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The World Bank

Report No: ICR00001702

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(P065988, TF-50311, P106103 and P112327)

ON A GRANT FROM THE GLOBAL ENVIRONMENTAL FACILITY

IN THE AMOUNT OF SDR12.8 MILLION (US$ 16.1 MILLION EQUIVALENT)

AND SUPPLEMENTAL GRANTS

IN THE AMOUNTS OF

US$2.21 MILLION, US$7.35 MILLION AND US$5.44 MILLION

TO THE

NACIONAL FINANCIERA, S.N.C

AND

FONDO MEXICANO PARA LA CONSERVACION DE LA NATURALEZA, A.C.

FOR A

CONSOLIDATION OF THE PROTECTED AREAS SYSTEM (SINAP II) PROJECT

December 13, 2010

Sustainable Development Department
Colombia and Mexico Country Management Unit
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS

(Exchange Rate – December 13, 2010)

US$1 = MX$12.38
MX$1.00 = US$ 0.08

FISCAL YEAR
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

AC	Advisory Council
ANP	*Área Natural Protegida* Natural Protected Area
CAS	Country Assistance Strategy
CC	Central Coordination *Coordinación Central*
CI	Conservation International
CONABIO	*Comisión Nacional para el Uso y Conocimiento de la Biodeversidad* National Commission for Knowledge and Use of Biodiversity
CONAFOR	*Comisión Nacional Forestal* National Forestry Commission
CONANP	*Comisión Nacional de Áreas Naturales Protegidas* National Commission for Natural Protected Areas
CNANP	*Consejo Nacional de Áreas Naturales Protegidas* National Coucil for Natural Protected Areas
CONAPESCA	*Comisión Nacional de Acuacultura y Pesca* National Aquiculture and Fishing Commission
CRIP-INP	*Centro Regional de Investigación Pesquera-Institution Nacional de la Pesca* Regional Fishing Research Center-National Fishing Institute
CSO	Civil Society Organization
CTFANP	*Consejo Técnico para el Fondo de Áreas Naturales Protegidas* Technical Council for the Natural Protected Areas
DGVS	*Dirección General de Vida Silvestre* General Directorate for Wildlife
ECOSUR	*El Colegio de la Frontera Sur* School of the Souther Border
FANP	*Fondo para Áreas Naturales Protegidas* Natural Protected Areas Fund
FIRCO	*Fideicomiso de Riesgo Compartido* Shared Risk Trust Fund
FMAS	Sustainable Forest Management Areas
FMCN	*Fondo Mexicano para la Conservación de la Naturaleza* Mexican Fund for the Conservation of Nature
GEF	Global Environment Facility
GIS	Geographic Information System
GOM	Government of Mexico
ICB	International Competitive Bidding
IDESMAC	*Instituto para el Desarrollo Sostenible en Mesoamérica* Institute for Sustainable Development in Mesoamerica
INE	*Instituto Nacional de Ecología* National Ecology Institute

INHyE	*Instituto de Historia Natural y Ecología* Institute for Natural History and Ecology
INIFAP	*Instituto Nacional de Investigaciones Forestales, Agrícola y Pecuarias* National Institute for Forest, Agriculture and Livestock Research
IPDP	Indigenous Peoples Development Plan
IPP	Indigenous Peoples Plan
NAFIN	*Nacional Financiera, S.N.C.* National Financing Agency
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
PA	Protected Area
PAD	Project Appraisal Document
PCU	Project Coordinating Unit
PET	*Programa de Empleo Temporal* Temporary Employment Program
PFP	*Policía Federal Preventiva* Preventative Federal Police
PGJ	*Procuraduría General de Justicia* Attorney General of Justice
POA	*Plan Operativo Annual* Annual Operating Plan
PRODERS	*Programa de Desarrollo Regional* Regional Sustainable Development Program
PROFEPA	*Procuraduría Federal del Medio Ambiente* Federal Attorney for the Environment
SAGARPA	*Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación* Secretariat of Agriculture, Rural Development, Fishing and Food
SCT	*Secretaría de Comunicaciones y Transporte* Secretariat of Communications and Transport
SE	*Secretaría de Economía* Secretariat of Economy
SEDENA	*Secretaría de Defensa Nacional* Secretariat of National Defense
SEDESOL	*Secretaría de Desarrollo Social* Secretariat of Social Development
SEMAR	*Secretaría de la Armada de México* Secretariat of the Mexican Navy
SEMARNAP	*Secretaría del Medio Ambiente, Recursos Naturales y Pesca* Secretariat for the Environment, Natural Resources and Fisheries
SEMERNAT	*Secretaría del Medio Ambiente y Recursos Naturales* Secretariat for the Environment and Natural Resources
SEPESCA	*Secretaría de Pesca* Secretariat of Fisheries
SHCP	*Secretaría de Hacienda y Crédito Público* Secretariat of Finance and Public Credit
SIGA	*Sistema de Gestión Ambiental* System for Environmental Management
SIMEC	*Sistema de Información, Monitoreo, y Evaluación para la Conservación* System of Information, Monitoring, and Evaluation of Conservation
SINAP	*Sistema Nacional de Áreas Protegidas* National System of Protected Areas
UCANP	*Unidad de Coordinación de Áreas Naturales Protegidas* Coordination Unit for Natural Protected Areas

Vice President:	Pamela Cox
Country Director:	Gloria Grandolini
Sector Manager:	Karin Kemper
Project/ICR Team Leader:	Adriana Moreira
ICR Primary Author:	Adriana Moreira/Suzana N. de Campos Abbott

MEXICO
CONSOLIDATION OF THE PROTECTED AREAS SYSTEM (SINAP II) PROJECT

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A. Basic Information

Country:	Mexico	Project Name:	Consolidation of the Protected Areas System Project (GEF)
Project ID:	P065988	L/C/TF Number(s):	TF-50311
ICR Date:	11/03/2010	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	FMCN, A.C. & NAFIN
Original Total Commitment:	USD 16.1M	Disbursed Amount:	USD 31.1M
Revised Amount:	USD 31.1M		
Environmental Category: B		**Global Focal Area: B**	
Implementing Agencies: Comision Nacional de Areas Naturales Protegidas / Fondo Mexicano para la Conservacion de Naturaleza			
Cofinanciers and Other External Partners:			

B. Key Dates

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	03/16/2000	Effectiveness:	03/15/2002	04/25/2002
Appraisal:	07/30/2001	Restructuring(s):		
Approval:	02/07/2002	Mid-term Review:	06/20/2005	09/19/2005
		Closing:	06/30/2010	06/30/2010

C. Ratings Summary

C.1 Performance Rating by ICR

Outcomes:	Satisfactory
Risk to Global Environment Outcome	Moderate
Bank Performance:	Satisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance

Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Satisfactory	**Overall Borrower Performance:**	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	**Indicators**	**QAG Assessments (if any)**	**Rating**
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	Satisfactory
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
GEO rating before Closing/Inactive status	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	22	22
Forestry	58	58
Other social services	20	20
Theme Code (as % of total Bank financing)		
Biodiversity	23	23
Environmental policies and institutions	22	22
Law reform	11	11
Participation and civic engagement	22	22
Rural non-farm income generation	22	11

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Pamela Cox	David de Ferranti
Country Director:	Gloria M. Grandolini	Olivier Lafourcade
Sector Manager:	Karin Erika Kemper	John Redwood
Project Team Leader:	Adriana Moreira	Claudia Sobrevila
ICR Team Leader:	Adriana Moreira	
ICR Primary Author:	Suzana Nagele de Campos Abbott	
	Adriana Moreira	
	Gisela Campillo	

F. Results Framework Analysis

Global Environment Objectives (GEO) and Key Indicators(as approved)

The projects global objective is to promote the conservation and sustainable use of biodiversity in Mexico through the consolidation of the National System of Protected Areas (SINAP). Project development objectives are to:

1. Conserve globally important biodiversity in selected areas of SINAP;
2. Promote the economic, social, and environmental sustainability if productive activities in selected protected areas;
3. Promote social co-responsibility for conservation; and
4. Promote the inclusion of biodiversity conservation and sustainable use criteria in development projects and other practices affecting selected PAs.

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications

(a) GEO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	GEO: Trends in the rate of habitat conversion in protected areas included in the Project			
Value (quantitative or Qualitative)	Three out of four original PAs had a significant reduction in habitat conversion from the 80s to the 00s, one PA had an increase in habitat conversion	70% of the PAs had a reduction in habitat conversion from 2002 to 2009, as measured by remote sensing technology. .	N/A	77%of PAs with quantified reductions in habitat conversion
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achieved. Habitat conversion was not monitored for 3 of the 12 PAs included in the Project as they were either marine or desert areas. Of the 9 PAs monitored, 5 had a reduction in habitat conversion, 2 even showed habitat recovery, one showed no significant changes, and one had an increase in habitat conversion.			
Indicator 2 :	Trends in the frequency of observations of indicator species selected for each area			
Value (quantitative or Qualitative)	Indicator species were not being monitored in PAs	The frequency of observation for the majority of indicator species monitored under the Project 12 PAs has either	N/A	78% of the indicator species with increased or constant frequency of observations.

		increased or remained constant.		
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. Frequency of observation for 78% of the indicator species monitored either increased or remained constant. However, frequency decreased for 22% of the monitored species			
Indicator 3 :	PDO1(same as GEO) Trends in the rate of habitat conversion in protected areas included in the Project.			
Value (quantitative or Qualitative)	Three out of four original PAs had a significant reduction in habitat conversion from the 80s to the 00s, one PA had an increase in habitat conversion	70% of the PAs had a reduction in habitat conversion from 2002 to 2009, as measured by remote sensing technology.	N/A	77%of PAs with quantified reductions in habitat conversion
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achieved. Habitat conversion was not monitored for 3 of the 12 PAs included in the Project as they were either marine or desert areas. Of the 9 PAs monitored, 5 had a reduction in habitat conversion, 2 even showed habitat recovery, one showed no significant changes, and one had an increase in habitat conversion.			
Indicator 4 :	Proportion of area under sustainable management from the total area of non-sustainable use increased at least doubled			
Value (quantitative or Qualitative)	4,670 ha in 4 PAs under sustainable management	Proportion at least doubled	N/A	11,022 ha in 12 PAs under sustainable management practices
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. The baseline indicated an 2.30% of the area under sustainable management as a proportion of total, non-forest area of the 12 PAs under sustainable practices. By end of project this area corresponds to 5.21% of the area under sustainable management as a proportion of total, non-forest area of the 12 PAs.			
Indicator 5 :	Proportion of land users applying sustainable practices from the total land users in the PA is at least doubled			
Value (quantitative or Qualitative)	108 land users adopting sustainable use practices	Proportion of land users adopting sustainable practices at least doubled	N/A	4,083 land users adopting sustainable land use practices.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. Original targets were surpassed although the current number of land users adopting sustainable use practices represent 2.86% of the total population of the 12 PAs (142,896 inhabitants)			
Indicator 6 :	At least 80% conservation initiatives are the result of the participatory process promoted by the Project (including design and execution of the initiatives)			
Value (quantitative or	0% participation in the design and execution of	At least 80% of the conservation	N/A	100% of the conservation

Qualitative)	activities in the 12 PAs.	activities proposed for each PA designed with a participatory approach.		activities proposed for each PA designed with a participatory approach.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. Currently all conservation activities for each PA are channeled through Annual Operating Plans, which are designed with the participation of the Advisory Councils for all PAs. Also, Strategic Innovative Projects (PIEs) were defined to channel funds from FANP through CSOs promoting participatory processes in its design and implementation. There has been an "institutional culture change" in this area.			
Indicator 7 :	At least 20% of the funds invested at the PA level by non-environmental agencies are compatible with conservation and/or sustainable use of biodiversity			
Value (quantitative or Qualitative)	Absence of integrated management programs for PAs.	At least 20%	N/A	All funds invested at the PA level are compatible with the Management Programs.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. Currently all investments made by other government agencies (forestry, rural development, social programs) in the PAs have to be in proposed in accordance to the PA Management Programs, these actions are coordinated by CONANP.			
Indicator 8 :	At least 80% of the development initiatives financed by non-environmental agencies have no negative impacts on biodiversity, or include mitigation measures			
Value (quantitative or Qualitative)	Absence of integrated management programs for PAs.	At least 80%	N/A	All development projects at the PA level comply with the Management Programs.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. Currently all investments made by other government agencies (forestry, rural development, social programs) in the PAs have to be in proposed in accordance to the PA Management Programs, these actions are coordinated by CONANP.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Percentage of planned results at the PA level that show at least 80% progress in their indicators			
Value (quantitative or	0% of the PA indicators monitored	Not defined	N/A	100% of PA indicators

Qualitative)				monitored.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	All resources channeled through the Protected Areas Fund (FANP) are monitored through agreed indicators. Progress towards indicators is 88% for the Annual Operating Plans (POA) and 86% for the PIEs			
Indicator 2 :	Percentage of resources for conservation mobilized at the PA level			
Value (quantitative or Qualitative)	MP$12,564,700 invested in 2002 for 4 PAs	Not defined	N/A	MP$164,388,404 invested in 2009 for 12 PAs
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. The resources raised during the project surpassed the original estimates, more specifically in terms of the government budget allocated to CONANP.			
Indicator 3 :	Actual rate of increase in resources per PA, per year			
Value (quantitative or Qualitative)	MP$12,564,700 invested in for 4 PAs	Not defined	N/A	On average, budget increased fourfold for the 12 PAs.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	From 2002 to 2009, CONANP's budget grew by 1,165 %. This resulted in constant increases in CONANP's funding for PAs'. On average, the annual budget for the 12 PAs increased fourfold			
Indicator 4 :	Amount of funds raised for endowments for PAs			
Value (quantitative or Qualitative)	US$39,722,164 in endowment funds	Not defined	N/A	US$75,891,291
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	FANP has been quite successful on its fund raising strategy with a significant increase in the endowment.			
Indicator 5 :	Proportion of PAs where the percentage of the population that knows what a PA is, has increased			
Value (quantitative or Qualitative)	Population in 4 out of 4 PAs know what a PA is	Not defined	N/A	Population in 12 out of 12 PAs know what a PA is
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	The population inside the Protected Areas is aware of its existence, and many communities are directly involved in sustainable use subprojects.			
Indicator 6 :	Number of persons involved in sustainable use projects increased			
Value (quantitative or Qualitative)	577 persons employed by CONANP,1 coordinator, 21 persons employed by FANP in 4 PAs, 4 CSOs managing FANP resources	Not defined	N/A	1,562 persons employed by CONANP, 11 coordinators employed by the Project, 1 CSO that managed FANP

				resources (POA) 11 CSOs implementing Strategic Innovative Projects (PIEs) with FANP resources
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	The indicators of success for this project result have been met and surpassed in all of the PAs of the Project except one, Corredor Biologico Chichinautzin – PN el Tepozteco y Lagunas de Zempoala			
Indicator 7 :	Number of projects successfully implemented			
Value (quantitative or Qualitative)	3 Sustainable Development Initiatives (IDS)	Not defined	N/A	54 IDS and 11 Strategic Innovative Projects (PIEs) implemented
Date achieved	07/02/2002			30/06/2010
Comments (incl. % achievement)	The number of Sustainable Development Initiative implemented surpassed the initial estimates and where co-financed by other governmental programs.			
Indicator 8 :	Number of PAs where traditional sustainable practices are maintained			
Value (quantitative or Qualitative)	4 PAs	Not defined	N/A	12 PAs with traditional sustainable use practices
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	Traditional sustainable use practices have been restored and implemented in all PAs covered by the project.			
Indicator 9 :	At least one participatory forum functioning effectively			
Value (quantitative or Qualitative)	4 Advisory Committees (ACs) functioning in the 4 PAs	At least one additional AC functioning	N/A	12 ACs functioning in the 12 PAs
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	The establishment and operation of Advisory Committees (AC) was implemented in all PAs participating in the project.			
Indicator 10 :	Number of conservation initiatives where local communities participate in the design and/or execution			
Value (quantitative or Qualitative)	0% participation in the design and execution of Annual Operating Plans	Not defined	N/A	All conservation activities designed and implemented with community participation.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% of the conservation activities channeled through Annual Operating Plans are designed with the participation of the Advisory Councils to the PAs. Also, Strategic Innovative Projects (PIEs) were defined to channel funds from FANP			

	through CSOs promoting participatory processes in its design and implementation.			
Indicator 11 :	Number of NGOs, universities research centers and social sectors participating in conservation and management of PAs			
Value (quantitative or Qualitative)	18 universities and research centers, 24 CSOs 2 social sector organizations	Not defined	N/A	88 universities and research centers, 93 CSOs, 85 social sector organizations and 55 other organizations
Date achieved	07/02/2002			06/30//2010
Comments (incl. % achievement)	There has been a significant increase in the number of institutions involved in conservation and management of PAs.			
Indicator 12 :	Number of people attending participatory forums on sustainable use and conservation			
Value (quantitative or Qualitative)	84 people in 4 PAs	168 people in 8 PA s	N/A	252 people participating in meetings in 12 PAs
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. Each Advisory Committee has 21 members and they need 50% of assistance for minimal quorum for holding an official meeting.			
Indicator 13 :	Proportion of Management Program components where stakeholders participate			
Value (quantitative or Qualitative)	85% in 4 PAs	86% in 8 PAs	N/A	On average, stakeholders participate in 87% of the logical frameworks components and 48% in the social strategy.
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. The logic framework for each PA functions as an instrument for stakeholder participation in the management programs, with quantitative indicators and monitoring instruments.			
Indicator 14 :	Number of agreements between stakeholders and CONANP			
Value (quantitative or Qualitative)	0 Sustainable Development Initiatives (IDS)	19 IDS		77 IDS 11 PIE
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	100% achievement. All Sustainable Development Initiatives (IDS) and Strategic Innovative Projects (PIEs) require a signed agreement between CONANP and the stakeholders in order to be implemented.			
Indicator 15 :	Number of PAs with development projects or intersectoral initiatives that incorporate biodiversity-friendly criteria			
Value	4 PAs	8 PAs		12 PAs

(quantitative or Qualitative)				
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	Currently all development projects or intersectoral initiatives to be implemented in the PAs need the technical opinion from CONANP.			
Indicator 16 :	Percentage of annual increase in additional support, in cash or in kind, coming from institutions other than CONANP			
Value (quantitative or Qualitative)	2,265,000 Mexican pesos	Not defined	N/A	55,356,447 Mexican pesos
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	There has been a significant increase on the funds invested in the PAs by other government and non-government agencies. Clearly demonstrating the commitement of GOM on Mexico's Protected Areas System.			
Indicator 17 :	Number of agencies not focused on environment that provide support relevant to the Project			
Value (quantitative or Qualitative)	0	5	N/A	14
Date achieved	07/02/2002			06/30/2010
Comments (incl. % achievement)	The project was successful in promoting the participation of a variety of government and non-government agencies, such as the Secretary of Agriculture (SAGARPA), the forestry agency (CONAFOR), Univertisities, Research Institutes.			

G. Ratings of Project Performance in ISRs

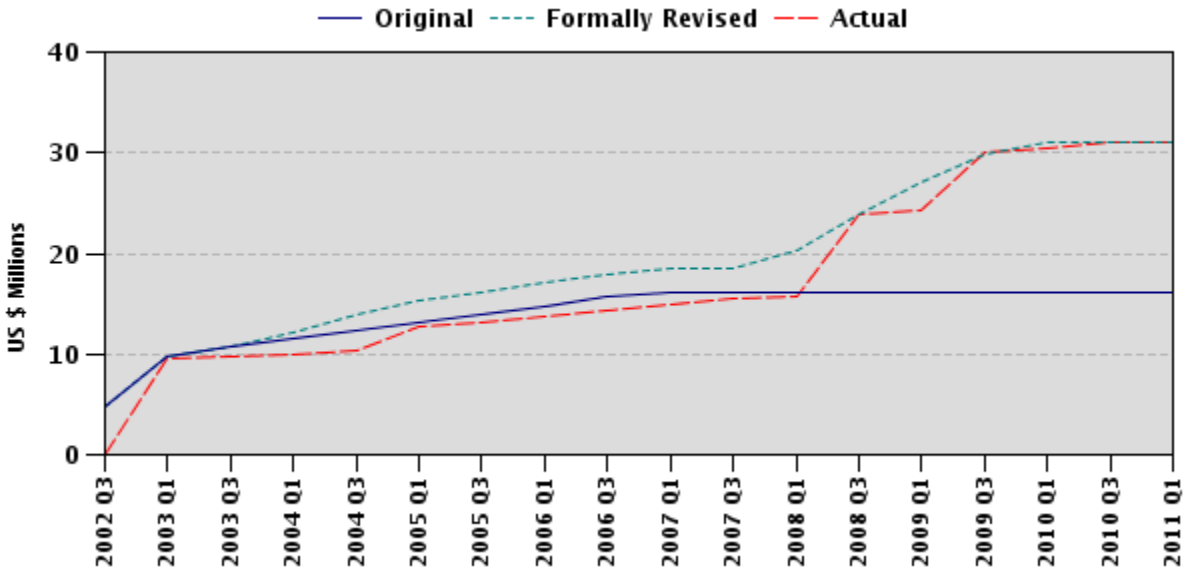
No.	Date ISR Archived	GEO	IP	Actual Disbursements (USD millions)
1	06/17/2002	Satisfactory	Satisfactory	9.55
2	12/11/2002	Satisfactory	Satisfactory	9.81
3	06/06/2003	Satisfactory	Satisfactory	9.83
4	12/11/2003	Satisfactory	Satisfactory	10.00
5	06/18/2004	Satisfactory	Satisfactory	10.34
6	09/16/2004	Satisfactory	Satisfactory	12.77
7	12/17/2004	Satisfactory	Satisfactory	12.79
8	04/19/2005	Satisfactory	Satisfactory	13.18
9	11/18/2005	Satisfactory	Satisfactory	13.85
10	06/04/2006	Satisfactory	Satisfactory	14.50
11	08/10/2006	Satisfactory	Satisfactory	14.81
12	02/13/2007	Satisfactory	Satisfactory	15.48
13	10/12/2007	Satisfactory	Satisfactory	15.63
14	05/21/2008	Satisfactory	Satisfactory	23.79
15	01/21/2009	Satisfactory	Satisfactory	29.86

16	01/20/2010	Satisfactory	Satisfactory	30.93

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



Project Context, Global Environment Objectives and Design

1.1 Context at Appraisal

1. Estimates suggest that Mexico harbors more than 10 percent of the planet's biological diversity. Technical reports indicate that Mexico is the country in the Americas with the highest diversity of ecosystems, and that it is a key center of origin of agricultural crops. Yet, Mexico's high biodiversity had been constantly threatened by deforestation, over-exploitation, uncontrolled tourism, accelerated economic development and arbitrary settlement policies. Mexico has lost more than 95 percent of its humid tropical forests and more than half of its temperate forests, as well as more than half of the original cover of arid areas. In response to threats to its biodiversity, the Government of Mexico (GOM) in the late 1980s developed a strategy for protecting critical habitats that included as a key element the creation of the National System of Protected Natural Areas (SINAP) comprising parks, reserves and monuments, in 1986. SINAP was designed to: (a) preserve natural settings; (b) safeguard genetic diversity; (c) ensure rational utilization of ecosystems; (d) provide areas conducive to scientific research; (e) promote rational and sustained resource utilization and preservation; (f) establish forest zones to protect human activities in mountainous flood zone regions, and

(g) protect cultural heritage. The creation of the National Commission for Protected Areas (CONANP) in June 2000 elevated and strengthened the institutional management of SINAP. At the time of appraisal of the Consolidation of the Protected Areas System Project (the Project or SINAP II) in 2001, Mexico had established 127 Protected Areas (PAs), totaling 17,056,606 hectares, of which 12,949,170 hectares were terrestrial and 4,107,435 hectares were marine areas.

2. In the early 1990s, the GOM and the World Bank began to explore how the Bank could assist in supporting the country's environmental objectives. A US$25 million Global Environment Facility (GEF) grant was approved in 1992 to support the conservation of ten PAs in Mexico under a Natural Protected Areas Project[1]. Following a difficult start to implementation resulting from changes to that project's implementation arrangements and complicated disbursement arrangements, the newly created *Secretaría de Medio Ambiente, Recursos Naturales y Pesca* (Ministry of Environment, Natural Resources and Fisheries, SEMARNAP) that had become responsible for implementation and the Bank decided to restructure the project. A detailed analysis of the project carried out by a prominent Non-Governmental Organization (NGO), followed by an extensive consultation process that involved different groups with experience in PA management, recommended that the then remaining funds under the grant (US$16.48 million) be transferred to an endowment fund that would be established and managed by a private organization to ensure long-term support to the ten priority PAs, as well as slowly build the planning and spending capacity of the personnel at the PAs. The *Consejo Nacional de Áreas Naturales Protegidas* (National Council for Natural Protected Areas, CNANP), an advisory body created by SEMARNAP, composed of members of all sectors of society (social, private, academic, NGOs) and considered the highest advising authority on PAs, recommended that the PA endowment be entrusted to the *Fondo Mexicano para la Conservación de la Naturaleza* (Mexican Nature Conservation Fund, FMCN), an established organization with experience in managing environmental funds that was then supporting 380 conservation projects in Mexico. The restructuring of the Natural Protected Areas Project resulted in the creation of the *Fondo para Áreas Naturales Protegidas* (Protected Areas Fund, FANP) within FMCN, along with several organizational, institutional and operational changes that were designed to improve PA management.

3. The restructured Natural Protected Areas Project (the SINAP I Project or SINAP I) began implementation in 1998 and soon became a model project. A GEF study on environmental funds throughout the world identified the FMCN and the newly created FANP as model funds; an independent evaluation of the project confirmed this finding. Both identified the mixed public-partnership structure as a key aspect of its success. There were other positive developments at the time. The

[1] Mexico Natural Protected Areas (GEF) Project, Project ID P052209, approved on June 4, 1997.

public funds channeled by the GOM to the PA system had increased 15-fold from 1994 to 2000. Also, within the conservation community, FMCN had almost doubled its endowment, and had assumed the leadership of the Network on Environmental Funds of Latin America and the Caribbean. NGOs in conservation in Mexico had succeeded in recognizing the establishment of private natural lands, developing local fundraising mechanisms, designing regional approaches to conservation and innovating through new community group based conservation schemes. More importantly, support for PAs had not only survived a change in Administration---the new Administration had embraced the protection of the SINAP as a national priority. The Implementation Completion Report for the SINAP I Project rated its outcome as Highly Satisfactory, its Sustainability as Highly Likely and its Institutional Development Impact as High, and reported: "This was an extraordinarily successful project, achieving not only the specific objectives elaborated in the project design, but also having positive impacts throughout the entire system of protected areas management in Mexico"[2].

4. With SINAP established, the GOM identified as a priority the consolidation of the system through full coverage of PAs with competent personnel and minimal infrastructure, the development of fundraising mechanisms, the implementation of innovative conservation mechanisms, a communication strategy to different sectors in society, adaptive management, and the development of local capacity and co-responsibility in communities and state government in the conservation of PAs. Continued GEF support, through a follow-on project, was seen as essential for sustaining and expanding these efforts.

5. The Consolidation of the Protected Areas System Project (the Project, or SINAP II) was prepared and technically cleared for GEF Work Program entry in November 2000 as an eight-year project with a US$31.1 million contribution from the GEF to support 12 PAs under the Endowment Fund. However, in view of the severe funding constraints faced by GEF at the time, a phased approach was agreed whereby the US$16.1 allocation initially authorized by GEF to support four new PAs would be processed, and the remaining funding for 8 additional PAs would be included incrementally thereafter. The Project Appraisal Document (PAD) presented the financing costs and plan for the initial tranche covering four PAs and those for the total project costs upon release of all subsequent tranches for the eight additional PAs. It also detailed the process to be followed to secure approval of supplemental financing in subsequent tranches[3].

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[2] Implementation Completion Report, Mexico Protected Areas Program: Proposed Restructuring Project, Report No. 27191 dated October 30, 2003.

[3] In essence it was agreed to follow what for Bank lending would be an Adaptable Program Loan, with streamlined procedures for Bank Board approval of any capitalizations beyond the first tranche, within the overall framework of the Project approved for the first operation, and subject to compliance with agreed triggers.

1.2 Original Global Environment Objectives (GEO) and Key Indicators

6. The Project's global objective was to promote the conservation and sustainable use of biodiversity in Mexico through the consolidation of the National System of Protected Areas (SINAP). Project Development Objectives (PDOs) were to: (a) Conserve globally important biodiversity in selected areas of SINAP; (b) Promote the economic, social, and environmental sustainability of productive activities in selected PAs; (c) Promote social co-responsibility for conservation; and (d) Promote the inclusion of biodiversity conservation and sustainable use criteria in development projects and other practices affecting selected PAs.

7. The Key Indicators to measure progress towards the Project's global objective and PDOs were as follows[4]:

Global Objective: Consolidate the conservation and sustainable use of biodiversity in Mexico's natural protected areas

- Trends in the rate of habitat conversion in protected areas included in the Project
- Trends in the frequency of observations of indicator species selected for each area

PDO 1: Conserve globally important biodiversity in selected areas of the National System of Protected Natural Areas (SINAP)

- No significant decrease in selected indicator species
- Zero habitat conversion in core area (or equivalent)
- Gradual decrease in rate of habitat conversion in each area

PDO 2: Promote the economic, social, and environmental sustainability of productive activities in selected PAs

- Proportion of area under sustainable management from the total area of non-sustainable use increased at least doubled
- Proportion of land users applying sustainable practices from the total land users in the PA is at least doubled

PDO 3: Promote social co-responsibility for conservation

- At least 80% of conservation initiatives are the result of the participatory process promoted by the Project (including design and execution of the initiatives)

[4] The PDOs and Indicators were transcribed exactly as they appear in the PAD.

PDO 4: Promote the inclusion of biodiversity conservation and sustainable use criteria in development projects and other practices affecting the selected protected areas

- At least 20% of the funds invested at the PA level by non-environmental agencies is compatible with conservation and/or sustainable use of biodiversity
- At least 80% of the development initiatives financed by non-environmental agencies have no negative impacts on biodiversity, or include mitigation measures

1.3 Revised GEO (*as approved by original approving authority*) and Key Indicators, and reasons/justification

8. The GEO and Key Indicators were not revised.

1.4 Main Beneficiaries

9. The main project beneficiaries were expected to be the population living in the PAs included under SINAP II and surrounding zones. Most of these were small agricultural producers in their own or community land, or persons engaged in cattle rearing, fishing or forestry. The use of natural resources was considered important for direct consumption, medical purposes, or handicrafts production. Productivity was seen as low and commercialization inefficient and not sustainable. Most communities were considered marginalized and lived in extreme poverty. The Project aimed to benefit this population by promoting sustainable alternatives for better use of their resources combining conservation with poverty reduction efforts, ensuring that this population shared the benefits of PA conservation.

10. Several of the PAs supported by SINAP II were to benefit indigenous groups that in some cases comprised an important proportion of the population in the PAs and buffer zones. In some of the PAs, indigenous groups represented over 50 percent of the target population. These indigenous groups were seen as having an important role to play in conservation since they maintained a close dependence on natural resources and owned many of the lands in the PAs. A summary of the population, including indigenous groups, which were to benefit from the Project, is presented in Annex 12.

1.5 Original Components (*as approved*)

11. The Project, through its four phases, comprised four components described below.

Component 1: Expansion of the Fund for Natural Protected Areas

(Total US$21.2 million, GEF US$10.6 million)[5]

12. This component was designed to support the capitalization of the FANP. GEF funds deposited in the endowment fund were to be matched on a 1:1 basis, in accordance with rules that were described in the PAD. Detailed procedures to manage the endowment fund were spelled out in the PAD and in an Operational Manual. For the first phase US$9.4 million was to be deposited in the endowment fund. The investment income of the fund would support basic conservation operating costs of four new priority PAs not covered in SINAP I: (a) Tehuacán-Cuicatlán; (b) Alto Golfo y Delta del Rio Colorado; (c) Cuatrociénegas, and (d) Corredor Chichinautzin-Zempoala (Annex 9). It also was to finance incremental FANP administrative expenses. Through additional GEF support in future phases, the FANP endowment fund was to be further expanded to generate investment income for eight additional new PAs. An up-front four-step process for selection of the four initial PAs and the eight subsequent ones was interactive, including academic groups, NGOs and official agencies in addition to CONANP, and applied eight selection criteria: (a) type, dimension and immediacy of threats; (b) number and type of ecosystems; (c) species richness; (d) endemism; (e) socioeconomic availability for a conservation project; (f) services and environmental functions; (g) at risk species concentration; and (h) eco-region representativity. A reserve of US$1.9 million was set aside for the start-up costs of the 12 reserves in their first year of operation, while the endowment fund accrued interest.

13. This component also aimed to support the optimal operation of the endowment fund, and included support for a fund-raising program involving the GOM, the FMCN, and alliances with other national and international NGOs. The targeted groups of fund-raising activities were to include major government/private firms, as well as foundations. The fund-raising program was to be carried out jointly by FMCN and CONANP; GEF would contribute US$1.2 million, and FMCN and CONANP together a matching amount.

14. The PAD described the process that was to be followed to further capitalize the FANP endowment to cover eight additional PAs, including: (a) streamlined procedures for processing additional tranches of financing required to meet the goal of capitalizing the remaining eight PAs; (b) cost estimates and underlying assumptions and criteria; (c) financial projections for the investment income from the expanded FANP; (d) the fund-raising strategy proposed to further expand the endowment funds, and (e) investment guidelines to be adopted for FANP management. Streamlined procedures for the funding requests to further expand the endowment would be considered on the basis of a template that contained the

[5] The total project costs and GEF contribution for each component in this Section refer to the first phase of the Project, as approved in 2002. A breakdown of allocations, total and by GEF, for all phases is described in Section 1.7 and in Annex 1

following: (a) reserve-specific logical framework with PA-specific indicators that followed the general structure of the log-frame set out for the entire Project in the PAD; (b) evidence of matching contributions to the endowment—every dollar of non-GEF funding would trigger a dollar of GEF funding, and since US$1.875 million were considered necessary as match to endow one PA, future GEF disbursements would consider increments of PA endowment units; (c) adequate social assessments for the entering PA(s), as well as appropriate design of remedial actions, as needed; (d) adequate evaluation of indigenous peoples' issues and appropriate design of Indigenous Peoples' Development Plans (IPDPs), as needed, and (e) endowment contributions by SEMARNAT to FANP, in order to cover taxes during project implementation. Compliance of the requested additional funding with the Bank's applicable safeguard and fiduciary policies would be ensured by applying the procedures described in the PAD (particularly in the annexes on procurement, disbursement, and environmental analysis), and through implementation of the IPDPs included in the request for additional GEF support.

Component 2: Protected Area Conservation Programs
(Total US$13.87 million, income from GEF)

15. This component was designed to finance the implementation of management activities at PA level. Eligible basic conservation activities in the Project's four initial PAs would be supported through a mix of FANP-generated income, fiscal funds and other sources of financing. Detailed information on these four initial PAs, as well as the additional eight that were to be included in subsequent phases was provided in the PAD. Activities that were to be financed at the reserve level by income from the endowment included equipment, materials, supplies, consultants and basic operation costs, and conservation, community and capacity-building activities. The GOM had committed to maintain the basic staff and recurrent costs for all 12 PAs throughout SINAP II's implementation and beyond.

Component 3: System-wide Institutional Strengthening
(Total US$4.10 million, GEF US$0.2 million)

16. This component included three sub-components, as follows. The *Central Coordination Sub-Component* would support activities involving the endowment-supported PAs as a group, including capacity building and technical assistance to the PAs, monitoring and evaluation systems, and social participation in the protected areas program. The *Government Institutional Strengthening Sub-Component* would support CONANP's transition to an effective conservation agency, and the related adoption and execution of strategies for performance, strategic planning, environmental information, marketing, interaction with donor and NGO sectors, information technology and systems, human resources, physical resources, communications, and adaptive management. The *NGOs and CSOs Strengthening Sub-Component* would help establish and consolidate a Mexican Conservation Learning Network (MCLN) for the sharing and adoption of

knowledge on protected areas management, benefitting NGOs and CSOs. All NGOS involved in management activities of the GEF-supported PAs would be eligible to participate, and would receive direct assistance from program staff, access to information and databases, and regular assistance with assessment of organizational development in competencies such as planning, management, leadership, administration, monitoring and evaluation, and finance.

Component 4: Mainstreaming Conservation and Sustainable Use Policies
(Total US$20.95 million, GEF US$5.3 million

17. This component was designed to promote the inclusion of criteria of biodiversity conservation and sustainable use in the development programs and initiatives affecting the selected PAs. Specifically, it aimed to: (a) establish and strengthen legal, normative and operational tools to mainstream biodiversity conservation criteria in sectoral policies and programs (e.g., inter-institutional agreements, technical manuals for civil servants); (b) establish and promote planning tools and mechanisms to promote sustainable development in PAs (e.g., communication and education campaigns, community-level sustainable development plans and micro-regional councils, capacity-building for sustainable development initiatives), and (c) mobilize funding from sources other than CONANP for investments in the conservation and sustainable use of biodiversity in PAs (through, for example, fiscal incentives, establishment of a group of "business leaders for conservation"). It would finance studies and consultancies, salaries of coordinators in the filed, workshops and capacity building courses, publications, audio-visuals, television/radio broadcasts and other communication material, and incremental operating expenses at both the central and PA levels.

1.6 Revised Components

18. The Project's components were not revised (other than the additional financing that was provided as described in Section 1.7 below). There was, however, a reorientation of priorities for GEF funding in 2008. In that year, CONANP secured GOM funding for an additional 911 staff, of which 152 represented staff that were assigned to SINAP I and II PAs (Section 3.5 b). This resulted in freeing thwo thirds of the FANP fund allocated to PAs. Following discussions between CONANP, FMCN, CTFANP and the Bank, it was agreed that the funds previously financing staff costs at the PA level could be used to finance Strategic Innovation Projects (PIEs) aimed at strengthening the long-term management of the PAs by supporting innovative strategies managed by NGOs and local community groups, through a selective process that would ensure alignment with PA priorities.

1.7 Other significant changes

19. As described in Sections 1.1 and 1.5, the Project was financed in four phases. Financing for the first phase, as described in the PAD, was approved on February 7, 2002. In accordance with the procedures described in the PAD, three additional phases were later approved as supplemental grants to further capitalize the endowment of the protected areas fund FANP, as detailed in Table 1 below:

Table 1: Supplemental Grants under the Consolidation of the Protected Areas System (SINAP II) Project

Phase	Amount US$ million	Approval Date	Protected Areas	Bank Report No. and Date
2nd	2.21	July 29th. 2004	**5. Sierra de Álamos-Río Cuchujaqui**	27702-MX dated January 24, 2004
3rd	7.35	June 28th, 2007	**6. La Encrucijada** **7. El Pinacate y Gran Desierto del Altar** **8. Sierra La Laguna** **9. Banco Chinchoro**	39783-MX dated June 8, 2007
4th	5.44	November 4th, 2008	**10. La Sepultura** **11. El Ocote** **12. Mapimí**	45771-MX dated October 10, 2008

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

20. Project preparation benefited from the previously successful experience under SINAP I, incorporating lessons of experience during its implementation that had been identified under an Independent Evaluation of that project carried out in 2000, its Mid-Term Review in November 2000, the Implementation Completion Report of the Mexico Environmental Project, dated February 8, 1999, and the GEF Secretariat's Evaluation Report No. 1-99, *Experience with Conservation Trust Funds.* These included several lessons aimed at improving design through institutional and financing adjustments aimed at consolidating and improving the SINAP's social strategies in PAs and consensus towards conservation and sustainable use of natural resources. Lessons also pointed to the importance of defining clear, tangible and quantifiable objectives and indicators, and monitoring according to program-wide indicators in order to track progress. Another lesson previously identified relating to funding for natural disaster was addressed through the establishment of an Emergency Fund that totaled up to 10 percent of the full disbursement to the FANP PAs that could be accessed by any participating PA if needed.

21. The Project's institutional arrangements, with minor procedural adjustments, were to follow those of SINAP I that had proven to be successful. Building on the successful public-private partnership that existed, those arrangements included

participatory processes involving government, NGOs, CSOs, the private sector and stakeholders. FMCN had established transparent and reliable procedures that provided a sense of confidence to potential donors that was essential to continued resource mobilization efforts. The FANP would continue to be managed conservatively by the FMCN's Board Investment Committee composed of bankers and financial experts. Management of FANP's operational aspects would continue to count on the programmatic and technical recommendations made by the Technical Committee for the Natural Protected Areas Fund (CTFANP), the advisory board made up of seven members of key government, private sector and CSOs, ensuring representation of key groups in management of the FANP. Selection of the PAs to be included under the SINAP II followed a participatory process involving representatives of NGOs, government, academia and social organizations.

22. There were several features of the Project's design that contributed directly to its timely implementation and success. The design of the GEF lending instrument was responsive to constraints faced with respect to GEF funding at the start. The model that was adopted of processing a first phase to support 4 PAs then followed by additional phases and PAs as and when constraints were eased and conditions on the incorporation of additional PAs were met (including funds mobilization) proved to be highly effective. GEF financing under subsequent phases was to be allocated to the endowment fund only, while all financing for institutional strengthening activities under Components 3 and 4 was provided in the first phase. As a result, all 12 SINAP II PAs were able to benefit from these activities from the start of the Project.

23. The design of the FANP endowment also had several very positive features. First, the high standards (1:1) to leverage GEF funding provided strong incentives for private and public fundraising. Also, the design of the fundraising strategy offered greater flexibility towards mobilizing additional funding for FANP. While GEF endowment funds (under all phases) would be directed to cover basic conservation in 12 PAs, matching funds from private foundations could be used to cover basic conservation or other complementary activities in a group of 34 PAs, including those under SINAP I and SINAP II and 12 others identified according to the same process and criteria as those under SINAP II. Finally, in addition to the US$22.5 million that GEF was to contribute to the FANP endowment over the Project's four phases, SINAP II's design provided for an additional US$1.9 million in 2002, to get a running start in the first four PAs even before the FANP endowment began producing interest and payouts. This avoided initial delays that could have otherwise affected project implementation in these PAs.

2.2 Implementation

24. The Project was signed on February 13, 2002 with a SDR 12.8 million Grant. Subsequent phases that capitalized the FANP endowment for additional PAs were approved as detailed in Section 1.7. SINAP II was completed on June 30, 2010,

after a successful implementation. The Project was rated Satisfactory for Implementation Progress and Development Objectives throughout its implementation. Several factors influenced this solid progress, as described below.

25. The Government maintained and even reinforced its commitment to the Project throughout implementation. Its commitment of US$8.5 million to FANP is a reflection of its commitment to SINAP, and to the existing framework in place to pursue its conservation objectives through a successful public-private partnership. The GOM's additional funding of 911 full-time civil service positions in CONANP from 2008 onwards (of which 152 were supported by FANP), not only increased the level of funding available at the level of individual PAs but served as a strong indication of the priority it attaches to the SINANP. Government funding for basic operations have increased over time, covering the vast majority of the PA's needs (80 percent).

26. The Project's strong institutional framework, and the seamless relationship between its two principle implementing agencies, CONANP and FMCN, coupled with their strong capacity, set a standard for successful implementation. Commitment to the Project by both of these agencies, together with the advisory structure built into the Project's design, particularly the authority held by the Technical Committee for the FANP (CTFANP) that reviews how funds are managed and disbursed ensured regular opportunities to align the FANP with GOM priorities and to ensure high level reviews of SINAP. The fluid relationship among Government officials and the FMCN members, also helped sustain an effective public-private partnership and align priorities. At the PA level, processes that engage PA Directors and Regional Directors, in consultation with local advisory councils and communities, have helped to ensure ongoing alignment with CONANP priorities.

27. Project implementation and supervision was pragmatic and forward-looking, adjusting and adapting in response to an ambitious agenda and emerging realities. When CONANP's institutional capacity was boosted through additional funding and new staff positions, project funding that had been allocated to PA staffing through the POAs became available for other applications. Using the same participatory processes that have come to characterize CONANP and FANP's working strategy, agreement was reached to shift the application of FANP funding from basic PA needs to strengthening the long-term management of the PAs by supporting innovative strategies through Strategic Innovation Grants (PIEs) managed by NGOs and local community groups. Alignment with PA priorities is ensured since PA Directors have a strong voice in ensuring that PA priorities are incorporated within all disbursements from the FANP to NGOs. This was seen as an opportunity to advance needed investments in areas such as monitoring and evaluation, sustainable development initiatives and reforestation while at the same time engage nonprofits in PAs over the longer term and provide an incentive for additional fundraising. Whereas FANP funding was required for

basic PA operation at the start (financing 100 percent of the PAs' budgets), the GOM's increased support, coupled with the successful redirection of FANP funding (now only 20 percent is allocated to PAs for core operations and expenditures) has allowed FANP funding to support strategic priorities and leverage additional funding from CSOs in support of them. The small amount of funding provided to PAs through FANP is still important, especially in view of the flexibility with which these funds can be accessed and disbursed. They have, for example, allowed PAs to use these FANP funds temporarily to avoid funding constraints due to the Government's more bureaucratic approval procedures in the first quarter.

28. Good quality at entry, coupled with a strong capacity of the implementing agencies to manage and address routine fiduciary and safeguard issues, allowed implementation and supervision to focus on the specific project activities and processes that were designed to achieve its objectives. Stability in senior positions within CONANP and in the leadership of FMCN, as well as in the Bank's Task Manager that was responsible for supervision from approval through completion, assured a high level of continuity in implementation and supervision.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

29. The Project's M&E system updated and extended the M&E framework under SINAP I. The M&E framework contains general impact indicators and specific indicators that were to be monitored for each of the PAs under the Project. It also includes output indicators, by Project Component (Annex 2).

30. Both CONANP and FMCN have developed a strong culture of monitoring and evaluation at the broadest level, and have strengthened their institutional capacity and partnerships with other government agencies and experts to compile and analyze information over time, and use it to inform the allocation of staff and resources to contain emerging threats to conservation and to monitor the activities supported by the Project and their impacts.

31. CONANP's Office for Monitoring and Evaluation, established in 2001, counts with 28 full-time staff and reports directly to CONANP's Director. The Project's Component 3, System Wide Institutional Strengthening, provided support to strengthen CONANP's M&E systems. Under the Project, FANP funds have assisted PA Directors in engaging PA staff and local communities in building five-year plans for respective PA Management Programs and corresponding logical frameworks based on standard indicators (which are also the Project's indicators). Within the overall structure of these five-year Management Programs, yearly POAs prepared by all PAs include monitoring line items, many of which are financed by FANP funds. A strong commitment to the use of results frameworks, by PAs, tied to their POAs has led to a culture of using monitoring strategically to guide progress towards accomplishment of objectives in the PAs' Management Programs. CONANP's M&E Office has built a comprehensive

system, the *Sistema de Información, Monitoreo, y Evaluación para la Conservación-SIMEC* (System of Information, Monitoring, and Evaluation of Conservation) record and track progress on standard indicators, by PA, and to ensure that solid scientific data can help drive strategies and projects and support the POAs.

32. CONANP has enhanced its use of Global Information System (GIS) Technology, by which habitat conversion can be identified through satellite imagery of PAs, over time. A GIS lab is part of this infrastructural investment. Biological, geographical and socio-economic data is collected. This, together with the digital images and field observations is being used to monitor habitat conversion rates for each of SINAP's PAs. CONANP has also taken an important step in establishing a system under SIMEC for monitoring indicator species by PA. As a first effort, SIMEC now includes detailed data on indicator species in each of the Project's 12 PAs that includes information on species taxonomy, biology, distribution, habitat and behavior, together with methodology for tracking, and assumptions of current populations. These are PA-specific and compiled by CONANP personnel working in each of the PAs, and resulted in the selection of 56 species that are being monitored by the 12 PAs.

33. FMCN has also worked closely with CONANP to pull together data sources for addressing the effectiveness of PAs, engaging staff, training, and new networks and for providing yearly reports to the Bank.

34. An Independent evaluation of the Project was carried out in 2010, reviewing experience from its earliest phase through completion, and offering several recommendations for the future based on that experience.

2.4 Safeguard and Fiduciary Compliance

35. *Safeguards.* As this was a GEF Project that was expected to be environmentally beneficial by its design, the entire project could be interpreted as an environmental management program. Although it was not expected to have any significant negative impacts on the environment, productive activities and rural development in the buffer zones, in-park infrastructure, and sustainable development initiative promoted through the mainstreaming component could result in low-level impacts. To ensure that any potential impact of these activities was fully mitigated, PA personnel were to be responsible for implementation of the Management Program of the specific PA and the application of the PA Law and its zoning rules. Appropriate impact assessments were to be prepared and reviewed as required by Government legislation, and approved by CONANP and SEMARNAT.

36. While few of the activities in PAs involved significant infrastructure development, those that did played a key role in reviewing environmental impact analyses, and proposals for land use changes. Often, the establishment and management of a

PA in itself accelerated the demand for infrastructure development. CONANP developed an on-line tracking tool for all investments that could result in a change of land use within the PA system. This instrument: (a) provides direction on the process for carrying out environmental impact studies; (b) lists all investments for which environmental impact assessments have not been prepared, and (c) tracks the number of days between posting of the proposed investment and completion of the impact assessment. Several PAs have acquired capacity to evaluate the environmental impact studies that are required for significant infrastructure projects. The process for evaluating environmental impact assessments provides an important opportunity to involve stakeholders in the proposed mitigation measures.

37. As part of preparation, an indigenous people's strategy was prepared to ensure that indigenous communities would participate and benefit from the project. In specific PAs where indigenous populations reside, Indigenous Peoples Development Plans were prepared. Subsequent phases of financing required the preparation of IPDPs (later IPPs) as a condition of approval.

38. In PAs that included indigenous populations, the development of Programs for the Development of Indigenous Communities (PDPI) were developed under the Project. The objective of the PDPIs is to (a) strengthen indigenous institutions; (b) provide support for participation in management of the PA; (c) encourage sustainable development initiatives compatible with native culture, and (d) support indigenous values and traditions. The POAs of the PAs with indigenous populations include details regarding the actions and implementation of the PDPIs, as well as amounts budgeted to carry them out. PA Directors signed Memoranda of Understanding with specific indigenous groups that detailed activities, funding and indicators and procedures for monitoring.

39. Almost 44 percent of the Sustainable Development Initiatives (IDS) financed with Project funds in the 12 PAs were implemented by indigenous groups. CONANP has established close working relations with the Indigenous Development Commission (CDI) that has provided complementary funds in support of the IDS.

40. Clear procurement and financial management procedures were developed for ensuring that funds supporting the PAs were used efficiently and well documented. Funds were disbursed quarterly on the basis of standard reports and receipts documenting the use of previous disbursement before releasing subsequent amounts to the PAs. PA Directors were required to sign off on the expenditure reports to ensure that funds used were aligned with PA priorities. Disbursements were not relased unless prior reports had been shared with PA stakeholders.

2.5 Post-completion Operation/Next Phase

41. A follow-up project is not being considered. The Independent evaluation of SINAP II concludes "this Project is ready to move beyond World Bank

supervision and is being well managed by the two principal partners, FMCN and CONANP." FANP has prepared a Plan for the Future Implementation of SINAP II, as required by the Grant Agreement. This Plan provides for the supervisory role that had been provided by the Bank to be taken over by CTFANP, reporting to the CNANP and the Board of FMCN. Other than this change, activities are expected to continue as at present, within the framework of the 2010 FANP Operational Manual that defines procedures and responsibilities with respect to the 23 PAs under SINAP I and SINAP II.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

42. The Project and its objectives and design continue to maintain extremely high relevance to the Government's, the Bank's and GEF's assistance strategies. The Bank's Country Assistance Strategy for Mexico, 2008 – 2013 mentions the Government's priorities from its National Development Plan that include environmental sustainability, especially to turn the concept of environmental sustainability into a cross-cutting element of public policies and assure that all public and private investments are compatible with environmental protection. As for Bank Strategy, the CAS includes specific goals for the number of hectares of areas under sustainable forest management increase, reforestation, degradation of the natural resource base and increase in Natural Protected Areas. It also mentions leveraging grant resources concentrated in the environment sector, further reducing the overall cost of borrowing. The Project continues to be fully consistent with GEF's Biodiversity focal area and operational policies, as described in the PAD.

43. The same rationale for strong support to the Project's objectives and its design when it was prepared continues to be highly relevant: Mexico harbors more than 10 percent of the planet's biodiversity, and, despite impressive efforts under SINAP I and SINAP II, continued strong efforts aimed at conservation and sustainable use management are needed to contain further losses.

3.2 Achievement of Global Environmental Objectives

44. The Project's achievement of its objectives have been met and, in many cases, exceeded. Like the earlier SINAP I, the Project was extraordinarily successful in meeting its global environmental and specific objectives, both of which have an impact that goes well beyond the specific outcomes achieved for the 12 PAs included under the Project, to impact the whole of the institutional, financial and social structure that supports the Government's SINAP. The Independent evaluation of SINAP II concludes that the Project is being well managed by the

two principal partners, CONCNP and FMCN, and that it is "the best public-private partnership we have seen put into practice".[6]

Global Objective: Consolidate the conservation and sustainable use of biodiversity in Mexico's natural protected areas

45. Mexico has made an impressive commitment to its National System of Protected Areas. SINAP now encompasses 173 federal PAs covering 24.4 million hectares equivalent to over 10 percent of the national territory. It has demonstrated its commitment to its efforts by putting in place and constantly improving an effective and efficient institutional structure to manage its PAs and monitor progress, supported not only through strong budgetary commitments, but also through a successful model of public-private partnerships to mobilize and manage important resources to make the effort sustainable.

46. Under the SINAP I, FANP was capitalized to provide support for basic conservation efforts in ten priority PAs. The Project provided further, phased, capitalization of FANP to support similar efforts in 12 additional PAs that were selected on the basis of a consultative process and according to criteria described in Section 1.3. The 12 PAs selected for inclusion under the Project are presented in Annex 10.[7] The selected sites were of exceptionally high regional and global significance, and representative of Mexico's vast biodiversity and the conservations threats and issues the country faces. These PAs included highly threatened areas; the Project took on some of the more difficult and intractable issues affecting the long-term health of ecosystem services and biodiversity values in Mexico. Progress towards the accomplishment of the Project's Global Objective has been impressive, especially given that these PAs were incorporated under the Project in a phased manner and these are initial outcomes after only a few years in the case of some PAs. Progress towards accomplishment of the Project's Global Objective according to the indicators below is described under the Project's first objective.

- Trends in the rate of habitat conversion in protected areas included in the Project
- Trends in the frequency of observations of indicator species selected for each area

PDO 1: Conserve globally important biodiversity in selected areas of the National System of Protected Natural Areas (SINAP)

[6] Final Independent Evaluation of SINAP II, Paquita Bath and Allen Putney, June 2010.

[7] Two of the twelve PAs originally selected for inclusion in the Project, Pantanos de Centla and Sierra de Huautla, were substituted for El Ocote and Mapimí.

47. This objective was achieved through consistent Government commitment to the SINAP, a remarkable effort by the FMCN in consolidating its reputation both nationally and internationally as the largest private environmental trust fund in the developing world, and through a sustained effort on the part of CONANP, aided by increasingly stronger Government financial commitment, to work in unison with NGOs, CSOs, the private sector, community organizations and academic institutions, to put in place increasingly effective PA management strategies supported by a strong focus on monitoring and evaluation. Together, these factors had a very positive, synergistic effect towards the accomplishment of the Project's first objective.

48. FMCN/FANP. FMCN performed exceptionally well in capitalizing and managing the FANP. GEF deposits to FANP totaled US$22,564.77 under the Project (including its four phases). Matching funds exceeded the ambitious 1:1 ratio that had been established during preparation by more than US$7 million, totaling US$29,746,834 at completion. The FANP endowment now totals US$75,691,291, including GEF deposits and counterpart allocations, coupled with interest. FANP currently generates over US$3.8 million in interest to finance conservation activities in 22 PAs.

49. The funds generated through interest on the FANP endowment have been channeled through NGOs to support the Annual Operating Plans (POAs) of the Project's 12 PAs. With the increased Government support to CONANP starting in 2008, funding has also been channeled directly to NGOs/CSOs for implementation of PIEs in collaboration with the respective PA Directors and staff. The FANP continues to channel funds through NGOs to support the POAs of the 10 PAs included in SINAP I.

50. At the PA level, these funds have supported basic operation costs, basic equipment, basic conservation activities, basic community activities, and basic capacity-building activities included in each PA's POA. While Government funding covered the costs of the PA Director, Sub-Director and two technical staff, FANP funding was often used to finance complementary staff such as social promoters and staff for M&E. PAs were allowed to access funds on the basis of their POAs that set out basic operational priorities, activities and budgets. At completion, all SINAP II PAs had core staff in place, dependable annual budgets, five year plans for Management Programs with associated results frameworks, supported by yearly POAs that set out the strategic directions to enhance conservation efforts.

51. CONANP invested continuously in developing and strengthening M&E, both at the central level and in the PAs through staffing and training, and using increasingly the information to feed into adjustments and the development of ever more effective PA management strategies.

- No significant decrease in selected indicator species

52. Preliminary analysis conducted on the basis of data for 34 monitored species is encouraging. Of those with statistically significant results, eight showed an increase in the species, while only two revealed a decrease. Still, it is interesting to note that the majority of the statistically significant results, by species, were associated with PAs that have been supported by the Project since its first phase, starting in 2002, indicating that sustained efforts to develop and adjust monitoring procedures over time are needed to produce a noticeable impact on the species population. CONANP/FNCM reports that 78 percent of the 34 species that have been under observation for at least two years had an increase in the frequency of observations.

53. More important than these results, which are observed very early after most of the Project's PAs were brought under the Project, is the fact that CONANP/FMCN have adopted a culture of monitoring to guide priorities and programs at the level of individual PAs with respect to indicator species. A Independent evaluation of SINAP II notes that "CONANP, and its academic research partners, systematically monitor species in many PAs, use a variety of scientifically valid methodologies, and are making an effort to connect the survey with feedback for protected area managers. The 2008 report from CONANP/FANP on the biological indicators provides a sense of the huge variety of methods being undertaken and an impressive array of species being tracked. These are all signs of a health M&E system being aligned with efforts to increase management effectiveness".[8]

- Zero habitat conversion in core area (or equivalent)
- Gradual decrease in rate of habitat conversion in each area

54. CONANP has enhanced its use of Global Information System Technology, by which habitat conversion can be identified through satellite imagery of PAs, over time. GIS technology, together with the digital images and field observations has provided encouraging, albeit preliminary, results on habitat conversion rates for the PAs under the Project. An analysis by FMCN and CONANP of trends in the rate of habitat conversion in the Project's PAs, encompassing data from several sources, shows that conversion rates have slowed since the PAs were established, and that deforestation rates are lower inside the PAs than in their immediate surroundings. Further, a study contracted by FMCN and CONANP, *Estimación y Actualización de la Tasa de Transormación del Hábitat de las Áreas Naturales Protegidas SINAP I y SINAP II del FANP,* presented the conversion rates for nine

[8] Final Independent Evaluation of SINAP II, Paquita Bath and Allen Putney, June 2010.

out of the twelve PAs based on the satellite imagery over time, revealing strong progress towards the Project's Global Development and first objectives[9]. Results indicated that for five PAs habitat conversion had slowed during implementation (*Corredor Chichinautzin-Zempoala, Cuatrociénegas, Sierra de Álamos-Rio Cuchujaqui, Sierra La Laguna* and *La Sepultura*), two PAs showed a positive conversion whereby the forested area actually increased (*La Encrucijada* and *El Ocote*), one PA showed positive conversion followed by minimal deforestation (*Mapimî*) and only one PA reported an increase in deforestation (*Tehuacán-Cuicatlán*).

55. Fire damage is one of the biggest indicators of changes in land use, since farmer often resort to setting fires to expand agricultural areas. A large number of PAs have established fire education programs, training, and effective management programs aimed at containing the use of what is a threat to conservation efforts. CONANP has also engaged in efforts aimed at reforestation and revegetation of areas previously affected by fires, agricultural use and extensive grazing, often in coordination with the Mexican National Forestry Commission (CONAFOR). CONANP's 2007-2012 Strategic Plan of 2007-2012 assigns high priority to restoration efforts, particularly along biological corridors.

56. More importantly, however, CONANP and FMCN have developed a strong culture of monitoring and evaluation at the broadest level, and have strengthened their institutional capacity and partnerships with other government agencies and experts to compile and analyze information over time, and use it to inform the allocation of staff and resources to contain emerging threats to habitat conversion. Supported by follow-up at the PA level, CONANP now has land use maps for each PA, over time, showing the specific habitats affected by conversion, the causes of conversion, and the actions being taken to address it.

PDO 2: Promote the economic, social, and environmental sustainability of productive activities in selected PAs

- Proportion of area under sustainable management from the total area of non-sustainable use increased (at least doubled)
- Proportion of land users applying sustainable practices from the total land users in the PA is at least doubled

57. The income generated through the gradual expansion of the FANP endowment described above, together with GOM, NGO and other contributions was used to finance Sustainable Development Initiatives (IDS) managed by CONANP's

[9] Three of the PAs were marine or desert environments where this methodology is not appropriate.

Project Coordination Unit through Project Coordinators located in each of SINAP II's 12 PAs. Funding from GEF for IDS was complemented by CONANP with additional funding from its PROCODES (Conservation for Sustainable Development), PET (Temporary Employment Program) and native corn (*maíz criollo*) programs, and by other federal, state and muncipal agencies. These IDS were activities aimed to support the implementation of the PA management programs, including financing of basic personnel, operational costs, equipment, and conservation activities. The Project's contribution to IDS increased during the last two years of implementation through FANP funding for the PIEs. IDS activities helped establish positive relations with implementing CSOs and local communities, and the long-term prospects of many of the activities supported are considered very positive.

58. In 2002, 4,670 ha in SINAP II's four initial PAs were under sustainable management. This figure has increased to 11,022 ha in 12 PAs supported by the Project in 2010, representing a more than doubling of the area under sustainable management. CONANP/FMCN compiled information on these indicators using information from satellite imagery to establish the non-forest area as a proxy for the total area of non-sustainable use. The targets for these outcome indicators were met or surpassed in all of SINAP II PAs, except one (*Corredor Biologico Chichinautzin – PN el Tepozteco y Lagunas de Zempoala*). Table 2 presents the proportion of area under sustainable management and the proportion of land users applying sustainable practices for the Project's 12 PAs.

Table 2: Area under sustainable management and number of land users that practice sustainable practices under the Project's 10 PAs

Year	Area under sustainable use (ha)*	Non-forest area (ha)*	% of area under sustainable use	Number of land users that practice sustainable practices	% of land users that practice sustainable practices**
2002	4,670.3	202,881.03	2.30	108	0.08
2003	5,775.3	202,881.03	2.85	238	0.17
2004	7,003.3	202,933.03	3.45	771	0.54
2005	7,644.3	206,821.06	3.70	1,111	0.78
2006	9,587.55	206,821.06	4.64	1,768	1.24
2007	10,166.07	209,249.06	4.86	2,576	1.80
2008	10,366.07	209,257.06	4.95	3,287	2.30
2009	11,022.07	211,671.93	5.21	4,083	2.86

* Areas for RB Pinacate y Gran Desierto de Altar and RB Banco Chinchorro are not included because of problems in measuring forest area with satellite imagery

** Population for the 12 PAs totalled 142,896 (2005)

PDO 3: Promote social co-responsibility for conservation

- At least 80% conservation initiatives are the result of the participatory process promoted by the Project (including design and execution of the initiatives)

59. Progress towards this PDO has been met, and exceeded. The IDSs are designed and implemented through participatory processes, in that the CONANP coordination in the PA chose residents of the community or related to the PA to coordinate the conservation strategy. Through a participatory planning process, the members of the IDS identified environmental, social and economic benefits that in addition allowed them to identify alternative sources of financing. Communities with the assistance of the respective PA Director and staff were responsible for both the design and implementation of activities under the IDSs, thereby ensuring social participation in the conservation initiatives. The PAs' five-year Management Programs and corresponding results frameworks, POAs, Annual Reports and productive activities are reviewed by their respective Advisory Councils and/or Sub-Councils at the PA level and by FANP at the national level. Each of these bodies comprises stakeholder groups that are actively involved in all stages of the process, both at the PA and national levels.

60. SINAP II's Independent Evaluation notes "The IDS and PIE projects have provided a whole suite of opportunities to work with local communities and the civil sector, and to formalize co-responsibility for conservation through project agreements. Both the IDS and PIE projects have enabled PA staff to interact on a regular basis with local communities, building confidence and trust, while delivering the conservation message. The evaluators were struck by the capacity of local communities to understand and discuss conservation themes, and to advocate conservation measures. Training and organizational development activities are a regular component of the IDS project and can be part of PIE projects, as well, and these activities have provided tools to communities that allow them to generate the financial resources that allow them to put into practice the conservation concepts that they learn."[10]

61. The selection criteria for PIEs gives priority to those coordinated by local CSOs, and as a consequence these PIEs have worked to strengthen and consolidate the interactions between the PA Directors and their staff, and CSOs, allowing them to create true partnerships, multiplying the number of conservation efforts in PAs and also supporting the development of stronger institutional capacity. The SINAP II Final Assessment concludes, "It is impressive to note the number of

[10] Final Independent Evaluation of SINAP II, Paquita Bath and Allen Putney, June 2010.

international, federal, state and municipal agencies that interact within a given PA. PA Directors have found that harmonization of environmental policies is one of the most effective means for harnessing the resources of other agencies and developing shared agendas. Still, it was pointed out by several individuals at different levels within CONANP that they have only begun to make use of sister agencies to further the PA agenda."

PDO 4: Promote the inclusion of biodiversity conservation and sustainable use criteria in development projects and other practices affecting the selected protected areas

- At least 20% of the funds invested at the PA level by non-environmental agencies is compatible with conservation and/or sustainable use of biodiversity
- At least 80% of the development initiatives financed by non-environmental agencies have no negative impacts on biodiversity, or include mitigation measures

62. This was the least successful of the Project's PDOs in part because the expected results only applied to a relatively small number of investments by non-environmental agencies in only a few of the SINAP II PAs. Still, the indicator's targets were considered met. This PDO was related to PDO 3 in that the activities required for both of these objectives presupposed coordination with other government agencies. The Project's requirement for an environmental impact assessment, along with the design of mitigation measures, also ensured that any infrastructure or other activities under IDS would not have negative impacts on biodiversity. Of SINAP II's 12 PAs, seven assigned priority within their POAs to coordinating environmental policies and agreements with other government agencies. Several of these have successfully mobilized non-environmental agency support for their conservation projects, especially from CONAFOR and CDI.

3.3 Efficiency

63. A formal ex-post economic analysis has not been prepared. Efficiency is rated on the basis of two key indicators: management of the FANP and administrative costs. There have not been additional analyses other than the incremental cost analysis required for GEF projects presented on Annex 4 in the PAD.

64. The FMCN contracts an independent investment manager to manage its portfolio, including the FANP. At the direction of FMCN, the FANP is managed conservatively, following a Board Policy that mandates a conservative, risk-averse investment strategy with 80 percent of the fund in fixed income investments and only 20 percent allocated to equity investments for growth purposes. This strategy supports well the FANP's objectives of providing a stable source of funding for expenditures supporting PAs and ensuring support for FMCN operations with respect to PAs, while ensuring that the real value of the

FANP endowment is maintained above the cost of inflation. This conservative strategy has provided an average pay out of about 6 percent per year from the FANP. Returns had averaged about 8.3 percent per year until the international financial and economic crisis in 2008, when annual returns turned negative for the year. A strong improvement in 2009 (annual returns jumped to 21.7 percent for the year), raised the average annual return to the FANP endowment to the level of 7.44 percent since its establishment. A conservative approach has worked well for both the FANP and the PAs it supports during this period of extreme financial volatility.

65. During implementation of SINAP II, FMCN changed the FANP's independent investment manager. This resulted in a lowering of the FANP's management fees from a previous 1 percent to the current 0.02 percent, which is significantly lower than the average fees paid for managing most conservation trust funds[11].

66. Administrative costs for both FMCN and NGOs/CSOs have also been conservative. The Central Coordination (CC) unit that operates as liaison between FMCN and the relevant sector of CONANP (as well as the individual PAs) in supporting M&E, developing reporting protocols and providing technical assistance to the PAs received 9 percent of the interest from the SINAP II endowment to the FANP for studies, workshops and consultancies that covered more than one protected area, supporting the strengthening of CONANP. FMCN also managed up to 12 percent of the income derived from the earlier SINAP I endowment that was assigned to the CC for technical oversight (reporting, field visits, and general supervision of project funding) of both SINAP I and SINAP II investments. These fees are well within the rates agreed with the Bank under the Projct, and also within the range of administrative rates of most trust funds (10-20 percent of total annual budgets). These fees covered the costs of the project director of the FANP, whose roles include fundraising, coordinating the CTFANP, managing all reports to the parties, supervising the CC, and technically ensuring the effectiveness of the FANP expenditures. The costs of these expenditures under SINAP II annual disbursements averaged about 4 percent from 2002 until 2008, but increased to about 7 percent when the PIEs were introduced and an additional staff position was established to support the process.

67. NGOs/CSOs were also provided with administrative fees to cover the cost of hiring additional staff to work with the PA Directors. From 2002-2008, they received an average 8.2 percent for this. Starting in 2009, when CONANP received increased allocations for staffing, these costs have been reduced dramatically to about 2.2 percent for the year, resulting in an average cost of around 6 percent during the implementation period.

3.4 Justification of Overall Outcome Rating

[11] Final Independent Evaluation of SINAP II, Paquita Bath and Allen Putney, June 2010.

Rating: *Satisfactory*

68. The Project's Overall Outcome Rating is *Satisfactory,* based on its continued very high relevance, coupled with the sustained and successful progress towards its expected development outcomes, and the efficiency with which it was implemented and with which the FMCN was managed, including a successful effort at mobilizing alternative funding and efforts not only the FANP but also for the activities it supports at the local, community level, in support of sustainable conservation in Mexico.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

69. CONANP commissioned a study analyzing the socioeconomic indicators for the PAs included under SINAP II that provides important insights into the impact on different groups, including indigenous and women, according to the type of activity supported by IDS projects.[12] In all, 2.937 persons benefited from IDS in the 12 PAs during six years of implementation. Projects focusing on forestry management, sustainable agriculture, dissemination and education on conservation, ecoturism and water alone benefited more than 2,487 persons (85 percent). Slightly over 37 percent of the beneficiaries of IDS were indigenous, mostly concentrated in three PAs. In all, 36 percent of beneficiaries were women. The activities that benefited women in greater proportion were handicrafts, water collection and conservation and sustainable agriculture. Of these, women were beneficiaries of 96 percent of all IDS focused on handicrafts.

(b) Institutional Change/Strengthening

70. The Project's institutional structure, as well as the consolidation and further development of strong institutional capacity among its implementing agencies throughout implementation, are major factors underlying its success. As a public-private partnership, the SINAP's institutional framework requires and provides for coordination and trust among the different parties, and a solid structure through which to engage other agencies as well as advisory groups with strong representation from the non-profit community, academic institutions, private enterprise, and community organizations. SINAP's institutional framework promotes a strong emphasis on ensuring voice to all involved in assuming responsibility and effective management of the country's PAs.

71. CONANP's and FMCN's institutional capacity were strengthened dramatically during the Project's implementation, in terms of budget, staff, the number of PAs,

[12] CONANP, *Análisis de Indicadores Socioeconómicos-Ambientales en Áreas Protegidas Federales del SINAP II.*

monitoring and evaluation, and the number and variety of sustainable activities it supports. CONANP and FMCN are aligned in their priorities and operations, and resources are effectively deployed to advance the conservation of biodiversity in Mexico in coordination with local communities. The institutional capacity at the local level has also consolidated in the Project's PAs.

72. CONANP, the GOM's implementing agency responsible for the management of all SINAP I and SINAP II PAs, as well as the wider PA system, managed most of the sinking funds[13] in the SINAP II Project. GEF funds supported the creation of the Project Coordinating Unit (PCU) within CONANP and a coordinator was assigned to each of the Project's 12 PAs. The PCU Director reports to the Director of Conservation for Development who also manages PROCODES, PET and Maíz Criollo, allowing for close coordination among these programs, including in the mobilization of funds for the local communities. The PCU has established strong and solid coordination with the CC and several other Directorates of FONANP, as well. Given its increasing workload and staff, CONANP went through a process of regionalization during implementation, whereby it was divided into nine regions across the country. Regional directors supervise the PA Directors.

73. The CC within CONANP has provided effective oversight and coordination with all of the CONANP PAs and central departments. The CC's structure, in which it is paid for and reports to FMCN but is physically located in CONANP, has been effective in maintaining the public-private nature of the FANP. The CC has managed funding transparently, working in coordination with PA Directors to ensure that priorities are addressed. Its location in CONANP has ensured greater levels of coordination, faster communications, and higher level of personal relationships and trust in monitoring and recording activities carried out with FANP funds in the PAs, developing training programs and special projects to address common problems across multiple PAs, reviewing POAs to ensure effective allocation of resources in support of priorities, supporting the PAs in strategic planning using a log frame approach and synthesizing learning from strategic project reviews and partner presentations every year.

74. The PA Coordinators supported all IDS within their PAs, working with other federal, state and municipal agencies to coordinate their inputs into the IDS, thus multiplying the funding available to communities. Together with the CONANP Director, the PA Coordinators have hired and trained social promoters for each of the Project's 12 PAs. These promoters are motivated and have established opportunities for networking, both among themselves as well as with the CONANP Director to ensure that sustainable development programs reach local communities. In 2002, only 56 PAs had dedicated staff paid by the GOM through CONANP. Of the 911 new full time positions created in CONANP in 2008, 152

[13] The sinking funds comprised the income from the endowment fund.

supported work in the PAs, thereby increasing enormously its ability to provide basic support and operations at the PA level. By 2010, COANP had a total of 1,762 staff working in 130 PAs.

75. The Final Evaluation of SINAP II notes with respect to CONANP that "The institutional capacity of CONANP has clearly been improved by the Project. These individuals have developed a substantial knowledge base for effectively working with local communities. In addition, the central function has helped to promote greater use of feasibility studies prior to launching economic development projects and is working to improve marketing efforts once the infrastructure is in place. While these processes could still be improved the evaluators recognize the important role the central unit has played in setting quality standards for consultant selection, building economies of scale for marketing ecotourism efforts, and raising the capacity within CONANP for managing economic development projects."

76. With respect to FMCN/FANP, the Final Evaluation notes "The successful capitalization of the FANP has catapulted FMCN to be the largest, and one of the most respected, environmental trust funds in the developing world." FMCN/FANP have developed a somewhat symbiotic relationship in which FANP's growth has boosted FMCN's reputation and capacity, which in turn has had a tremendous impact on fundraising efforts for the FANP endowment. Its conservative investment management strategy has served SINAP well.

77. At the local, PA level, the Advisory Councils have provided an effective vehicle for working directly with PA stakeholders. The PCU has worked closely with the Advisory Councils, organized training courses, provided facilitators, and promoted learning networks. The IMAC (Mexican Conservation Learning Network) managed by FMCN provided facilitation and best practices support to Advisory Councils, although it has yet to become an established vehicle for learning and exchange among CSOs, as intended. IMAC has made a successful start in some areas such as initiating a fire management learning network (CAMAFU) and supporting training and exchanging of information on the subject.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

78. With the objective to improve knowledge and exchange experiences related to the SINAP project, a PA Learning Community was developed through the FANP. The FANP finances Innovative Strategic Projects (PIE, for its initials in Spanish) that are implemented in close collaboration with the CONANP in the PAs of the Program. This opportunity of cooperation and coordination opens an extraordinary window to create synergies and networks between the Civil Society Organizations (NGOs) and the public sector (CONANP) at the local, regional and national level. Particularly, sharing experiences and lessons learned in the planning, methodology, implementation and other aspects related to environmental issues for the conservation of the PAs. In July 2009, FMCN held

the workshop "Strengthening Alliances for the Conservation of Protected Areas" as part of its first Week for the Interchange of Conservation Knowledge, and one of the conclusions of this event was the importance of establishing a joint work plan for CONANP and the civil society organizations working in FANP's 23 protected areas. As a result, it was decided to initiate the Protected Area Learning Community through a four day workshop in August 2010. The results of the workshop were: (i) share of experiences and lessons learnt from the above mentioned PIEs through presentations of case studies and consequent discussions: (ii) define the mission, vision and objective of the created Protected Area Learning Community (CAAP); (iii) define strategic objectives for each of the strategic areas of learning; (iv) state that the communication strategy for the learning community will be through an online portal and participatory workshops (see Annex 6).

4. Assessment of Risk to Development Outcome

Rating: ***Negligible***

79. The Risk to Development Outcome is considered Negligible. SINAP II built on an already successful program and made an enormous impact on the GOM's capacity to manage the SINAP. A successful public-private partnership, where both the public and private sides are aligned and work together to complement and improve each other's performance, tied with an effective, functioning structure at the PA level that ensures community, civil society and other local involvement in priority-setting and implementation, is established and functioning well.

80. Mexico's commitment to SINAP has been steadfast since the creation of the system. The Government has continuously demonstrated its commitment to SINAP not only through capital contributions to FANP, but also through increased budgetary allocations over the years. More importantly, the Government's commitment has been continuous, now spanning three Presidential administrations.

81. The FMCN/FANP has developed a fantastic reputation both nationally and internationally, and is well endowed and conservatively managed. The flow of project funds from the FANP is likely to be sustained, and even increased, over the longer-term. FMCN/FANP has proven the ability to mobilize large sums of resources in support of conservation efforts. The FMCN now manages the largest conservation trust fund portfolio in the world, valued at $106,105,381 in December 2009. Annual interest from FANP ranges from US$3.7 to US$4.3 million range, ensuring the availability of funding to Mexico's PAs. The effective collaboration among NGOs/CSOs, academic institutions and the private sector more broadly, in collaboration with the local communities themselves have embraced the importance of conservation, and of developing sustainable development activities that offer alternative options that support biodiversity

conservation. At the start of the Project, PAs counted on project funding to meet up to 30 percent of their annual operating budgets. At completion, this figures was reduced to about 8 percent in view of the GOM's increased commitment to SINAP.

82. The Independent evaluation of SINAP II concludes that "The strength of this public-private dialogue and the commitment with which CTFANP, FMCN and CONANP work to ensure solid coordination and alignment is an excellent harbinger for the continued success of FANP funds after Bank supervision ends". Further, it mentions "this project is recognized internationally, and has had a demonstration effect in terms of best practices for environmental funds".

83. Perhaps the greatest threat to biodiversity conservation in Mexico relates to illicit activities that are not being policed by the appropriate authorities due to lack of staff and budget. As the PA staff has no authority in making arrests in these cases, they can only resort to denouncing wrongdoings. This may be an area for priority attention in the future.

5. Assessment of Bank and Borrower Performance

5.1 Bank

(a) Bank Performance in Ensuring Quality at Entry

Rating: *Satisfactory*

84. Bank Performance in Ensuring Quality at Entry is rated *Satisfactory.* The Project was essentially a continuation of the Highly Satisfactory rated SINAP I. However, there were several design factors that worked to make the Project's implementation successful, and contribute to its achieving its development objectives. First, the Bank's team was responsive in proposing a lending instrument that responded to GEF funding constraints while still ensuring that project funding would be made available to finance additional PAs in phases, as and when funding became available, counterpart resources were mobilized, and social assessments concluded. At the same time, project funding for initial work in all 12 SINAP II PAs was made available up front in order to ensure that once additional PAs were incorporated under the Project through staged capitalization of FANP, arrangements for their implementation were advanced. The flexibility that was built into the matching funds requirements, as described in Section 2.1 made for a successful resource mobilization effort in support of SINAP II. Finally, the Project's results framework, which was similar to that used to monitor PA's progress towards their own priority objectives in their five-year plans and POAs, provided a rather simple, but comprehensive framework through which to evaluate progress in implementation.

(b) Quality of Supervision

Rating: *Satisfactory*

85. Bank Quality of Supervision is also rated *Satisfactory.* The Bank provided tremendous continuity in supervision—one Task Manager was responsible for the Project from early implementation through completion. The Bank set high standards for implementation, and consistently maintained a long-term vision with focus on results, building capacity, involving stakeholders and efficient administration. Supervision was also flexible and adaptive to emerging realities. When additional funding became available to CONANP, the Bank supported CONANP in its efforts to provide increasing support to PAs for basic operations, while working closely with all partners to determine how the additional funding could best be used to further the Project's development objectives. The Independent evaluation of SINAP II notes that "World Bank supervision was consistently cited by interviewees for fomenting the long-term capacity of the partners to effectively manage protected areas and work together to leverage results and innovation in the field".

(c) Justification of Rating for Overall Bank Performance
Rating:

86. The Overall Bank Performance is rated *Satisfactory,* based on similar ratings for Ensuring Quality at Entry and Quality of Supervision, and especially for its important, catalytical role in the Project's significant contribution to the consolidation of the SINAP in Mexico.

5.2 Borrower

(a) Government Performance
Rating: *Satisfactory*

87. The GOM's performance is rated *Satisfactory.* It has maintained continuous commitment to the SINAP program since its establishment, across presidential administrations that involved different political parties. During implementation, this commitment was evidenced, not only in the close working relationship with FMCN, but also through a strong financial commitment both to the FANP endowment and to CONANP. The Government's US$8.5 million commitment to the FANP endowment served as a confirmation of the Govenrment's trust in the fund, its management and the programs it supported that has an important demonstrative impact that should greatly facilitate future fund-raising efforts. In addition to the federal government, two state governments—the States of Mexico and Michoacán—also contributed funds to FANP, providing evidence of their commitment to their PAs and trust in FMCN. The increased budgetary funding that the GOM assigned to CONANP for hiring an additional 991 full-time staff, as civil service employees, is further evidence of its commitment to SINAP.

(b) Implementing Agency or Agencies Performance

Rating: *Satisfactory*

88. The Implementing Agencies' Performance (FMCN and CONANP) is rated *Satisfactory.* CONANP demonstrated strong implementation capacity, evolving during implementation in response to increased support in the form of budget and staff, seizing new opportunities that this created, training its new staff, emphasizing a results culture through investments in M&E and corresponding training, and working with the Project's PAs and NGOs/CSOs to foment a culture of partnership for conservation. FMCN/FANP has consolidated it national and international reputatation as a well- and conservatively-managed conservation trust fund, with transparent procedures, that reaches out to build partnerships, support capacity building, provide coordination and advice to public and private partners alike input to national policies. Throughout implementation it remained commited to managing the FANP endowment in full coordination with CONANP priorities, including those of the PA Directors.

(c) Justification of Rating for Overall Borrower Performance
Rating: *Satisfactory*

89. The Overall Borrower Performance is rated Satisfactory, based on similar ratings by the Government and the main implementing agencies, and also based on the dedication, commitment and contribution of all who participated, including the PA Directors, social promoters, NGOs/CSOs who were able to successfully work with and engage beneficiaries in PA communities that contributed to the Project's achievements.

6. Lessons Learned

90. There are numerous lessons learned from this successful project that has become a best-practice example of an environmental trust fund. These include:

91. On project design and the grant instrument:

- The phased approach to incorporating PAs under the grant instrument, with technical support for all PAs provided in the first phase, followed by the incorporation of activities for additional PAs under subsequent phases that were processed in accordance with pre-agreed procedures, was particularly well suited for the SINAP II Project. The provision of technical support up front ensured that once additional phases were approved, their activities were ready for implementation.
- Providing flexibility during implementation to adjust design to emerging realities (in this case the increased Government funding of SINAP) within broad objectives allows opportunties for maximizing project impact. The PIE projects were an example of the flexibility that was provided under the Project.

92. On the Endowment and Institutional Arrangements:

- Public private partnerships can provide an effective, mutually beneficial vehicle that capitalizes on the best that each of the partners have to provide. Private funds are better suited to fundraising, funds management, investment, and ensuring proper application and control. The public involvement ensures coordination with Govenrment priorities, and a visable platform through which public endorsement of the partnership can be provided. In this respect, Government investment in a conservation fund can have a significant impact in terms of signaling strong Government support to the public-private partnership.
- Conservative management of endowment funds, coupled with clear policy mandates, and transparent processes are critical to ensure credibility, which in turn enhances the funds' stature, thereby improving prospects for fund raising.
- Securing endowment counterpart funds could be enhanced by: a) flexibility in allowing for a larger number of PAs to be considered within the match is an important draw for private foundations; b) government agencies are not best suited for raising funds for private endowments but their endorsement is critical; c) a strong advisory body provides an important venue for ensuring ongoing alignment between public and private partners while still recognizing institutional autonomy for the private entity.

93. On Impacts/Outcomes:

- It is possible to measure habitat transformation, but results will likely only be measurable if measured annually, over time. Information on fire management in PAs can provide useful information, especially since fires are one of the major threats to biodiversity.
- More work needs to be done on establishing strategies for measuring species populations.
- Although CONANP has put in place processes for measuring outcomes, it does not have the ability to address threats since this requires strong coordination with other Government agencies that are often understaffed and underfunded.

94. On Protected Area management with social responsibility:

- Protected Area Councils are an important tool for developing the culture of conservation and for stakeholder participation. The success of the Councils tends to depend to a large degree on the interest and inputs of the PA Director. Thus, the training of PA Directors in the establishment and nurturing of PA Councils is a key factor in improving their functioning and output.
- Federal, state, and municipal agencies are perhaps the largest untapped resource for improving the management of PAs through the funding of IDSs, the harmonization of environmental policies, law enforcement, etc., and creative ways need to be found to harness this potential.
- The energy invested in the evaluation of Environmental Impact Assessments (EIAs) not only pays dividends in avoiding environmental impacts and

sustainability issues, but also provides early opportunities to encourage biodiversity offsets.

- The development of zero green house gas PAs provides an opportunity not only to demonstrate how infrastructure and transportation systems can be developed to minimize the emission of green house gases, but could also be used as a means of generating funding for infrastructure and transportation through carbon offsets.

95. On sustainable activities and community relations in PAs:

- "Quality of Life" projects can be effective in offsetting the resource use limitations imposed by protected area status even though such projects may not generate cash income.
- An important the criteria for selecting community subprojects should be the degree to which they fit into regional networks that can provide support services, economies of scale, opportunities for collective marketing, and integration into the local economy. This is especially true of projects related to tourism.
- Though it is too early to gauge the success of the productive subprojects themselves, some quick lessons have been learned with respect to the grant-making process. From that standpoint, these type of projects are most successful when: a) they require counterpart funding from the implementing organization; b) focus on critical management issues; c) well functioning projects are extended over a number of years; and,d) there is strong interaction between the PA management team and the implementing organization.
- Universities can often play a key role in providing technical support for the design, implementation, monitoring, and evaluation of these types of projects.
- Multi-year funding is critical for successful implementation and sustainability of projects. Annually funded government programs might also benefit from multi-year project design.

96. On monitoring of biodiversity and habitat loss indicators:

- CONANP has recruited a core PA staff, developed management programs, undertaken substantial outreach and has engaged with local communities in all PAs visited. This presence and stafftime has been critically important in improving the opportunities for PA biodiversity conservation.
- Habitat transformation data is most useful as a management effectiveness indicator if systematically provided on an annual or biannual basis.
- Systematic fire data can prove remarkably useful for evolving management strategies in forested systems, particularly when agricultural burns are one of the biggest threats to the PA.
- Species population surveys need to be more closely organized with PA Directors to help improve their relevance for PA management strategies.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

97. The National Commission for Natural Protected Areas (CONANP) reviewed the draft ICR and provided comments on December 6, 2010 (see Annex 5). The agency agreed with the report's findings. In addition, the Commission noted that this operation supported the agency in its initial stages and strengthened the institutional capacity, particularly in their strategy for conservation. It also mentions that the Project's Social Strategy was mainstreamead into the Agency's programs and projects. CONANP commends the Bank for the steady support obtained from the Project team and emphasizes the importance of field visits and constant support of Bank staff. The understanding of the dynamics of local communities in Mexico and the technical expertise provided on monitoring of project impacts are described as "invaluable".

98. The Mexican Fund for the Conservation of Nature (FMCN) also reviewed the draft ICR and provided comments on December 3, 2010 (see Annex 5). The agency agreed with the report's findings. The Fund commented that the turnover of task managers diminished in comparison to the previous project (SINAP I), "giving stability and continuity to the implemented actions. Plans were made and followed to allow for improved coordination and increased learning during the supervision missions. Time for response was reduced to a minimum, while professional advice was available at all times." The professionalism and experience of the Bank team was highlithed and the "valuable incorporation of the lessons learned from SINAP I into the implementation of SINAP II, which brought very positive effects", was commended. The opportunity to learn from similar projects from around the world thanks to the Bank and the incorporation of planning, monitoring and evaluation procedures mentored by the Bank that have now become streamlined procedures for the SINAP II and other projects of the FMCN were also mentioned as "highly appreciated". The Bank team was also commended for the "adaptive management", which "unfolded due to rigorous analysis of the problems at hand, exploration of alternatives, respect for a diversity of opinions and consensus building".

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
1. Expansion of the Fund for Natural Protected Areas			
1.1 Endowment Capital	18.80	34.43	183%
1.2 Fundraising	2.40	2.40	100%
2. Protected Areas Conservation Programs			
2.1 Implementation of Management Programs	13.87	23.87	172%
3. System-wide Institutional Strengthening			
3.1Central Coordination	1.93	1.93	100%
3.2 InstitutionalStrengthening	2.17	2.17	100%
4. Mainstreaming Conservation and Sustainable Use Policies	20.95	20.95	100%
Total Project Cost	**60.12**	85.75	142%

(b) Financing

Source of Funds	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower	26.92	35.15	130%
Global Environment Facility (GEF)	16.10	31.10[14]	193%
Bilateral	0.87	0.87	100%
Non-Government Organization (NGO) of Borrowing Country	1.00	3.40	340%
Foreign Private Commercial Sources	15.23	15.23	100%
Total	60.12	85.75	142%

[14] The total GEF allocation includes the initial allocation of USD 16.1 million and the subsequent additional tranches of USD 2.21 million, USD 7.35 million, and USD 5.44 million released.

Annex 2. Outputs by Component

Component 1: Expansion of the Fund for Natural Protected Areas

1.1 The selected protected areas show progress in the results of their Annual Operating Plans

1.2 Resources available at local levels for management of selected PAs are increased

Indicators:

- Percentage of planned results at the PA level that show at least 80% progress in their indicators
- Percentage of resources for conservation mobilized at the PA level
- Actual rate of increase in resources per PA, per year

1. POAs for the PAs were prepared according to a participatory process, using a results framework with baselines and targets that are the basis for bi-annual and annual reporting. For POAs, the CONANP staff ensures that there is a five-year planning framework (the Management Program), at the level of objective and expected results with relevant indicators. The POAs are based on this five-year planning framework, and present the annual activities that are expected to produce each result. The PIEs follow the same planning process. Both processes are described in FANP's Operational Manual. The semi-annual and annual reporting on POAs and PIEs report on the advances during the period in accordance with the established indicators. As a result, 100 percent of the resources from FANP are monitored based on pre-defined and agreed indicators. According to CONANP/FANP's monitoring there was at least 88 percent progress towards the objectives of the POAs and 86 percent progress towards objectives of the PIEs.

2. Total resources from FANP, CONANP and others at local levels for management of the PAs increased substantially from MP$12,564,700 in 2002 to MP$164,388,404 in 2009.

1.3 Capital resources for biodiversity conservation and sustainable use increase

Indicators:

- National: Amount of funds raised for the Project
- Local level: Amount of funds raised for local endowments for PAs

3. FANP was established in 1997 with a GEF contribution of US$16.48 million to support 10 PAs. Since then, FANP's capital has increased 4.6 times to US$75,891,291 through the contributions from 14 donors to support 23 PAs. The matching funds raised for the Project's contribution of US$22.5 million totaled US$29,946,834, exceeding the 1:1 matching requirement by US$7,418,627 two years before completion. With the exception of the GOM's US$7.5 million

contribution, the remaining contributions were targeted to specific PAs. Annex 11 presents a summary of contributions made to FANP throughout implementation of the Project.

4. The annual return on the FMCN capital over the last 11 years is presented below:

Table 3: Investment Return on FMCN Capital

Year	Return on Investment
1997	9.64%
1998	11.84%
1999	8.60%
2000	1.64%
2001	10.20%
2002	7.15%
2003	11.34%
2004	8.25%
2005	7.00%
2006	8.87%
2007	6.37%
2008	-16.33%
2009	22.19%
Average	***7.44%***

FMCN, 2010

Component 2: Protected Area Conservation Programs

2.1 Knowledge on sustainable use in the PAs is increased

Indicator:

- Proportion of PAs where the percentage of the population that knows what a PA is, has increased

5. In order to promote a better understanding of biodiversity and the need for conservation, and to promote participation and disseminate results, one of the conditions for obtaining FANP support to the POAs was the inclusion of activities for communication and promotion, with goals and targets. The specific objective was to increase the percentage of persons in the PAs that know the value of the PAs, as well as the importance of sustainable use. Performance among different PAs varied but overall there was sustained progress towards this objective. Throughout different phases of implementation CONANP/FANP, through the PA

coordinators, supported communication activities and workshops targeted at students in local schools, audiovisual clips on conservation and sustainable use, preparation of materials on the subject, events on environmental education, meetings with the community members living in the PAs and surroundings, celebrating a national conservation week. In 2002-2003, population in the four PAs included in the first phase already know what a PA was. As additional PAs were incorporated, continued efforts resulted in similar results. By completion, population in all 12 PAs knew what PAs were.

2.2 Protected areas, public and private institutions, and social organizations have more personnel trained in planning, design and implementation of sustainable projects

Indicators:

- Number of persons involved in sustainable use projects
- Number of projects successfully implemented
- Number of PAs where traditional sustainable practices are maintained

6. Between 1998 and 2008, FANP resources were channeled in large part to hiring personnel in the PAs through the POAs. Most of these personnel were trained in planning, design and implementation of sustainable projects. With the growth of CONANP's staffing, 52 persons were incorporated as FONANP staff in 2008. CONANP witnessed an enormous increase in its staff from 577 in 2004 to 1,562 in 2010. Under the Project, CONANP hired 11 coordinators trained in implementing sustainable projects in the PAs. The Project was successful in increasing the number of staff trained in sustainable projects.

7. In 2009, FANP started providing direct support to Strategic Innovation Projects (PIEs) implemented by CSOs in the Project's PAs. In 2009, 11 PIE were implemented in 11 PAs, and in 2010 14 PIEs are under implementation in 8 PAs. These PIEs have all achieved, on average, 86 percent of their expected results. Throughout implementation, 60 IDS were implemented in 11 PAs (and in an additional PA not included in the Project, RB Pantanos de Centla). At present, 54 of these IDS are under implementation. Six of them were discontinued due to internal conflicts among the communities, lack of commitment of the communities or delays in transferring resources to them.

Component 3: System-wide Institutional Strengthening

3.1 Opportunities for social participation in conservation and sustainable use and biodiversity are increased

Indicators:

- At least one participatory forum functioning effectively

- Number of conservation initiatives where local communities participate in the design and/or execution
- Number of NGOs, universities, research centers and social sectors participating in conservation and management of the PAs
- Number of people attending participatory forums on sustainable use and conservation

8. The Advisory Committees (AC) of each PA assist and support the staff assigned to the PAs in their conservation and management. The CAs are composed of representatives of different sectors involved in the PA, which provides for social participation in the management of the PA. In accordance with the Reglamento de la Ley General de Equilibrio Ecológico y la Protección al Ambiente (LGEEPA) the ACs are required to hold meetings at least once a year, and prepare minutes recording the agreements reached. Each AC has at least 21 members, and requires a majority as a quorum for its meetings.

9. FANP's support to a POA is conditioned on written evidence of the participation of the respective AC, or alternative participatory mechanism. The reports that document the use of FANP resources in the implementation of PAs must be presented to the ACs or other for a. Written evidence of this presentation is a condition for a subsequent disbursement to the PA. Throughout implementation, FANP's central coordination staff that monitors the POAs must verify that this requirement is met. As a result, at least one participatory forum is functioning effectively in each PA financed by the Project throughout implementation.

10. The participation of CSO, universitites, research centers and social sectors is fundamental to generate information aimed at mobilizing academic and social support that allows channeling efforts, implement and in some cases redirect the conservation strategy of the PA. The involvement of these types of organizations has grown exponentially since 2002, especially among the category of "other" that includes the private sector, which account for 55 in 2009, providing a strong indication of their desire to participate in environmental sustainability activities.

11. The phased entry of new PAs in the Project was paralleled by the increase in the number of new "partners" associated with the PAs. Between 2005 and 2006 when the number of PAs increased from 5 to 8 (60 percent increase), the number of universities and research centers increased from 34 to 53 (55 percent), of CSOs from 34 to 59 (74 percent), of social sectors from 24 to 51 (113 percent) and other institutions from 5 to 22 (340 percent). By 2010, the number of outside institutions participating in conservation and management of the PAs totaled 88 universities and research centers, 93 CSOs, 85 social sector organizations and 55 others.

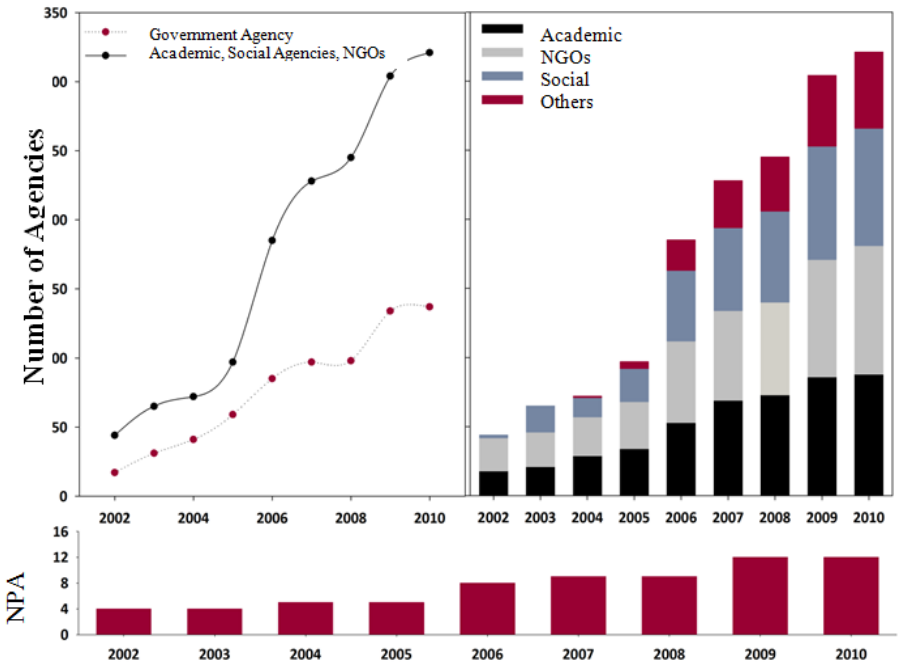

Figure 2: Number of NGOs, Universities, Research centers and social sectors that partopate in PA's management. Upper corner left: Increase in the number of government agencies and NGOs, social and academic institutions/organizations. Upper corner right: Proportion of institutions. Below: Incorporation of PA to the SINAP II Project. Source: CONAMP and FMNC. 2002-2010. Annual Operational Plan of each PA.

3.2 Principles and objectives of conservation and sustainable use of biodiversity are gradually adopted by PA stakeholders

Indicators:

- Proportion of Management Program components where stakeholders participate
- Number of agreements between stakeholders and CONANP
- Number of conservation initiatives where stakeholders participate in the design and/or execution

12. Some of the PA Management Programs are under different stages of implementation. Because of this, the results frameworks of each of the POAs of the Project's PAs were used as input to this indicator. The results frameworks are based on the decree, the Management Programs and other planning instruments. The results frameworks of the PAs involve a five-year planning which permits monitoring the principle results with specific indicators for which targets are to be met in this period. To make progress towards those targets, beneficiary participation is essential.

13. Table 5 presents the proportion of Management Program results frameworks in which the stakeholders such as local communities, ejidatarios, owners and other participate in the implementation and conservation efforts. This information is reported in each PAs' POA twice a year. The results frameworks cover two distinct strategies: one conservation and the other social. The number of results in

the PAs' respective results frameworks varied from 6 in some PAs to 12 in another. On average, stakeholders participated in 87 percent of results, of which 48 percent corresponded to social strategies.

Table 5. Proportion of expected results in the logical framework where users participate.

PA	Expected Results in the PA Logical Framework (LFR)	% of the LFR where the staleholders participate
Alto Golfo de California y Delta del Río Colorado (AG)	6	83%
Tehuacán Cuicatlán (TC)	6	75%
El Pinacate y Gran Desierto de Altar (PI)	7	89%
Selva el Ocote (OC)	7	100%
Corredor Biológico Chichinautzin; Parque Nacional Lagunas de Zempoala y Parque Nacional El Tepozteco (CH)	8	100%
Mapimí (MA)	8	86%
Cuatrociénegas (CC)	9	80%
Sierra La Laguna (SL)	9	89%
La sepultura (SE)	9	83%
Sierra de Álamos -Río Cuchujaqui (SA)	10	86%
La encrucijada (EN)	10	89%
Banco Chinchorro y Parque Nacional Arrecifes de Xcalak (BC)	12	88%

Component 4: Mainstreaming Conservation and Sustainable Use Policies

4.1 Legal bases have been established between agencies strengthening the inclusion of criteria in sectoral policies

Indicators:

- Number of legal bases for intersectoral coordination, signed and under operation
- Five inter-institutional agreements to implement sectorial programs at the PA level

14. Thorugh a study called "Development and Inclusion of Environmental Criteria and Components in the sectorial programs of Sagarpa, SRA, Sedesol, SCT y SSA" opportunities to incluence in the operationg rules of the 5 mentioned secretaries were identified. Part of the conclusions of that study pointed out that, due to the obligation of the the Rules of Operation of federal programs to execute the resources in a deentralized way, it was recommended to concrete the contributions thourgh local agreements. In thet sense, the largest confluence of resources in the Sustainable development Initiatives was reached at the Protected Area Levek, as they obtained support from secteratries like Sagarpa and Sedesol and from state and municipal entities. The amount of the contribution represented 4.2% of the total investment.

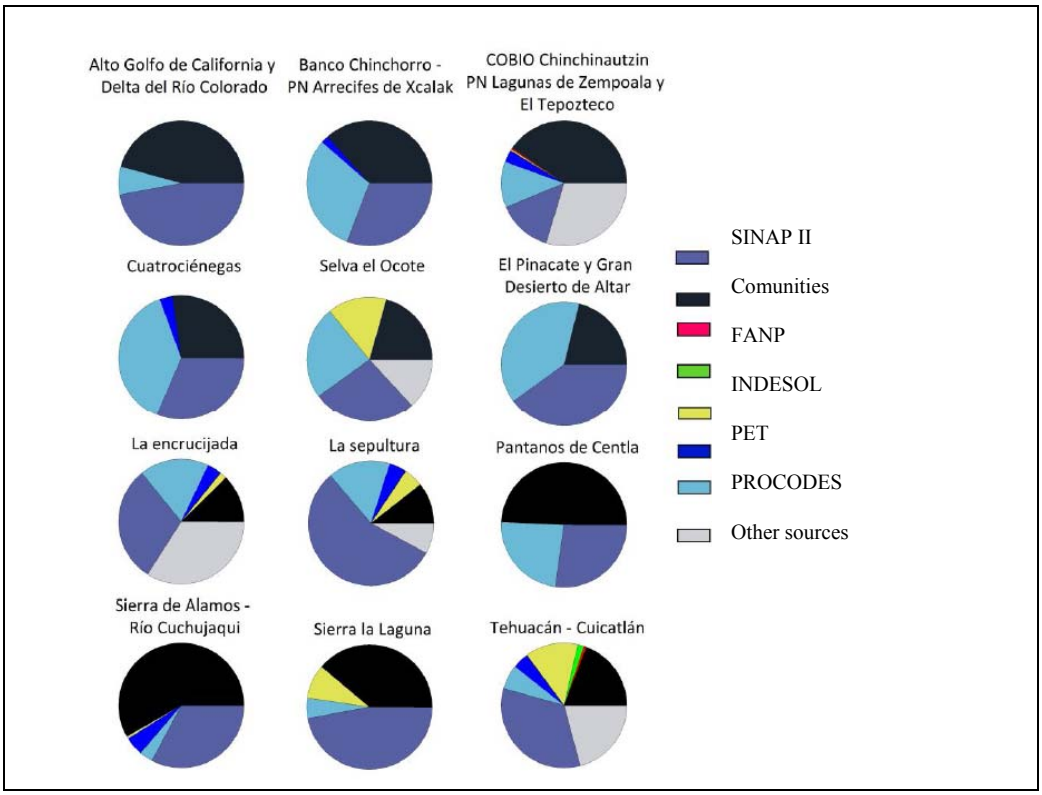

Figure 3: Financing Sources in each of the NPA in the SINAP II. Note: * the communities contributed mainly in species. ** tax resources refer to "non-environmental"resources that come mainly from federal, state or municipal funds.

15. Additionally a Project Articulation of Synergy Strategues and concurrence for the Conservation and the Sustainable development was carried out and derived in an agreement with the FIRCO (The trusteeship of shared risk), a promoting agency dependen ton the SAGARPA, in which framework 13 projects of & NPA were presented. The agreemtent between CONANP and FIRCO was signed in July 2005.

4.2 Planning mechanisms for increasing sustainable development in PAs have been established

Indicator:

- Number of PAs with development projects or intersectorial initiatives that incorporate biodiversity-friendly criteria

16. In the 12 PAs, the development projects or the intersectorial initiatives include compatible criteria with biodiversity. Regarding investments coordinated and managed mainly by other entities, by law they present environmental impact statements in the corresponding varieties, and those, in order to be authorized require the clearance of the field personnel from the CONANP, including recommendations towards the conservation of biodiversity in the NPA.

4.3 Financing from institutions other than CONANP directed toward conservation and sustainable use in the protected areas is increased

Indicators:

- Percentage of annual increase in additional support, in cash or in kind, coming from institutions other than CONANP.
- Number of agencies not focused on environment that provide support relevant to the Project

17. During the instrmentation of the Project the investments from other institutions others tan CONANP at the beginning of the Project represented 50% of the investment, not taking into account the contribution of SINAP II. In 2008, a year before the conclusion of the project's investment, this percentage reached 68%, the decrease in 2009 is explained by the reduction in investment in the last execution period.

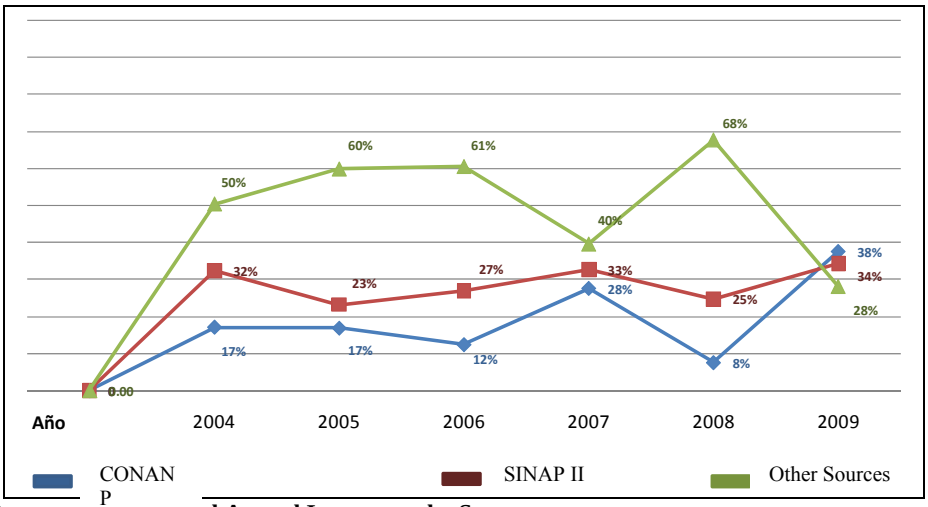

Figure 4: Percentage of Annual Investment by Source.

18. The contributions of agencies non-directly related to the conservation of biodiversity represented approximately 4% of the channeled investments to the sustainable development initiatives. Those contributions were made by CDI, Indesol y and the state and municiapl governments' mainly Nevertheless it is important to mention that the investmens from other sources different tan the Project, including the commnties, represented 54.7%.

Table 6: Total amount and percentage of the different financing sources for each NPA.

	Monto Total Financiado	SINAP II	Comunidad	FANP	INDESOL	Fiscales	PET	PROCODES	Otros
APFF COBIO Chichinautzin, PN Lagunas de Zempoala y el Tepozteco	$24,593,341.34	14%	40%	0%	0%	0%	3%	12%	30%
RB Tehuacán Cuicatlán	$7,840,579.75	34%	19%	1%	2%	14%	4%	6%	21%
RB La Encrucijada	$7,347,684.30	30%	12%	0%	0%	2%	4%	18%	34%
RB Pantanos de Centla	$5,700,408.00	27%	49%	0%	0%	0%	0%	23%	0%
RB Sierra la Laguna	$4,825,044.19	47%	39%	0%	0%	9%	0%	5%	0%
RB Selva el Ocote	$4,531,256.38	27%	21%	0%	0%	15%	0%	24%	13%
RB Banco Chinchorro y PN Arrecifes de Xcalak	$4,195,252.00	31%	37%	0%	0%	0%	2%	31%	0%
RB La Sepultura	$3,791,667.31	56%	11%	0%	0%	5%	4%	16%	8%
RB Alto Golfo de California y Delta del Río Colorado	$2,332,816.75	47%	46%	0%	0%	0%	0%	7%	0%
APFF Cuatrociénegas	$1,685,475.80	31%	27%	0%	0%	0%	3%	38%	0%
APFF Sierra de Álamos y Río Cuchujaqui	$1,582,748.00	33%	58%	0%	0%	1%	5%	3%	0%
RB El Pinacate y Gran Desierto de Altar	$500,000.00	40%	21%	0%	0%	0%	0%	39%	0%
Total	**$68,926,273.82**	27.7%	32.6%	0.2%	0.2%	3.8%	2.6%	15.0%	17.9%

Annex 3. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Claudia Sobrevila	Senior Biodiversty Specialist	LCR	TTL
Raffaello Cervigni	Senior Natural Resource Economist	LCR	TTL (up to appraisal)
Ricardo Hernandez	Environment Specialist	LCC1C	Safeguards
Jorge Franco	Social Specialist	LCC1C	Safeguards
Maria Elena Castro Munoz	Senior Social Specialist	LCR	Safeguards
Musa Asad	Financial Analyst	LCR	Trust Fund Specialist
Victor Ordonez	Financial Management Specialist	LCC1C	Financial Management
Teresa Roncal	Procurement Analyst	LCR	Cost Tables
Karen Ravenelle	Language Team Assistant	LCR	Team Assistant
Liliana Vendeuvre	Language Team Assistant	LCR	Team Assistant
Supervision/ICR			
Adriana Moreira	Senior Environmental Specialist	LCSEN	Task Team Leader
Keiko Ashida Tao	Operations Analyst	LCSEN	Operations Analyst
Cecilia Maria Balchun	Consultant	CTRDM	Financial Management
Maria E. Castro-Munoz	Senior Social Scientist	LCSSO	Safeguards Specialist
Gloria DeHaven	Senior Program Assistant	LCSAR	Team Assistant
Christine Drew Dragisic	Junior Professional Associate	LCSDE	Technical Support
Dmitri Gourfinkel	Financial Management Analyst	LCSFM	Financial Management
Ricardo Hernandez Murillo	Senior Environmental Specialist	LCSEN	Safeguard Specialist
Efraim Jimenez	Consultant	CSFDR	Procurement
Karina M. Kashiwamoto	Language Program Assistant	LCC1C	Team Assistant
Victor Ordonez	Consultant	EASHD	Procurement
Monique Pelloux Patron	Program Assistant	LCSDE	Team Assistant
Gabriel Penaloza	Procurement Analyst	LCSPT	Procurement
Felix Prieto Arbelaez	Senior Procurement Specialist	LCSPT	Procurement
Juan Carlos Serrano-Machorro	Financial Management Specialis	LCSFM	Financial Management
Guadalupe Romero Silva	Consultant	LCSEN	Technical Support
Gisela Campillo	Junior Professional Officer	LCC1C	Technical Support
Damaris Garay	Program Assistant	LCC1C	Technical Support

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY00	20.52	110.990
FY01	18.27	109.150
FY02	17.34	102.070
Sub-Total	56.13	322.210
Supervision/ICR		
FY03	12.26	47.516
FY04	26.87	80.615
FY05	22.11	72.358
FY06	19.80	99.452
FY07	16.46	77.307
FY08	15.46	74.267
FY09	10.30	37.179
FY10	18.37	73.508
FY11	6.87	27.500
Sub-Total	148.50	589.702
Total:	204.63	911.912

Annex 4. Stakeholder Workshop Report and Results

The workshop was held from August 310th to September 2nd 2010 in Mexico City. The development of the workshop and the main results are described as follows:

Workshop objectives:
The objective of the workshop was to share those lessons and design the Learning Community of the PA (CAAP, for its initials in Spanish). This CAAP is conformed by the Protected Areas Management Areas (23) and all the NGOs that work with FANP (23). In this first participatory workshop the stakeholders worked together to: 1) define the strategic framework of the CAAP (mission, vision, general and specific objective, key thematic areas to work at), 2) establish communication mechanisms and 3) assign responsible persons to follow up on each defined strategic line of action.

Participants:
Representatives from 23 civil society organizations presented advances and lessons learned from projects in progress. An average of 50 people attended the workshop every day. They included representatives from national, regional and local CONANP offices. FMCN participated with representatives from its Forests, Marine and Coastal, Leadership and Protected Areas programs.

Contents and Results of the Workshop:

1. *PIE Presentations*

The first day and a half was used to present PIE projects divided into groups of three by theme or region, followed by question and answer sessions. The following organizations presented their projects during this session:

Project	Organization
Invasive species control and prevention strategy in the Maderas del Carmen and Cañon de Santa Elena Biological Corridor.	Protección a la Fauna Mexicana A.C.
Eradication of exotic mammals in the Banco Chinchorro Biosphere Reserve Phase 1: Formulating a Strategic Plan	Grupo de Ecología y Conservación de Islas, A.C.
Monitoring key species in the Ajos-Bavispe and Cuenca del Río San Pedro protected areas.	Naturalia A.C.
Habitat conservation and reintroduction of the peninsular berrendo in the El Vizcaíno Biosphere Reserve.	Espacios Naturales y Desarrollo Sustentable A.C.
Restoration and monitoring of marine birds in the Asunción and San Roque islands of the El Vizcaíno Biosphere Reserve.	Grupo de Ecología y Conservación de Islas, A.C.
Foundations for fishing ordinances and improved inspection and monitoring in the San Ignacio lagoon of the El Vizcaíno Biosphere Reserve, Baja California Sur.	Pronatura México A.C.

Legal instruments and cooperation agreements: Establishment of a co-management structure with private landowners in the protected area Sierra de Álamo-Río Cuchujaqui.	Pronatura México A.C.
Forming community and strengthening participation in the Encrucijada Reserve: An environmental education and communication campaign.	Pronatura Sur A.C.
Operating a cultural center for conservation and implementing an environmental education program in the El Pinacate and Gran Desierto de Altar Reserves.	Espacios Naturales y Desarrollo Sustentable A.C.
Conservation and recuperation of productive coffee landscapes with the implementation of Conservation Coffee Best Practices and the diversification of production in the coffee zone of the Selva El Ocote Biosphere Reserve.	Aires del Cambio
Participatory effort for restoration and sustainable management in REBISO.	Pronatura Sur A.C.-Ecosur-Dermac
Development of a compensation mechanism for hydrological environmental services in Cerro Grande.	Consejo Civil Mexicano para la Silvicultura Sostenible A.C.
Active participation of the population in the recuperation of biodiversity with emphasis on non-wood species with nutritional, medicinal or artistic importance in the mixtec region of Oaxaca.	Agencia de Desarrollo Rural Yuku Kuixi A.C.
Wildlife monitoring network.	Conservación Biológica y Desarrollo Social A.C.
Strengthening the Community Environmental Monitoring Network in the Cañada de Oaxaca region.	Consejo de los Recursos Naturales de la Región Cañada de Oaxaca, A. C.
Monitoring and conserving sea turtles in the Ría Lagartos Biosphere Reserve and its areas of influence.	Pronatura Península de Yucatán A.C.
Conservation of the Caribbean pink flamingo population (Phonicopterus ruber) in the Ría Lagartos Biosphere Reserve.	Niños y Crías A.C.
Implementation and monitoring of artificial refuges: Phase 2 of the Lobster CHAKAY fair and sustainable trade program in the Banco Chinchorro and Sian Ka´an reserves.	Colectividad Razonatura A.C
Strengthening the Cuatrociénegas Flora and Fauna protected area's conservation and monitoring of wetlands and grasslands.	Protección de la Fauna Mexicana A.C.
Environmental education strategies to reduce hydrological overexploitation, over grazing and contamination from inadequate disposal of solid waste in the protected area Cuatrociénegas and its areas of influence.	Pronatura Noreste A.C.
Spaces for public dialogue for addressing social-environmental problems in Cuatrociénegas.	Acción Cultural Madre Tierra A.C.

Forest fire prevention through Geographic Information Systems in the Sian Ka'an Biosphere Reserve and its areas of influence.	Amigos de Sian Ka'an A.C.
Protection and restoration of natural resources in the Mapimi Biosphere Reserve.	Pronatura Noreste
Skills development training for the sustainable management of the Mariposa Monarca Biosphere Reserve.	Alternare A.C.

2. Design of the Protected Area Learning Community (CA-AP)

Definition of the Learning Community

Working through a network is a process in which two or more organizations or individuals collaborate to reach common goals. Learning communities are a type of network that seeks to advance knowledge about a specific region or theme. Learning communities are distinguished from networks in that they specifically seek to establish long-term learning processes that advance and strengthen innovation, capacity development, practices, and links between actors involved in distinct areas. Participants at the workshop defined that the objective that unites them is to strengthen the capacities of the members to improve performance in protected areas through the interchange of experiences and lessons learned, CA-AP can best be thought of as a learning community. They proceeded to define the mission, vision, objective and specific objectives of the CA-AP. They divided into groups according to specific objectives of their interest and defined an action plan for each specific objective. The central coordination will prioritize the activities of each plan to fund them in the next three years with FANP funds and counterpart sources.

Mission
The Protected Area Learning Community (CA-AP) is a group willing to share knowledge, experience and methods for the benefit of the conservation and sustainable management of the ecosystems and biodiversity of protected areas.

Vision
CA-AP is an inclusive and highly participatory group of learning leaders that shares experiences and generates alliances that promote new conservation and sustainable management strategies for protected areas.

Objective
Strengthen the capacity of the members of the Protected Areas Learning Community to improve performance in the protected areas through the interchange of experience and knowledge.

Specific Objectives by Strategic Area

1. Comprehensive Management of Natural Resources Writing facilitator: Angélica Jiménez of Fundación MABIO AC and Natalie Rodríguez of CONANP.
    - Share practices and experiences related to the management of natural resources in order to promote innovate strategies.

2. Social Participation and Communication Writing facilitator: Gelacio Morga of Consejo de Recursos Naturales de la Región Cañada de Oaxaca, A. C.
    - Strengthen the capacity of the Protected Area Learning Community to ensure the participation of distinct actors impacting the ecosystems and their biodiversity.

3. Environmental Legislation and Policy Writing facilitator: Israel Amezcua of Pronatura Sur A.C. and Angel Omar Ortíz of CONANP.
    - Share experiences and proposals relating to public policy and application of the law for management and conservation in the protected areas and their areas of influence.

4. Strategic Planning – Monitoring - Evaluation (Management Effectiveness) Writing facilitator: Alberto Lafón of Profauna A.C. and Rocío Esquivel of CONANP.
    - Utilize an information, follow-up and evaluation system that permits members to learn about, systematize and spread activities and advances relevant to protected areas.

Next Steps:

It was decided that the communication strategy would be based on an online portal and participatory workshops.
The next steps are to define the punctual issues to solve (e.g. invading species, management effectiveness, conflict resolution etc,) as well as the subtopics, the scope of the online portal and the conceptual community image.

Annex 5. Summary of Borrower's ICR and/or Comments on Draft ICR

The following letter was received from CONANP and signed by René Macías Romo, General Director for Development Conservancy on December 8, 2010.

COMISION NACIONAL DE AREAS NATURALES PROTEGIDAS

DIRECCIÓN GENERAL DE CONSERVACIÓN PARA EL DESARROLLO

OFICIO NO. F00/DGCD/ 00739

Ciudad de México, D.F. a, 06 DIC 2010

"2010, Año de la Patria. Bicentenario del Inicio de la Independencia y Centenario del Inicio de la Revolución".

DRA. GLORIA GRANDOLINI
Directora para México Colombia
Banco Mundial
P r e s e n t e

Me refiero al Proyecto de Consolidación del Sistema de Áreas Protegidas, Sinap II, el cual fue parcialmente financiado por la donación GEF 50311. Sobre el particular me permito hacer los siguientes comentarios relativos a la ejecución del mismo y el desempeño del personal del Banco Mundial.

El proyecto, desde su inicio significó para la Comisión Nacional de Áreas Naturales Protegidas, un valioso apoyo en la construcción de las capacidades para el manejo de las 12 áreas naturales que participaron en él.

Al inicio del proyecto, año 2002, esta Comisión acumulaba dos años de experiencia en la instrumentación de lo que entonces se llamaba Programa de Desarrollo Regional Sustentable (Proders) hoy Programa de Conservación para del Desarrollo Sostenible. La estrategia social del Sinap II contribuyó, desde ese momento, a fortalecer la experiencia acumulada y construir lo que ahora es nuestra estrategia de conservación para el desarrollo.

Además de la estrategia social, el aporte recibido de nuestro socio en el proyecto, el Fondo para Áreas Naturales Protegidas del Fondo Mexicano para la Conservación de la Naturaleza, contribuyó a consolidar los esfuerzos realizados en cada ANP en materia de planeación, desarrollando en los equipos una visión estratégica de las inversiones por hacer en horizontes de cinco años.

Del equipo del Banco Mundial, liderado en principio por la Dra. Claudia Sobrevila y después por la Dra. Adriana Moreira, recibimos apoyo constante en lo referente al manejo del proyecto; los buenos resultados de éste se deben en gran medida a la presencia constante y profesional de la Dra. Adriana Moreira, de su experiencia en los temas de conservación de la biodiversidad, nos vimos beneficiados ampliamente durante las visitas que hacía a las ANP durante sus misiones de supervisión.

Otro aporte invaluable fue la asesoría que recibimos de la Especialista en Aspectos Sociales, María Elena Castro; su amplio conocimiento de la dinámica de las comunidades de México y la clara concepción sobre la relación que existe entre aspectos económicos, sociales y ambientales, nos ofrecieron un apoyo integral en la construcción de la relación de nuestro personal en campo con las comunidades que habitan las regiones en las que trabajamos.

En lo referente a los aspectos financieros y de procedimientos agradecemos también el apoyo de los especialistas encargados, Dmitri Gourfink el y Juan Carlos Serrano-Machorro.

Sin otro particular, aprovecho la ocasión para enviarle un cordial saludo.

A t e n t a m e n t e

ING. RENÉ MACÍAS ROMO
Director General de Conservación para el Desarrollo.

Camino al Ajusco, No. 200 Piso 2 Ala Norte, Col. Jardines en la Montaña, Tlalpan México, D.F., C.P. 14210, Tel.: 5449700 ext. 17184 y 17053

The following letter was received from The *Fondo Mexicano para La Conservacíon de La Naturaleza A.C.*- FMCN (Mexican Fund for Nature Conservation) and signed by Lorenzo Rosenzweig, Executive Director of FMCN on December 6, 2010.

FONDO MEXICANO
PARA LA
CONSERVACIÓN
DE LA NATURALEZA, A.C.
Institución Privada.

Mexico City, December 3rd, 2010

Dr. Gloria Grandolini
Torre Mural. Insurgentes Sur no. 1605 piso 24
Col. San José Insurgentes
México, D.F., C.P. 03900
Teléfono: 54-80-42-00
Fax: 54-80-42-22

Ref: Beneficiary comments on the World Bank for the Implementation Completion Report of SINAP 2

Dear Dr. Grandolini:

It is with great pleasure that the Mexican Fund for the Conservation of Nature (FMCN) summarizes our comments on the performance of the World Bank during the implementation of the Consolidation for Protected Areas System Project (SINAP 2). With satisfaction the FMCN witnessed how the World Bank addressed all our recommendations expressed at the conclusion of the first grant financed by the Global Environment Facility (GEF) in Mexico, the Protected Areas Program or SINAP 1. In SINAP 2 the turnover of task managers diminished giving stability and continuity to the implemented actions. Plans were made and followed to allow for improved coordination and increased learning during the supervision missions. Time for response was reduced to a minimum, while professional advice was available at all times. Clearly, these improvements benefitted the project significantly.

We want to emphasize our admiration for the professionalism, knowledge and support displayed at all times by the two task managers that lead the project, Dr. Claudia Sobrevila and Dr. Adriana Moreira. They are recognized as world experts in World Bank projects on biodiversity. Their experience on environmental funds in different parts of the world, particularly in Latin America, is astonishing. Their commitment, knowledge on internal procedures of GEF and the World Bank, as well as excellent diplomatic skills, were factors that made the success of the project possible. A project that entails a public-private partnership with international funds and an ambitious match form additional donors requires a clear vision, sensitivity and experience to navigate with success. Dr. Sobrevila and Dr. Moreira drew from the World Bank experienced staff in the different topics. We are particularly grateful for the advice and constant support from the specialist on social issues, María Elena Castro. She helped us design a rigorous yet practical approach to ensure the correct application and monitor the advances on the impact of the project on the often complex social issues. Her relationship with the communities in the field taught us how to question and improve sustainable projects.

Oficina central:
Calle Damas #49
Col. San José Insurgentes
CP 03900 México DF.
Tel y Fax: (52 + 55) 5611 9779

Oficina Xalapa:
Calle Jericó #26
Col. Badillo
CP 91190 Xalapa, Veracruz
Tel y Fax: (52 + 228) 813 6058 al 60
www.fmcn.org

The professional performance of the supervision team, always composed by all participating institutions, were always well received by the communities and local organizations. Adaptive management unfolded due to rigorous analysis of the problems at hand, exploration of alternatives, respect for a diversity of opinions, and consensus building. The planning, reporting and monitoring, where mentoring by the World Bank was very important, have now become streamlined procedures that the FMCN applies to SINAP 2 and all other projects. Taking into account that the FMCN finances close to a hundred projects per year, the impact of the World Bank in SINAP 2 clearly transcends the project boundaries. The advice by the World Bank was also not limited to the project. Fruitful exchanges with similar projects in other parts of the world resulted in great partnerships and mutual learning, as well as a great help to leverage funds for conservation. These experiences make conservation activities more efficient and successful. The new environmental challenges that the world faces today require commitment, sharing knowledge, experimenting, transparent monitoring and reporting, constant and respectful communication, and innovative thinking. The World Bank helped us in all these aspects and therefore thank you.

Sincerely,

Lorenzo Rosenzweig
Executive Director

Oficina central:
Calle Damas #49
Col. San José Insurgentes
CP 03900 México DF.
Tel y Fax: (52 + 55) 5611 9779

Oficina Xalapa:
Calle Jericó #26
Col. Badillo
CP 91190 Xalapa, Veracruz
Tel y Fax: (52 + 228) 813 6058 al 60
www.fmcn.org

Annex 6. List of Supporting Documents

CONANP, *Análisis de Indicadores Socioeconómicos-Ambientales en Áreas Protegidas Federales del SINAP II.*

Final Independent Evaluation of SINAP II, Paquita Bath and Allen Putney, June 2010.

CONANP y FMCN, 2009. *Reporte Anual del Sistema de Monitoreo y Evaluación del Fondo para Áreas Naturales Protegidas*

SINAP II Implementation Status and Results Reports and supervision mission Aide Memoires.

Project Appraisal Document, Consolidation of the Protected Areas System Project (GEF), Report No. 23359-ME, January 10, 2002.

Supplemental Global Environment Facility (GEF) Grant Document, Consolidation of the Protected Areas System Project, Report No. 27702-ME, January 29, 2004.

Supplemental Grant Document, Consolidation of the Protected Areas System (SINAP II) Project, Report No. 39783-MX, June 8, 2007

Supplemental Grant Document, Consolidation of the Protected Areas System (SINAP II) Project, Report No. 45771-MX dated October 10, 2008.

Implementation Completion Report, Frotected Areas Program: Proposed Restructuring Project, Report No. 27191, October 30, 2003

Fondo Mexicano Para la Conservación de la Naturaleza, A.C., *Resumen Ejecutivo del Plan Estratégico 2007-2012.*

Annex 7. Biodiversity and habitat monitoring

Tabel 1: Number of indicator species monitored and results of frequency of observation

Especies bajo monitoreo		***N***
Totals		56
Species for which data does not allow calculation of Pearson Index *		22
Species with data analyzed by Pearson correlation		34
Species showing significant results:	**Totals**	10/34
	Increased	8
	Unchanged	0
	Decreased	2
Sspecies with significant results + insignificant results:**	**Totals**	45/56
	Increased or no change	23
	Unchanged	12
	Decreased	10
PAs with indicator species that showed frequency of observation data with significant results		
RB La Encrucijada		3
RB Alto Golfo de California y Delta del Río Colorado		2
RB Tehuacán – Cuicatlán		2
APFF Cuatrociénegas		1
APFF COBIO Chichinautzin		1
RB El Pinacate y Gran Desierto del Altar		1

* No data (N = 7), not possible to monitor due to type of measure (presence/absence N = 6), only one year of monitoring (N=2), only two years of monitoring (N=7).
** All of the species monitored excluding those with no data (N=7), with only one year monitoring (N=2) or with units that could not be calculated (N=2, do not include observations)
Source: CONANP y FMCN, 2009. *Reporte Anual del Sistema de Monitoreo y Evaluación del Fondo para Áreas Naturales Protegidas.*

5. Taking into consideration the correlations that were not statistically significant and including the indicator species that were monitored for only at least two years, it can be concluded that the frequency of observation for 78 percent of the indicator species monitored either increased or stayed the same in the PAs, while 22 percent of the monitored species declined. Although the results are preliminary, and require a review to ensure that the methodology is consistent, as well as a need for greater knowledge of the species monitored, it is possible to conclude that the majority of the species populations monitored in the PAs under SINAP II either increased or were maintained.

Table 2: Species for which frequency of observation showed a statistically significant correlation over time

Class	Common Name	Scientific Name	Tendency*	Pearson Correlation Index♣	value p°	N (years monitored)
Birds	Guacamaya verde	*Ara militaris mexicana*	**I**	0.91	0.001	9
	Palmoteador de Yuma	*Rallus longirostris yumanensis*	**I**	0.55	0.079	11
Invertebrates	Macro invertebrados	Multiple species	**I**	0.89	0.042	5
Mammals	Jaguar	*Panthera onca*	**I**	0.79	0.020	8
	Sonoran pronghorn	*Antilocapra americana sonoriense*	**I**	0.96	0.036	4

Fish	Curvina golfina	*Cynoscion othonopterus*	**D**	-0.59	0.054	11
	Mexcalpique	*Girardinicthys multiradiatus*	**I**	0.64	0.089	8
Plants	Palma real	*Dioon caputoi*	**I**	0.80	0.017	8
Reptiles	Tortuga de bisagra	*Terrapene coahuila*	**D**	-0.76	0.027	8
	Cocodrilo de río	*Crocodylus acutus*	**I**	0.75	0.012	10

*I= Increased, D = Decreased; Used values with a significant p = $p^s \geq 0.1$, * could not calculate the values of p^s.

♣ The values of the Pearson correlation index were interpreted as follows: values from -1 a -0.25 as tendencies of decrease, values from -0.25 a 0.25 as tendencies that revealed no change and values from 0.25 to 1 as tendencies of increase.

Source: CONANP y FMCN, 2009. *Reporte Anual del Sistema de Monitoreo y Evaluación del Fondo para Áreas Naturales Protegidas.*

6. The graphs below show examples of species in each of the groups (mammals, birds, reptiles, amphibians, fish, invertebrates and plants) for which frequency of observation was monitored under the Project, and which incorporated the most robust data and with the greatest continuity of monitoring. Some examples of possible success, such as the case of the river crocodile (*Crocodylus acutus*) of the RB La Encrucijada, the *palma real* (*Dioon caputoi*) of the RB Tehuacán – Cuicatlán, the *mexcalpique* (*Girardinichtys multiradiatus*) of the APFF Chichinautzin and the Sonoran pronghorn (*Antilocapra americana sonorensis*) in the RB El Pinacate. It also shows that species such as the *palmoteador de Yuma* (*Rallus longirostris yumanensis*) for which the population apparently increased and has been since maintained for over seven years. These tables also show that there may have been a decrease in populations of some species such as the *ajolote* (*Ambystoma zempoalensis*) of the APFF Chichinautzin and the *caracol de Churince* (*Mexipyrgus churinceanus*) in the APFF Cuatrociénegas.

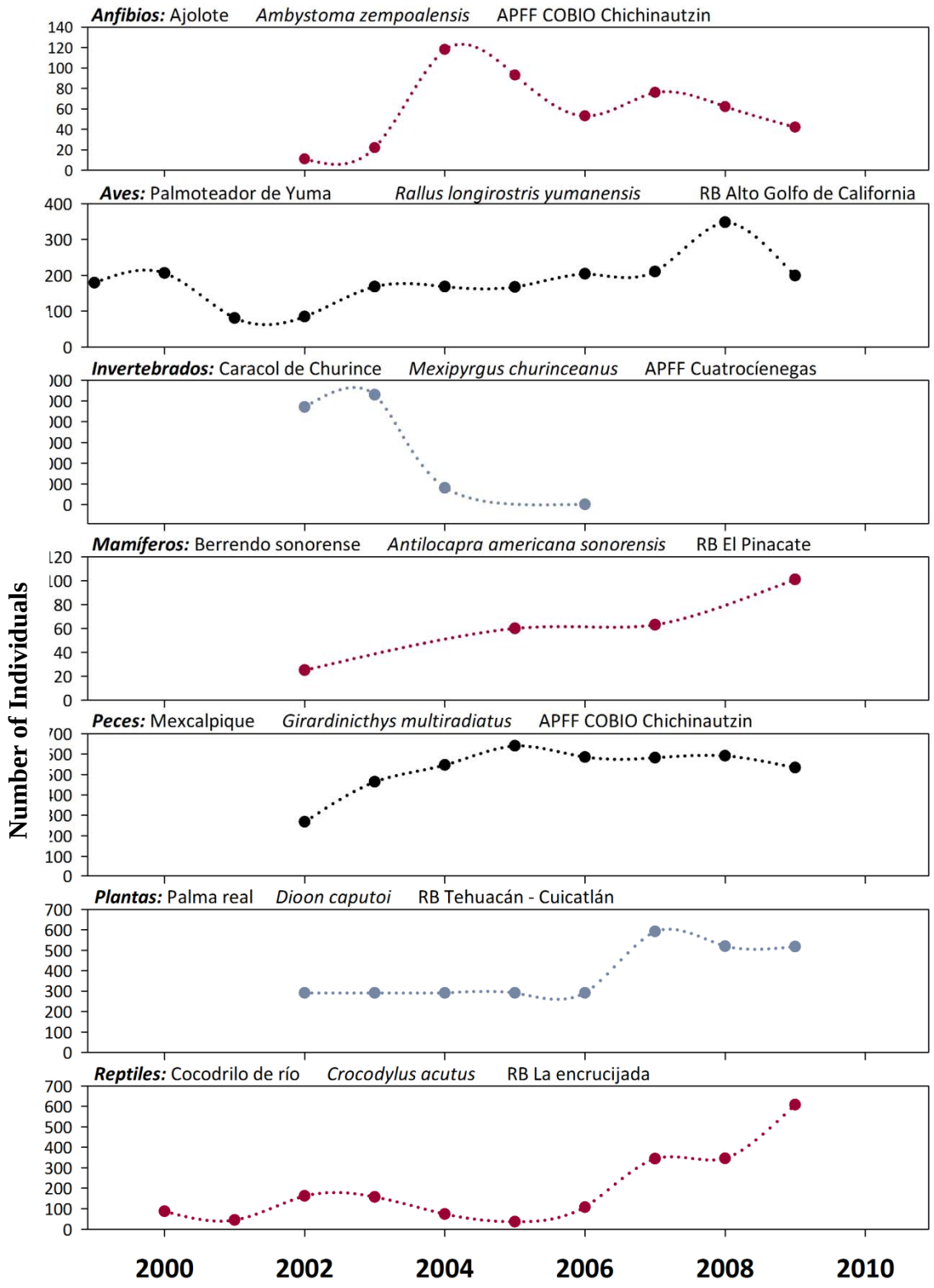

Figure 4:Frequency of observation of some indicator species in different PAs under SINAP II.
Source: CONANP y FMCN, 2009. ***Reporte Anual del Sistema de Monitoreo y Evaluación del Fondo para Áreas Naturales Protegidas.***

1. Natural habitat loss over time was calculated for each protected area as annual transformation rate. Results were obtained using satellite images and ground truthing conducted by CONANP technical personnel. The table below summarizes the annual transformation rate for the 12 Protected Areas covered by SINAP II.

Table 3: Annual transformation rate and natural habitat area lost in the PAs under SINAP II

PA	Time Periods* *				
Alto Golfo y Delta del Río Colorado*			**NA**		
Chichinautzin - PN el Tepozteco - Lagunas de Zempoala	**1973-1989**	**1989-2000**	**2000-2004**	**2004-2007**	**2007-2008**
	0.04%	0.04%	0.03%	0.06%	0.02%
	308 ha	192 ha	52 ha	75 ha	8 ha
Cuatrociénegas	**1973-1986**	**1986-1992**	**1992-2000**	**2000-2005**	**2005-2009**
	0.05%	0.16%	0.15%	0.09%	0.08%
	521 ha	778 ha	1020 ha	365 ha	240 ha
Tehuacán – Cuicatlán		**1989-2000**	**2000-2003**	**2003-2007**	
		0.07%	0.08%	0.15%	
		3240 ha	920 ha	2352 ha	
Sierra de Álamos	**1976-1990**	**1990-2000**	**2000-2005**	**2005-2008**	
	0.01%	0.16%	0.12%	0.01%	
	138 ha	1424 ha	536 ha	27 ha	
Banco Chinchorro – PN Arrecifes de Xcalak *			**NA**		
La Encrucijada	**1975-1987**	**1987-2000**	**2000-2005**	**2005-2008**	
	0%	0.36%	0.94%	-0.40%	
	89,025 ha	3308 ha	3121 ha	-780 ha***	
El Pinacate y Gran Desierto de Altar *			**NA**		
Sierra la Laguna	**1973-1990**	**1990-2000**	**2000-2005**	**2005-2008**	
	0.02%	0.0012%	0.0035%	0.0005%	
	300 ha	13 ha	20 ha	20 ha	
Mapimí				**2000-2005**	**2005-2009**
				-0.03%	0.03%
				-465 ha***	411 ha
Selva el Ocote				**2000-2005**	**2005-2009**
				0.04%	-0.03%
				155 ha	-11 ha***
La Sepultura				**2000-2005**	**2005-2009**
				0.12%	0.10%
				894 ha	589 ha

Information obtained under the consultancy *"Estimación y Actualización de la Tasa de Transformación del Hábitat de las Áreas Naturales Protegidas SINAP I y SINAP II del FANP"* coordinated by CONANP and FMCN, 2009.
*These APs were not included in the monitoring as they were either marine or desert PAs.
* * The time period vary in accordance with the availability of satellite images.
***A negative sign in the percentage of transformation rates and has. Indicates that the area under natural habitat has been recovered

Annex 8. List of Protected Areas included in the Project

Protected Area	State	Surface (ha)	Population	Indigenous Peoples	Ecosystems
First Phase					
RB Tehuacán-Cuicatlán	Puebla Oaxaca	490,186	626,814	Chinanteco Chocho Ixcateco Mazateco Mixteco Nahuatl Popoluca	Deciduous forest, pine-oak forest, cloud forest, arid scrub
RB Alto Golfo y Delta del Rio Colorado	Baja California Sonora	934,756	4,464	Cacupá	Arid scrub, marine and estuarine, coastal dunes
Cuatrociénegas	Coahuila	84,347	1,329		Dry scrub, oak-pine forest
APFF Corredor Chichinautzin-Zempoala	Morelos México Federal District	65,971	50,000	Nahuatl	Pine-oak forest, arid scrub, deciduous forest
Second Phase					
APFF Sierra de Álamos-Rio Cuchujaqui	Sonora	92,889	432		Thorn forest, pine-oak forest
Third Phase:					
RB La Encrucijada	Chiapas	144,868	29,000		Marine, estuarine, mangrove, deciduous forest, thorn forest, coastal dunes
RB El Pinacate y Gran Desierto del Altar	Sonora	714,556	200		Desert, chaparral, arid scrub
RB Sierra La Laguna	Baja California Sur	112,437	800		Pine-oak forest, deciduous forest, chaparral, grassland
Banco Chinchoro	Quintana Roo	144,360	-		Coral reefs, mangroves
Fourth Phase					
RB La Sepultura	Chiapas	167,310	23,145	Tzotzil	Thorn forest, pine-oak forest, deciduous forest, cloud forest, charparral, savanna
RB El Ocote	Chiapas	101,288	14,612	Zoque	Tropical and subtropical moist broadleaf forest
RB Mapimí	Chihuahua Coahuila Durando	342,387	353		Desert, scrub

Annex 9. Matching funds to the Protected Areas Endowment Fund raised by the Mexican Fund for the Conservationof Nature (FMCN)

1. The following table shows the funds obtained to match the first deposit to SINAP II (US$7.5 million):

Project (donor)	Amount	Status
The Monarch Butterfly Conservation Fund (Packard Foundation)	US$ 5.0 million	Deposited in FMCN (September 15, 2000)
The Monrach Butterfly Conservation Fund (The Environmental Ministry)	US$ 1.0 million	Deposited in FMCN (November 7, 2000)
Contribution to the first GEF endowment for the ten protected areas	US$ 1.5 million	Deposited in FMCN (November 7, 2000)
Total	**US$ 7.5 million**	

2. The following table shows the funds obtained to match the start-up funds (US$ 1.9 million) in SINAP II, which were part of the first SINAP II deposit by GEF:

Project	Amount	Status
Banco Chinchorro-Xcalak Conservation Fund (Summit Foundation)	US$ 0.20 million	Deposited: US$ 0.20 million (April 16, 2001)
San Pedro River Initiative (Summit Foundation)	US$ 0.20 million	Deposited in FMCN (November 1, 2000)
Espíritu Santo Conservation Fund (Packard Foundation)	US$ 1.50 million	Deposited in FMCN (September 23, 2002)
Total	**US$ 1.90 million**	

3. The following table shows the funds obtained to match the second deposit to SINAP II (US$ 2.21 million).

Project	Amount	Status
Banco Chinchorro-Xcalak Conservation Fund (Summit and Homeland Foundation)	US$ 0.10 million	Deposited in FMCN (June 3, 2002 and June 18, 2002)
San Pedro River Initiative (National Fish and Wildlife Foundation)	US$ 0.10 million	Deposited in FMCN (part of a US$ 0.6 million deposit September 26, 2002)
San Pedro River Initiative (Wick Communications)	US$ 0.01 million	Deposited in FMCN (January 9, 2001)
Monarch Butterfly Conservation Fund (State of Mexico)	US$ 0.25 million	Deposited in FMCN in pesos (March 12, 2002)
Monarch Butterfly Conservation	US$ 0.25 million	Deposited in FMCN in pesos

Fund (State of Michoacán)		(November 29, 2002)
Match to SINAP II (SEMARNAT)	US$ 1.50 million	US$ 0.5 million deposited in pesos in FMCN on December 27, 2001, US$ 0.2 million deposited in FMCN on April 14, 2002, US$ 0.55 million deposited in FMCN on October 25, 2002 and US$ 0.25 million deposited in FMCN on December 11, 2002
Total	**US$ 2.21 million**	

4. The following table shows the funds obtained to match the third deposit to SINAP II (US$7.35 million).

Project	Amount	Status
Banco Chinchorro-Xcalak Conservation Fund (Summit Foundation)	US$ 0.30 million	US$ 0.05 deposited in FMCN on February 20, 2003; US$ 0.05 million deposited in FMCN on June 9, 2004; US$ 0.2 million deposited in FMCN on February 10, 2005 by the Summit Foundation
Bahía de los Ángeles Conservation Fund (Packard and Marisla Foundations)	US$ 0.38 million	US$ 0.13 million deposited in FMCN by Marisla Foundation on December 30, 2003; US$ 0.25 million deposited in FMCN by Packard Foundation on April 27, 2004
Match to SINAP II (SEMARNAT)	US$ 2.17 million	US$ 0.71 million deposited in FMCN on December 29, 2003; US$ 0.18 million deposited in FMCN on October 1, 2004; US$ 0.35 million deposited in FMCN on October 22, 2004; US$ 0.18 million deposited in FMCN on November 9, 2004; US$ 0.60 million deposited in FMCN on December 21, 2005 and US$ 0.15 deposited in FMCN on February 9, 2006
Fire Prevention and Restoration Fund (FMCN)	US$ 4.5 million	US$ 4.5 million assigned by FMCN and deposited in exclusive account on March 1, 2005
Total	**US$ 7.35 million**	

5. Addition deposits from 2006 to 2008 to match the fourth and last deposit requested to GEF for SINAP II in 2008 (US$5.44 million).

Project	Amount	Status
Match to SINAP II (SEMARNAT)	US$ 2.30 million	US$ 0.17 million deposited on March 17, 2006; US$ 0.28

		million deposited on March 27, 2006; US$ 0.85 million deposited on June 30, 2006; US$ 1.0 million deposited on June 1, 2007
Banco Chinchorro-Xcalak Conservation Fund (Summit Foundation)	US$ 0.60 million	US$ 0.2 million deposited on June 7, 2006; US$ 0.2 million deposited on March 15, 2007; US$ 0.2 million deposited on February 29, 2008
Monarch Butterfly Fund (State of Mexico)	US$ 0.25 million	Deposited on March 28, 2007
Bahía de los Ángeles Conservation Fund (Global Conservation Fund)	US$ 1.00 million	Deposited on August 28, 2007
Gulf of California Marine Endowment (Packard Foundation)	US$ 1.29 million (a total of US$ 6 million were deposited but only US$ 1.29 million were required to complete the match)	Deposited on December 6, 2007
Total	**US$ 5.44 million**	

Annex 10: Main Project Beneficiaries

Protected Area (PA)	Population in PA and Surrounding Zones	Indigenous Population in PA (and Surrounding Zones)	% Indigenous	Ethnic Groups in PA and Surrounding Zones	Principal Characteristics	Principal Activities
First Phase	**375,360**	**60,244**	**16.4**	**Total 11**		
Tehuacán-Cuicatlán	**35,223 (92,933)**	**57,480**	**44.85**	**Chinanteco Chocho Ixcateco Mazateco Mixteco Nahuatl Popoloca**	• **51 municipalities in two states** • **Migration of young men leaves behind women-headed, very poor, vulnerable households** • **Majority indigenous with strong cultural feeling and ethnic diversity including eight ethnic groups**	• **Low productivity seasonal agriculture** • **Extensive cattle rearing**
Alto Golfo y Delta del Rio Colorado	**2,971 (38,120)**	**257**	**0.62**	**Cucapá**	• **Three municipalities** • **Main problems are result of**	• **Fishing (75%)** • **Agriculture (25%)**

					poor regulation enforcement over fishing activities, and unplanned and unregulated tourism and urban development • **18 coastal *ejidos* losing their land from growth of tourism resorts** • **Cucapáh culture rapidly disappearing** • **Increasing pressures and conflicts over the use of fishing resources**	
Cuatro Ciénegas	**1,329 (10,379)**	**300**	**2.56**	**Kickapoo**	• **Eleven communities of *ejidatarios*** • **Extreme poverty, lack of services and jobs, have spurred migration**	• **Candelilla wax and mesquite** • **Irrigation agriculture (mainly alfalfa)** • **Use of wild fauna and flora for self-consumption**
Corredor Chichinautzin-Zempoala	**47,429 (146,976)**	**2,207**	**1.13**	**Nahuatl**	• **Ten municipalities in two States and two Federal District's delegations** • **1049 communities, most of which are very poor and live in marginal areas without services** • **Displacement of traditional food production to commercial crops put**	• **Communal land owners mostly dependent on agriculture, cattle rear and forestry** • **Furniture manufacture and handicrafts**

					pressure to convert forestry lands to agriculture	
Second Phase	**518 (9,089)**	**0**	**-**	**-**		
Sierra de Álamos-Rio Cuchujaqui	**518 (9,089)**	**0**	**-**	**-**	• **A large number of beneficiaries live in the PA's area of influence** • **In the area of influence some communities have more inhabitants than the towns of the PA, exercising pressure on the natural resources in the PA** • **Indigenous groups in area of influence: Mayo and Guarijio**	• **Cattle breeding** • **Subsistence agriculture** • **Forestry activities** • **Tourism** • **Arts and crafts** • **Fishing and acquaculture**
Third Phase:						
La Encrucijada	**21,195 (196,238)**	**-**	**-**	**-**	• **Most of the people in the six municipalities earn below the minimum wage and 10% report no income** • **Main pressures from unregulated fishing, agricultural expansion, extensive cattle ranching and incipient projects in acquaculture and tourism**	• **Fishing** • **Agriculture** • **Cattle ranching, around the protected area**
El Pinacate y Gran Desierto del Altar	**102**	**-**	**-**	**-**	• **Three municipalities** • **Population density is low due to the lack**	• **Agriculture** • **Cattle ranching** • **Mineral extraction**

					of water, rugged topography, lack of infrastructure • **Tourism potential** • **Illegal extraction of wildlife and the invasion of exotic species** • **Robbery to archaeological sites** • **Pollution with trash and opening of new roads are threats**	
Sierra La Laguna	**641**	**-**	**-**	**-**	• **Experienced rapid development in tourism in Los Cabos, south of the PA** • **Increase in demand for wood, art craft and local vegetation** • **A cultural and natural refuge**	• **Extensive cattle ranching** • **Wood harvest** • **Agriculture** • **Ecotourism**
Banco Chinchoro	**100**	**-**	**-**	**-**	• **Population includes only temporary fishers that live on the mainland** • **Income is significantly higher than that of farmers in the state**	• **Fishing, primarily pink snail and lobster**
Fourth Phase:						
La Sepultura	**9,125 (25,182)**	**<500**		**Tzotzil**	• **Indigenous population disappeared during colonial times but indigenous migrants arrived seeking lands and establishing**	• **Breeding of cows** • **Subsistence agriculture** • **Coffee growing** • **Extraction of woods and palms**

					themselves in PA	
El Ocote	**14,162**	**7,647**	**54%**	**Tzotzil**	• **Very scattered in small communities with only a few families each—36 within the PA and 28 at the buffer zone** • **Indigenous communities (64) are below poverty line and 90% are highly marginalized and live in extreme poverty** • **Limited communication with other areas of the state**	• **Subsistence agriculture, mainly maize for self-consumption**
Mapimí	**353**	**-**	**-**	**-**	• **Located on the confluence of three states in an area originally occupied by big haciendas and mining companies** • **Population has been steadily declining** • **Decline of mining and poor soil conditions led to constant migration** • **Only few families live within PA**	• **Cattle rearing** • **Salt production** • **Limited small mining activities** • **Tourist activity around the "Silence Zone" and the old haciendas and factories**

MAP

IBRD 31265

MEXICO
NATURAL PROTECTED AREAS

PROTECTED AREAS UNDER PROPOSED PROJECT:
- INITIAL PHASE
- SUBSEQUENT PHASES

PROTECTED AREAS UNDER EXISTING GEF PROJECT

OTHER PRIORITY PROTECTED AREAS

OTHER PROTECTED AREAS

RIVERS
STATE CAPITALS
NATIONAL CAPITAL
STATE BOUNDARIES
INTERNATIONAL BOUNDARIES

0 100 200 300 400 500 Kilometers
0 100 200 300 Miles

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