in training is lost.
- Projects that expect permanent cultural changes in a relatively short period (less than four years) must focus on specific efforts within the project to ensure sustainability of actions. In this sense, bureaucratic delays for official approvals can be a drag for the dynamics of a project, and require a special effort to monitor results.
- The notion of future and of postponement of immediate benefits is relatively alien to the indigenous and peasant visions, and in particular in the Amazon. Therefore great care must be taken in lifting income expectations for projects that require long maturation period. It's better to focus for small achievements and strengthening and build up on them, rather than trying to establish large companies in temporal and spatial scenarios that cannot be seen clearly at the community level.

b. Briefly describe the recommendations given in the terminal evaluation

- All plans that have been created and discussed by relevant stakeholders should be officially approved.
- FENAMAD and INRENA should establish concrete mechanisms that will allow for an effective political and administrative management of the RCA.
- Outreach and information component should continue with an emphasis on reaching the non-indigenous population in the area, and educating people about the protected area management plan.
- Job stability of park guards should be assured and their interaction with indigenous people should be promoted and encouraged.
- Management staff of the newly created Wanamei indigenous tourism enterprise must be further strengthened. It is suggested to hire an expert advisor that would work as an Adjunct Manager for the following 6 months to a year. In addition, the project should seek partnerships with international NGOs that have experience in the area of ecotourism in Peru (like CI and TNC).
- Wanamei should establish official mechanisms for revenue distribution for all the different communities involved in the enterprise.
- The role of the Traditional Medicinal Center (CMT) should be further clarified, particularly its relation to the Wanamei enterprise.

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.

NA

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.

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 TE contains a complete assessment of project outcomes and achievement of the intended objectives. On the other hand, absence of analysis on relevance, and few analysis of the effectiveness, and efficiency of the project.</p>	S
<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 TE makes use of the ProDoc indicators when assessing the achievement of project objectives and results. The TE provides an adequate explanation of why some targets were reached and others were not.</p>	S

<p>c. To what extent does the report properly assess project sustainability and /or a project exit strategy? Sustainability of project achievements is assessed in a very comprehensive manner. Sustainability, with its various aspects is a major theme in the evaluation.</p>	S
<p>d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive? The lessons and recommendations included in the TE provide a valuable input on what should be the priorities and actions that need to be implemented in order to achieve the project's goals and improve its sustainability.</p>	HS
<p>e. Does the report include the actual project costs (total and per activity) and actual co-financing used? The TE includes a very detailed analysis of project costs and expenses. It includes financial data by activity, by type of expense (personnel, operations, other, etc), and also co-finance. It also provides an explanation of differences between expected and actual costs.</p>	HS
<p>f. Assess the quality of the reports evaluation of project M&E systems? The TE provides an analysis of the M&E system, mainly regarding the design phase (indicators and baselines). The implementation of the M&E system is not described as thoroughly.</p>	MS

7. SOURCES OF INFORMATION FOR THE PRERATATION OF THE TERMINAL EVALUTION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.
No

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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