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PROJECT PERFORMANCE ASSESSMENT REPORT

ECUADOR

BIODIVERSITY PROTECTION PROJECT
(GEF TF 028700-EC)

June 27, 2002

*Operations Evaluation Department
Sector and Thematic Evaluation Group*

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Currency Equivalents (annual averages)

Currency Unit = Ecuadorian Sucres (ECS)

Exchange rate at appraisal (1993)

US\$ 1.00= ECS 2.000

Average Exchange rate for 1998

US\$ 1.00 = ECS 5,413.86

Exchange rate from January 1 through, June 16, 1999

US\$ 1.00 = ECS 8,947.97

Abbreviations and Acronyms

CPU	Central Project Unit
DNAPVS	Dirección Nacional de Áreas Protegidas y Vida Silvestre (National Directorate of Protected Areas and Wildlife)
ES	Evaluation Summary
GEF	Global Environmental Trust Fund
GOE	Government of Ecuador
ICR	Implementation Completion Report
INEFAN	Instituto Ecuatoriano Forestal y de Áreas Naturales (Ecuadorian Institute of Forestry, Natural Areas and Wildlife)
MMA	Ministerio del Medio Ambiente (Ministry of the Environment)
NGO	Nongovernmental organization
OED	Operations Evaluation Department
PPAR	Project Performance Assessment Report
RCC	Regional Coordination Committee
SAR	Staff Appraisal Report
SNAP	Sistema Nacional de Áreas Protegidas (National System of Protected Areas)
UNDP	United Nations Development Program

Fiscal Year

Government: January 1- December 31

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June 27, 20022

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

**SUBJECT: Project Performance Assessment Report on Ecuador
Biodiversity Protection Project (GEF TF 028700-EC)**

This is a Project Performance Assessment Report (PPAR) for the Ecuador Biodiversity Protection Project for which the Global Environment Facility (GEF) approved a grant of US\$7.2 million on May 9, 1994. The grant was made effective July 24, 1995 and closed on March 31, 2000.

The main objective of the project was to support the restructuring and strengthening of institutional capacities and of the overall policy and legal framework to ensure adequate management of the National System of Protected Areas. The project components included institution strengthening, reform of the legal framework, outreach activities, and investments in protected areas.

The relevance of the project is rated **substantial**. The project addressed policy, legal, and institutional issues, including the need to build system and local capacities, civil society participation, and investments for biodiversity protection. Efficacy is rated **modest** because, while the project delivered most of its outputs, it did not achieve the restructuring and strengthening of the institutional capacities, and of the overall policy and legal framework for the management of protected areas, that were the objective of the project. Efficiency is rated **modest** because centralized decision-making resulted in inaction, lost opportunities for capacity building, and purchases that were not always appropriate for local conditions in protected areas, needlessly increasing operation cost. The outcome of the project is rated **moderately unsatisfactory** because although its objectives were relevant and fit well with the environmental priorities of the country, the project had only modest success in changing the most important institutional, legal, and social impediments to sound biodiversity management in Ecuador.

Sustainability is rated **unlikely** because the project largely failed to build the institutional support, stakeholder ownership, and social support necessary to ensure sustainability of project accomplishments. Also, planned financial instruments were not put in place to ensure cost recovery. Institutional development impact is rated **modest** because few of the capacity-building objectives were achieved. Bank and borrower performance are both rated **unsatisfactory**. The project design was complex and attempted to accomplish too much. Having no benchmarks or indicators to assess the extent to which the project was on track, implementation emphasized the completion of activities rather than meeting the project's strategic objectives. Also, lack of implementing agency ownership and support for the project and its proposals was a major impediment in the accomplishment of the project's strategic objectives.

This PPAR highlights and confirms a number of OED lessons.

- The promotion of biodiversity protection needs to take the political dimension into account and plan and provide for building alliances in support of the necessary reforms of the system. Lacking internal and external support, many of the studies, recommendations, and proposals produced by the project did not result in action by the implementing agency. Thus, the impact of the project on policies, regulations, and institutional reforms was indirect and small. To generate the necessary support, the follow-up project needs to incorporate a strategy to build alliances that support the policy and institutional reforms needed to sustain the achievements of the project. The project should insure ownership by the implementing agency, build linkages with environmental offices of sectoral ministries, and provide for the active participation of NGOs and local communities in project planning, execution, and monitoring.
- Realistic objectives, clear benchmarks, and sound monitoring are crucial to ensure that project activities contribute to strategic goals. The project's objective was too broad. Lack of information regarding biodiversity and project impacts made it difficult to assess the utility of the project's approach during implementation. Lack of benchmarks or specific guidelines contributed to poor supervision. The follow-up project should define clear objectives, benchmarks, and impact monitoring indicators. Supervision should focus on the extent to which activities are contributing to the strategic objectives of the project and not just on implementation of activities.
- The protection of biodiversity is a complex process. To make it manageable, projects should address a few crucial factors and seek to gradually build capacity. Excessive complexity was one of the project's major flaws. The project sought to address too many factors simultaneously, some of which required careful coordination. Another flaw was the emphasis on products (largely reports and studies), to the detriment of the support of capacity-building processes, and insufficient attention to building upon existing institutions and social organizations. Had the project focused on fewer activities and given more attention to linking with existing initiatives, and working with other institutions and organizations, the project could have been more successful. The follow up project should concentrate on a few crucial aspects affecting biodiversity protection and should make special efforts to build upon existing local capacities and ongoing processes.

Attachment

A handwritten signature in black ink, consisting of a large, sweeping initial letter followed by several smaller, connected letters.

OED Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Operations Evaluation Department assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, OED annually assesses about 25 percent of the Bank's lending operations. Assessments are conducted one to seven years after a project has closed. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons. The projects, topics, and analytical approaches selected for assessment support larger evaluation studies.

A Project Performance Assessment Report (PPAR) is based on a review of the Implementation Completion Report (a self-evaluation by the responsible Bank department) and fieldwork conducted by OED. To prepare PPARs, OED staff examine project files and other documents, interview operational staff, and in most cases visit the borrowing country for onsite discussions with project staff and beneficiaries. The PPAR thereby seeks to validate and augment the information provided in the ICR, as well as examine issues of special interest to broader OED studies.

Each PPAR is subject to a peer review process and OED management approval. Once cleared internally, the PPAR is reviewed by the responsible Bank department and amended as necessary. The completed PPAR is then sent to the borrower for review; the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the OED Rating System

The time-tested evaluation methods used by OED are suited to the broad range of the World Bank's work. The methods offer both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. OED evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (more information is available on the OED website: <http://worldbank.org/oed/eta-mainpage.html>).

Relevance of Objectives: The extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). *Possible ratings:* High, Substantial, Modest, Negligible.

Efficacy: The extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance. *Possible ratings:* High, Substantial, Modest, Negligible.

Efficiency: The extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. *Possible ratings:* High, Substantial, Modest, Negligible. This rating is not generally applied to adjustment operations.

Sustainability: The resilience to risk of net benefits flows over time. *Possible ratings:* Highly Likely, Likely, Unlikely, Highly Unlikely, Not Evaluable.

Institutional Development Impact: The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial, and natural resources through: (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Institutional Development Impact includes both intended and unintended effects of a project. *Possible ratings:* High, Substantial, Modest, Negligible.

Outcome: The extent to which the project's major relevant objectives were achieved, or are expected to be achieved, efficiently. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry and supported implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of the project). *Possible ratings:* Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of development objectives and sustainability. *Possible ratings:* Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

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This report was prepared under the supervision of Andres Liebenthal by Aaron Zazueta (consultant), who assessed the project in November/December 2001. The report was edited by William Hurlbut, and Soon-Won Pak provided administrative support.

Principal Ratings

	<i>ICR*</i>	<i>ES*</i>	<i>PPAR</i>
Outcome	Satisfactory	Moderately Unsatisfactory	Moderately Unsatisfactory
Sustainability	Uncertain	Unlikely	Unlikely
Institutional	Partial	Modest	Modest
Development Impact			
Bank Performance	Satisfactory	Unsatisfactory	Unsatisfactory
Borrower Performance	Deficient	Unsatisfactory	Unsatisfactory

*The Implementation Completion Report (ICR) is a self-evaluation by the responsible operational division of the Bank. The Evaluation Summary (ES) is an intermediate OED product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

<i>Project</i>	<i>Task Manager/Leader</i>	<i>Division Chief/ Sector Director</i>	<i>Country Director</i>
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Preface

This is a Project Performance Assessment Report (PPAR) on the Ecuador Biodiversity Protection Project, for which the World Bank provided a Global Environment Facility (GEF) grant for US\$7.2 million that was approved May 9, 1994. The grant was made effective July 24, 1995. It was scheduled to close on June 30, 2000, but closed three months early on March 31, 2000.

This report is based on a review of the Implementation Completion Report (ICR) prepared by the Latin America and Caribbean Region (Report No. 20481, June 29, 2000), the appraisal report (Report No. 12363, May 1, 1994), other project documents, and discussions with Bank staff. An Operations Evaluation Department (OED) mission visited Ecuador in November 2001 to discuss the effectiveness of the Bank's assistance with government officials and the project's various implementing agencies and to visit three of the protected areas that benefited from the project. The cooperation and assistance of government officials at the Ministry of the Environment is gratefully acknowledged.

This PPAR contains a more detailed review of the project than the ICR, particularly regarding the evaluation of citizen participation and biodiversity monitoring. Because it is now two years after project disbursements have concluded, this report has also devoted special attention to assessing factors that may contribute to sustainability.

Following standard OED procedures, a draft of this PPAR was sent to the borrower for comments, but no comments were received.

INTRODUCTION AND BACKGROUND

1. The main objective of the Biodiversity Protection Project was to support the restructuring and strengthening of institutional capacities and of the overall policy and legal framework to ensure adequate management of the National System of Protected Areas. The project components consisted of institutional strengthening, reform of the legal framework, outreach activities, and investments in protected areas. A total of 35 activities were planned, only 24 of which were completed or partially completed. The remaining 11, mainly related to the Galapagos protected area, were only partially undertaken, largely because of problems with government disbursements.¹

2. While the project was relevant, overall project accomplishments were modest. The main factors affecting project implementation were poor project design, a lack of project ownership by the implementing agency, and centralized decision-making in the Central Project Unit (CPU). The most successful project activities were related to investments in protected areas and field staff training. These two activities together accounted for most of the improvements in park protection that were achieved. The development of protected area management plans (PAMP) was another important activity that established precedents for local participation in protected areas. Nevertheless, most successes were confined to specific protected areas and did not have an impact across the National System of Protected Areas (SNAP). Moreover, the project did not bring about any significant change in the legal and regulatory framework governing protected areas, and made few contributions to strengthening park management institutions. The main problem with the project is that, while it produced a set of proposals for legal and regulatory reforms, it did not build the necessary alliances within INEFAN and among NGOs, local communities, and other stakeholders in support of the proposed reforms.

Country and Sector Context

3. Ecuador is endowed with a wide diversity of habitats ranging from arid lands to high mountains and tropical forests. It also has one of the highest concentrations of biodiversity per unit area in the world (9.2 species per 1,000 square kilometers, excluding fish). At the time of appraisal, the government had established a National System of Protected Areas (SNAP). This system included 15 conservation units of global importance for their endemism, high levels of biodiversity, and multiplicity of life zones. Fourteen of these sites are located on the mainland and one, the Galapagos National Park, is located in the Galapagos Archipelago.

4. Strong pressures from economic activities such as petroleum, gas, mining, and wood extraction and shrimp production threaten protected areas in Ecuador. Wood exports, for example, more than doubled from just under 5 million cubic meters at the time of appraisal in 1993 to more than 10 million cubic meters in 2000. New petroleum and gas development projects continue to threaten some of Ecuador's most valuable protected areas. Some of the major problems stem from the lack of a national policy on protected areas, inadequate institutional frameworks, lack of compliance with existing laws and regulations, and insufficient budgetary allocations. Also, many protected areas and their buffer zones are home to indigenous groups and non-indigenous poor farmers who used these lands and resources. However, until the early 1990s, there were no government policies to involve local communities in the management of conservation units, which often led to conflicts between indigenous peoples and the park administrator. Multiple and sometimes contradictory laws and regulations, and property rights superimposed over resources, make natural resource management particularly complicated. In the

1. The GOE committed to US\$1.5 million in counterpart funds, but provided only US\$370,000.

absence of an encompassing environmental law, each sector considers its legal instruments to prevail over others. Highly centralized and weak government institutions, cumbersome bureaucratic structures, and insufficient budgetary allocations exacerbate these problems.

5. To address some of these constraints, in 1992 the government created the Ecuadorian Institute of Forestry, Natural Areas, and Wildlife (INEFAN), which assumed responsibility for forestry matters and the management of the National System of Protected Areas (SNAP). An important feature of INEFAN was its financial autonomy; it was allowed to establish and retain revenues generated from park fees, tariffs on logging operations, and fines for misuse of resources, and to use them for the management of the SNAP. In 1992 the Ecuadorian Congress, with the participation of NGOs, passed a law that established a set of broad principles for environmental protection and natural resource management that would eliminate the contradictions and duplications in existing sectoral laws.

Institutional Arrangements for Biodiversity Protection

6 INEFAN was responsible for overall project implementation, including coordination with other government agencies, NGOs, local communities, and the private sector. In 1993, INEFAN signed a service agreement with the United Nations Development Program (UNDP) for procurement of goods and hiring of technical assistance. A Project Coordinating Unit (PCU) was established under the INEFAN's Executive Director's Office in charge of project implementation. Within INEFAN, the National Directorate of Protected Areas (DNAPVS) was given a key role in providing technical assistance in preparing terms of reference for studies and in preparing and reviewing PAMP for protected areas. With the change of administration in 1998 and the disappearance of INEFAN, DNPAVS and much of the responsibility for the project were transferred to the newly created Ministry of the Environment.

RELEVANCE

*The objectives of this project were consistent with the Country Assistance Strategy. They were based on a reasonable assessment of the challenges affecting protected areas and parks in Ecuador. The project addresses policy, legal, and institutional issues including the need to build system and local capacities, civil society participation, and investments for biodiversity protection. Project relevance is rated **substantial**.*

7. The project addressed important obstacles to biodiversity conservation specific to Ecuador and was consistent with the Bank's overall country and sector strategy in as far as it sought to strengthen the institutional framework for the environment in Ecuador. In accordance with the Bank's 1991 Forestry Strategy, the project appraisal gave considerable attention to the need for strengthening citizen participation in the formulation of policies and regulations, and on the need to set aside land rich in biodiversity for protection. It stressed the need to build human capacities, improve planning, and direct investments in protected areas. The project also reflected the Bank's policy on Indigenous Peoples (OD 4.20) by adopting an approach to biodiversity protection that included the participation of indigenous communities and institutions.² The appraisal report also proposed to ensure the financial sustainability of the SNAP by putting in place a revenue system to finance the management cost of the system. The project met GEF's "incremental funding" requirements by obtaining the commitment of other donors and the Government of Ecuador to the project. The main objective of the project was to support the

2. The project did not involve any relocation of population, and therefore did not trigger the Bank's policy on involuntary resettlement (OP 4.12).

restructuring and strengthening of the institutional capacity and overall policy and legal framework for adequate management of the SNAP. The appraisal report gave significant attention to the need to strengthen citizen participation in the formulation of policies and regulations and to the need to improve the management of protected areas, and it stressed the need for building human capacity, improving planning, and directing investments in protected areas. The appraisal report also proposed to ensure the financial sustainability of the SNAP through the establishment of an efficient system of fees and tariffs. The project had four components that were divided in 35 activities, the components were (See Annex B for a list of the project activities):

- 1) *Institutional strengthening (US\$3.6 million)*: improvement of INEFAN's management systems, decentralization, staff training, preparation of PAMPs for protected areas, the design of a revenue-generating system, and design and establishment of a monitoring and evaluation system.
- 2) *Improvement of the legal and regulatory framework (US\$0.54 million)*: legal studies and recommendations to regularize land tenure, extractive activities, tourism, and civil society participation in protected areas. Particularly important was the drafting and promulgation of new/updated regulations for granting operating permits to official and private users of the SNAP and for limiting extraction activities within reserve areas.
- 3) *Outreach (US\$ 1.9 million)*: conflict resolution in protected areas and raising public awareness, including the creation of Regional Coordinating Committees to oversee park management and assist park administrators in conflict resolution and the development of public education strategy.
- 4) *Investments (US\$ 2.93 million)*: civil works and infrastructure (demarcation, trails, and visitor centers) in eight critical reserve areas, and equipment and logistical support for INEFAN field staff.

EFFICACY

While the project delivered most of its outputs, it did not achieve the restructuring and strengthening of the institutional capacities, and of the overall policy and legal framework for the management of protected areas, that were its objectives. Thus, the efficacy of the project is rated modest.

Institutional Strengthening

8. Accomplishments in institutional strengthening were **modest** overall. However, the PPAR mission identified two specific project activities that resulted in significantly strengthened institutions. In both cases attention to process and alliance-building were key to success. One was the training and education system for the protection of natural resources. This system was custom-made for the needs of INEFAN staff, and included distance education at all levels (primary, secondary, and professional). The program had a national scope and reached 24 protected areas and more than 40 surrounding communities. By the end of the project more than 1,000 students were enrolled in the program. This training program was carried out in collaboration with the Ministry of Education, the National Training Service, and the Private Technical University at Loja. This aspect of the project was so successful that the Dutch funded its continuation. In September 2000, the Distance Education Program was formalized in an agreement between the Ministry of Education and the Ministry of the Environment. This program has now been spun off and has become an institution on its own right with its independent sources of funding, staff and management structure.

9. The other project activity that helped build local capacities was the development of protected area management plans. Acknowledging that there was no capacity in Ecuador for the elaboration of such management plans, the CPU formed a group that provided technical support and training to collaborating NGOs and universities to assess resource management, biodiversity, social development, cartography, and nature tourism. The project supported the development of such management plans in Machalilla, Sangay, Yasuni, and Cayapas-Mataje and components of plans for Cayambe-Coca, Antisana, and the Galapagos Marine Reserve. Based on a previously successful experience in Podocarpus, the project supported the formation of consultative groups formed by local communities and other resource users to discuss problems, options, and strategies for park management. While the process was slow (up to two years) and often resulted in plans that were too descriptive and ambitious for the resources available, some universities and NGOs in Ecuador began developing know-how for the formulation of protected area management plans. Also, while most consultative groups seem to have disappeared and have not played a role in monitoring, this experience was important because it was a first attempt to systematically incorporate stakeholder participation in park management. In Machalilla, the elaboration of the park's management plan had a longer lasting impact: it established an important precedent of citizen participation that has been emulated by all subsequent regional planning initiatives.

10. As the ICR indicates, most other institution-building activities carried out within the program were not successful or only partially successful. While most reports and studies were completed, they often did not translate in action, and had only a modest impact on reforms or improvements of the SNAP and other institutions. Examples of key project products that were not adopted by INEFAN include the SNAP's strategic plan, the methodology for environmental and economic valuation, the information and evaluation system and the proposal to organize the SNAP in regions³. Also, most studies and proposals were done without significant participation of other ministries affecting protected areas; in consequence these studies did not foster sufficient collaborative work to build the inter-sectoral alliances needed to support the SNAP.

11. Several key impediments to institutional strengthening were rooted in the administrative procedures used by the CPU and UNDP during implementation. The project administrators adopted a "short list" approach for contracting out studies and project activities. This approach qualified specific institutions to bid for contracts on the basis of their technical capacities to deliver products. Many NGOs with strong field capacities were excluded from the project and complained of a lack of transparency in the process. Even NGOs that won bids felt frustrated with UNDP's complicated administrative processes, the lack of clarity of who was in charge (the CPU or UNDP), and INEFAN's lack of action once products were submitted. Moreover, participating NGOs felt they were treated like contractors hired to implement decisions made by the CPU with little or no input from them. The CPU lost an opportunity to build capacity among NGOs and grassroots groups and to construct the alliances needed to support the legal and institutional reforms intended by the project. On the other hand, the decision to handle all procurement through the UNDP ensured that fiduciary responsibilities were met in a satisfactory manner.

12. The project also failed to build the internal alliances necessary to support its proposals. For example, at the core of the project strategy for institutional strengthening was the development of a series of management systems and staff training for these systems. Operational manuals covering technical, financial, and administrative systems were developed, and more than

3. Parts of the Strategic Plan supported by the project were used as inputs for the restructuring of the MMA. Also, some of the aspects of the Plan are now being adopted by the MMA. The MMA long term vision seeks a SNAP that is self-sustained, transparent, decentralized and managed through partnerships with local communities governments at various levels, NGOs and the private sector. This is a step in the right direction but falls far short of the objectives of the project, which went much further than developing a vision for the SNAP.

200 staff were trained to use them. Owing to a lack of consensus among INEFAN's management, however, these systems were not put into effect. As the ICR puts it, "At the root the failure to adopt the systems and training appeared to be irreconcilable differences within INEFAN over the balance between the roles it should be playing in two essentially different aspects of natural resource management – biodiversity protection and minimal use versus forestry resource development. From its position as a project unit, the CPU was unable to integrate itself into INEFAN's mainstream operations so that its proposals were largely unsupported" (World Bank 2000:9).

Legal and Regulatory Framework

13. The impact of the project in the legal arena is rated **modest**. While most of the project's legal and regulatory studies were completed, few were endorsed by INEFAN's management. Later, when the Ministry of the Environment was created, some of the studies were used as inputs for the new laws, policies, and regulations promoted by the ministry.

14. The project did make several contributions to the legal and regulatory framework. The first is the design of a plan to decentralize the SNAP, which was incorporated into the master plan of the SNAP and later became part of the draft Biodiversity Law that is currently under review by the president of Ecuador. The second contribution is the Special Law 278, of March 8, 1998. This law established the groundwork for follow-up activities in sound urban development in the Galapagos Reserve. The third is the approval by INEFAN's board of regulations that includes processes to update delimitation of protected areas and rules for wildlife research, collection and exploitation. Other accomplishments include regulations for community participation in protected areas and new regulations for granting operating permits to official and private users of the NSPA and for limiting extraction activities within reserve areas.

15. These accomplishments, except for the Special Law 278, have contributed little to the improvement of the management of protected areas. The SNAP master plan was never approved by INEFAN's management and INEFAN did little to promote participation beyond that which took place within the context of the formulation of management plans in four protected areas. Regulations regarding extractive activities in protected areas are likely to achieve little if they are not harmonized with and supported by laws and regulations of other ministries, such as energy, mining and agriculture. Creating alliances with these ministers should have been a priority of the project considering that the appraisal report had anticipated that the reform of the regulatory framework might not be acted upon on account of its political complexity.

Outreach and Citizen Participation

16. Accomplishments in the area of outreach and citizen participation were **modest**. Achievements that did take place were localized in a few protected areas and, except as possible models to replicate, had little impact on the system as a whole.

17. At the national level, the appraisal report called for the creation of a Consultative Committee that would assist the project with the policy and regulatory reform components. But tensions developed in the first meeting between the CPU and NGOs, and INEFAN stopped convening the Consultative Committee. NGOs for their part failed to find a vehicle to properly articulate and promote a collective strategy.

18. At the regional level, accomplishments with citizen participation were few and confined to specific parks or protected areas. As mentioned, the project did make important contributions

to citizen participation in protected area planning by incorporating local communities in the formulation of PAMPs in Machalilla, Sangay, Yasuni, and Cayapas-Mataje. In these protected areas, support groups were formed to assist in the formulation of the management plans; nonetheless, only in Machalilla did the support group develop into a permanent consultative body. In Yasuni, a consultative group was formed but was not convened until recently by the Ministry of the Environment. Participatory methodologies were also applied in a case study for a land tenure conflict with communities along the Guamote Macas highway in the Sangay National Park. Negotiations and border marking took place with the participation of the people themselves. Relationships have markedly improved and right now Fundacion Natura is carrying out the Sangay Project, doing community project implementation as designed in the Sangay Management Plan.

19. According to the appraisal report, Regional Consultation Committees (RCCs) were to assist in the elaboration and implementation of the protected areas management plans and in conflict resolution (World Bank 1994:6). RCCs were to be composed of representatives of local communities, NGOs, and INEFAN's Regional District staff. But the regionalization of the SNAP did not take place, so RCCs were not created (Baracatt *et al.* 1999: 14-15). The ICR indicates that six areas, out of the eight included in the project, were under the management of RCCs, that operated in effect as NGOs because they did not enjoy legal standing (World Bank 2000: 9). Nevertheless, the PPAR mission did not find any supporting evidence regarding the establishment of RCCs. In general it appears that neither INEFAN's management, nor the CPU were supportive of participation whether at the local level or in policymaking processes. As a result, those cases in which participation took place were quite limited. When opportunities arose, the NGOs were not always able to agree on a common agenda (Box 1).

Box 1. Participation Experience of NGOs in Cotacachi-Cayapas

The project financed an NGO consortium to develop a participatory planning process in the buffer zone of the lowlands of the Cotacachi-Cayapas Ecological Reserve, an area known for its conflicts over natural resources. The objective was to develop a strategy to reduce pressures on the protected area while improving the economic situation of the local population. The process included participatory diagnosis of the biological and socioeconomic situation, land use, and local organizations. The result was a preliminary strategy for the sustainable management of the buffer zone, sub-community PAMPs, assessment of non-forestry resources, training strategy for communities, and a set of pilot subprojects for natural resource management. Unfortunately, this activity was only begun toward the end of the project and few resources were left to carry out actions outlined in the plans. Subsequently, disagreements on roles among members of the consortium resulted in its disintegration. This process tested a valuable approach for conflict resolution potentially useful in other parts of the country. Nevertheless, poor programming and weak coordination capacities among NGOs rendered this exercise of little impact to local communities and environmental management.

20. Other outreach activities of the project included public campaigns, production of books, maps, and guides to national parks and policies and regulations. It is difficult to evaluate the efficacy of these activities because the project did not include any means of assessing their impact. Nevertheless, according to the ICR and the evaluation commissioned by the project, these activities were satisfactory (Baracatt *et al.* 1999:19-20). In the opinion of this mission, outreach activities most likely had an impact at the time they were carried out. Nonetheless, it is likely that much of that impact has diminished over time for lack of reinforcing messages.

Investments in Protected Areas

21. Investments in protected areas substantially achieved their targets. They actually exceeded targets at appraisal and they significantly increased the ability of local staff to patrol protected areas and reach out to local communities. Investments included design, construction and interpretation of trails, construction of guard posts, basic park infrastructure, automobiles, and equipment of central office and parks (See Annex C for a complete list of project investments).⁴

22. The project also financed the construction of first-rate visitor centers and other infrastructures in Machalilla, Cotacachi-Cayapas, Cayapas-Matajes, and Boliche, all areas with high visitor flows. Protected areas across the system were equipped with vehicles, motorcycles, desks, computers, altimeters, camping gear, televisions, and audio-visual and other equipment. These contributions improved protection. Most staff in the protected areas considered this aspect of the project one of the most valuable for their work. Staffing and equipping protected areas resulted in more and expanded patrols and more environmental education talks to communities. As a result, between 1992 and 1998, the number of patrols increased nearly 20-fold in Yasuni and fourfold in Cotacachi-Cayapas. Community talks for the same period nearly tripled in both parks.⁵ In Cotacachi-Cayapas, patrolling and community education have helped enlist local communities in conservation, evidently resulting in the recovery of some endangered species (Box 2).

Box 2. Investing in Park Protection

During the mission, the Chief of the Cotacachi-Cayapas Reserve reported that staff training and equipment provided by the project helped expand patrol coverage from 40 percent to 75 percent of the reserve. Before the project in 1992, guards made an average of 20 patrols a year; now they make from 45 to 50. Regular patrolling has been a strong deterrent to poachers, allowed guards to monitor agricultural and grazing activities more closely, led to better relations with communities in and around the reserve, and provided more opportunities to build awareness among local people on their duties and the benefits of conservation. Closer and better relations with local people paid off. In November 1996 more than 1,000 people from communities adjacent to the protected area, aware of the importance of the reserve to their water supply, labored for days to extinguishing a forest fire (*El Comercio* 11/22.1996). Subsequently, the community found and punished the perpetrator. Guards are also in a better situation to monitor the condition of wildlife. Sightings of wildlife are on the rise. Mountain lions, for example, were sighted sporadically five years ago; in the past year guards have sighted lions six times. Other endangered species that are now commonly sighted and were rarely seen in the reserve five years ago include Andean bears, wild goats, and wolves.

EFFICIENCY

The result of managing this project through centralized decision-making was inaction, lost opportunities for capacity building, and purchases that were not always appropriate for local conditions in protected areas, needlessly increasing operation cost. Efficiency is rated modest.

4. These investments were small, did not have a significant environmental impact, and did not require the preparation of environmental assessments.

5. According to records in the archives of local offices, the number of patrols in Yasuni increased from 16 in 1992 to 325 in 1995, and in Cotacachi-Cayapas from 116 in 1992 to 442 in 1998. Community talks increased in Yasuni from 14 in 1992 to 42 in 1998, and in Cotacachi-Cayapas from 93 in 1992 to 263 in 1998.

23. As mentioned earlier, despite the large quantity of reports and studies produced by the project, lack of action by INEFAN's management led to much waste of effort and resources. As the ICR puts it, "activities that INEFAN took under its direct charge, which were activities requiring INEFAN's approval such as the Development of Information Systems, the Fiduciary Fund, the Administrative Restructure, and Protected Areas Policies were not satisfactorily concluded." Also, as indicated in relation to the contractual instruments used to involve NGOs in project activities, excessive concern with product (specifically reports) over process resulted in many lost opportunities to build capacity that could have ensured a positive long-term impact for project activities.

24. Another source of project inefficiency was heavily centralized decision-making.⁶ On several occasions, local staff in protected areas complained to the PPAR mission about the process by which equipment was procured. Decisions on models, designs, quantity, and kinds of equipment purchased were made in the central office without sufficient input from the local staff in protected areas. As a result, much of the acquired equipment was inadequate or too expensive to operate⁷.

- In Cotacachi-Cayapas, the project distributed 19" TV sets as tools for the community education activities. But these TV sets were too large and difficult to transport on the bumpy roads of the reserve and buffer zone. As a result, park staff were reluctant to use them. In their view, more and smaller sets, easier to transport, would have been a much better alternative at a similar or lower cost.
- In Yasuni, the project purchased an imported speedboat. While these boats were faster than locally designed boats, they are unstable and dangerous for the local rivers, and too expensive to operate. In consequence, these boats sit idle while staff hire cheaper and safer local boats.
- In Machalilla and Cotacachi-Cayapas, the project distributed several four-wheeled motorcycles. These were quite effective and quick in off-road terrain, but they were expensive to operate. Tires, which must be replaced once a year, cost US\$2,000, equivalent to one-fifth of the annual budget for the Cotacachi-Cayapas reserve.
- Budget overruns were another problem during implementation. Four of the 35 activities exceeded the budget by more than 50% : Strengthening of INEFAN (85%), Protected Area Management Plans (261%), Staff Training (165%) and Public Outreach(64%). At the same time 23 activities spent under 50% of the budgeted amounts. Eleven of these were activities in the Galapagos National Park to be financed by the Government in Ecuador (see Annex B).

6. Another way to assess project efficiency is by comparing project outcomes with those of other similar projects. The Bolivia Biodiversity Conservation project also had the objective to strengthen the SNAP in Bolivia and was designed and implemented around the same time within a similar social, cultural and institutional context. Even though the Bolivian project was for only 4.5 US\$ million, (as compared to 7.2 US\$ million for the Ecuador project), its impacts on the strengthening of the SNAP were significantly greater and were achieved at a lower cost.

7. Officials from DNAPVS reported to the mission that field staff were consulted on equipment purchases made. However, field staff interviewed by the PPAR mission indicated that the equipment they received from the project was not always what they had requested and that some was of limited use. For future acquisitions, better communication between DNAPVS and field offices will be required to insure equipment purchases address local staff needs and are appropriate for local conditions.

OVERALL OUTCOME

*While the project's relevance was substantial, the project achieved only a few changes to the most important institutional, legal, and social impediments to sound biodiversity management in Ecuador. Also, efficiency of project activities was modest. On this basis the project outcome is rated **moderately unsatisfactory**.*

25. The ICR rates the project satisfactory, though its own analysis does not seem to support such a rating. According to the ICR, achievements on sector policies, social objectives, public management, and private sector development were only partially met. The ICR also indicates that negligible achievements were registered in meeting financial, institutional, and environmental objectives. Only physical objectives were substantially met (World Bank 2000:12-13). Despite the lack of results overall, the ICR then states that "in a real sense, the project may be considered as having actually met the strategic objective of supporting the restructuring and strengthening of the institutions responsible for the management of the NSPA, even if not as originally envisaged." This is a generous interpretation of project accomplishments. In the next paragraph the ICR explains why INEFAN was unable to play a role in the management of SNAP. Then, the ICR rates the project's outcome as satisfactory on the basis of the experience generated by the project's failure: "It is disappointing that this lesson was learned at considerable cost in time and financial resources. However the lesson if internalized may reduce the costs of further efforts to establish a sound regime for protection."

26. The Bank is preparing a follow-up GEF project for Ecuador that has incorporated some of the lessons learned in the first project. Some of these lessons refer to more effective mechanisms for citizen participation, biodiversity monitoring, and cost recovery. While it is too early to say anything about the impacts of the lessons learned from the first GEF project, it is safe to say that the follow-up GEF project is likely to do better, insofar as it will be implemented by the MMA, an institution much friendlier to biodiversity conservation and citizen participation than INEFAN.

27. While project relevance was substantial, and the lessons generated by this project are valuable, the project's achievements were few, project efficacy and efficiency were modest, as most project activities had limited impact and investments and purchases were made that derived modest benefits. Thus, this review rates the overall project outcome **moderately unsatisfactory**.

SUSTAINABILITY

*While the project made some important contributions to staff training and new visitors centers, it largely failed to build institutional support, stakeholder ownership, and the social support required to ensure the sustainability of project accomplishments. In addition, cost recovery instruments to ensure financial sustainability were not put in place. On this basis, sustainability is rated **unlikely**.*

28. Technical resilience is rated **modest**. While staff training activities largely improved the professional levels of staff (largely protected area managers and guards), low salaries resulted in high staff turnover and in the loss of many of the trained personnel. Salaries of protected area managers and guards are considerably below other equivalent civil servant positions in Ecuador. Until this situation is corrected, it is unlikely that the DNAPVS will be unable to retain trained staff.

29. Financial resilience is rated **negligible**. While Ecuador has a strong potential for a financially independent SNAP, this appears to be a low priority for the government. Protected

areas and parks in Ecuador draw enough foreign and national visitors to raise the funds needed to finance the costs of managing the SNAP solely on the basis of park entrance fees. In the opinion of some DNAP field staff, entrance fees from the Galapagos National Park and Machalilla alone could generate sufficient revenue to pay for the management of the entire SNAP. Nevertheless, park entrance fees are captured by the Ministry of Finance, which returns only a small fraction of these revenues to protected areas. The appraisal report promised the development of a revenue system to finance the SNAP and a study for a National Fund to finance the costs for managing the SNAP. While studies were carried out, the proposals lacked the support of INEFAN's management and were not implemented. However, some of this information is now being used in the formulation of the Fondo del Medio Ambiente (National Environmental Fund). Officers in the Ministry of Finance argued that Ecuador's social needs were of higher priority. However, modest investments in protected areas could help maintain infrastructure and services financed by the project and attract more visitors and revenue. Meanwhile, without adequate funding support, the investments carried out by the project are deteriorating (trails, signals, park service facilities), making the parks less attractive to visitors. Because of small budgets, park improvements, vehicles, and other equipment provided by the project have deteriorated and sometimes other project accomplishments have also been lost (Box 3).

Box 3. An Example of Unsustainable Success

The project established a Biodiversity Information Center (BIC) to provide updated information decision-making. To set up the BIC, INEFAN signed agreements with several academic and research institutions in Ecuador. This activity resulted in a database on species and a new vegetation classification system. Soon the BIC became an important source of information on biodiversity in Ecuador and was frequently consulted by other agencies. When the project ended, however, the staff were let go owing to lack of funding, and the reference collection was incorporated into the Library of the Ministry of the Environment. The MMA continues to maintain some of the databases of the information system, but the MMA has not drafted an operations manual for the system and information is no longer available outside the MMA. The BIC's unique strength, an information resource specialized on biodiversity, has yet to yield ongoing benefits.

30. Government ownership is rated **modest**. Unless the GOE is willing to establish a reliable source of revenue for the SNAP, the project investments will continue to deteriorate. Given the record to date, and the economic and political outlook in Ecuador, this is not likely to happen any time soon. During project execution, INEFAN management's lack of support of project products and proposals was an important impediment for the project. The CPU, while effective at delivering products, was perceived within INEFAN as an enclave doing much of its work in isolation. The National Directorate of Natural Areas and Wildlife (DANVS), which was supposed to take an active role in drafting terms of references for studies and consultants, was understaffed and unable or unwilling to provide guidance or work with the CPU. As a result, the DANVS did not develop much of a sense of ownership of the studies or processes undertaken by the project. Later, the Ministry of the Environment (MMA) was a much more supportive implementing agency for the project. Still, many of the studies and proposals developed under INEFAN became irrelevant in the new institutional context. Even though the new minister was supportive of several aspects of the project, such as citizen participation and decentralization, the project was about to end and had little funding left. The current Minister of the Environment proposed a fund to support some of the protected areas as part of a larger eco-tourism project that has been presented to several donors. This is now under consideration as a component of a follow-up GEF grant. The current administration, however, is about to end. Frequent changes in the MMA in the past few years have yielded shifts in vision and discontinuity. There is no indication that this time will be any different.

31. Overall stakeholder ownership and social support is rated **modest**. Development pressures on protected areas are one of the most critical issues affecting conservation in Ecuador. While the formulation of PAMPs involved the participation of local people, most of the activities identified during appraisal that addressed development pressures in protected areas were not carried out or were only partially executed, such as the review of property rights in protected areas, community use of natural resources, tourist development, and formation of RCCs. The lack of attention to process and alliance-building resulted in losing the opportunity to develop a shared vision of the SNAP among stakeholders and between administrations. The preparation of the GEF follow-up grant has begun to address these issues by seeking the participation of all stakeholders in project preparation, endorsing the concept of “parks with people” and incorporating issues such as property rights, land tenure, and co-administration of protected areas with indigenous peoples.

32. In summary, while the ICR rates the sustainability of the project uncertain, this review concluded that project sustainability is **unlikely**. The ICR analysis seems to agree with the conclusions of this report when it states that “the project has generally not produced a sustainable institutional or financial result and a follow-up project or program would be required to do this.”

INSTITUTIONAL DEVELOPMENT

The project contributed little to improving the institutional capacity in Ecuador to manage biodiversity. Institutional development is rated modest.

33. As indicated earlier, the project failed to build a central capacity for managing the SNAP, had little impact in the legal framework affecting biodiversity conservation, and accomplished little in its work with local communities. The exceptions were the protected areas where buildings were constructed (Machalilla, Cotacachi-Cayapas, and Boliche) and in some cases, where PAMP had been carried out. In Cotacachi-Cayapas, for example, the building of the visitor center had an interesting catalytic effect. Built by Lake Huicocha, a favorite tourist site in the region, the center has been perceived as a valuable income source by the municipality, a regional organization of rural communities (UNORCAC), and the DNAPVS. Although during the PPAR mission there seemed to be an impasse between UNORCAC and the Municipality of Cotacachi, the high stakes involved will most likely result in a dialogue that might engender a coalition for long-term management of the protected area.

34. By failing to promote citizen participation in the management of protected areas and more fully incorporate DNAPVS staff in its execution, the project lost the opportunity to build on the social and institutional capital that already existed in Ecuador. For instance, the project could have drawn more on local traditional institutions to involve local communities in monitoring and protection, and it could have built on the existing community institutions to ensure compliance. The project also could have provided support to universities and research institutions currently conducting biodiversity research in protected areas for biodiversity monitoring. For example, Catholic University of Quito and San Francisco University of Quito have fully staffed research stations in Yasuni National Park but coordinate little between each other and the park authorities.

35. Two years after the project ended, there was little evidence at the national office of DANVS that the project had taken place. The reports it produced, the most important output of the project, had already been packed in boxes and sent to storage. In some protected areas where the project worked, such as Yasuni, apart from vehicles, outdated computers, and boats that were rarely used, there was little left to remind anybody that the project had taken place.

BANK PERFORMANCE

*The project attempted to accomplish too much. It included 35 activities that were not always clearly related. Having no benchmarks or indicators to assess the extent to which the project was on track, implementation emphasized the completion of activities rather than meeting the project's strategic objectives. Bank performance is ranked **unsatisfactory** during both design and supervision.*

Quality at Entry

36. While the objective of the project was highly relevant, there were three critical design flaws from the start. First, the project had too many activities that were not clearly linked—35 activities addressed a wide variety of issues (See Annex B). Moreover, as the ICR indicates, the project did not hold itself accountable for reaching its strategic objective for biodiversity protection. Instead of focusing on reaching specific targets, the appraisal report promised to establish the necessary conditions for protection, without defining what those conditions might be (World Bank 2000:2). The agency selected to execute the project had no previous experience in biodiversity and was not committed to biodiversity conservation or incorporating civil society into its activities. As the ICR puts it, “INEFAN had been created to protect and manage the SNAP without having had experience or a predisposition to execute this function” (World Bank 2000: 16). In the next paragraph it states, “INEFAN’s staff had been selected from the ranks of a parent agency with a tradition of forestry exploitation and did not receive the leadership or incentives necessary to motivate change favoring protection.” Bank staff did not appear to have appreciated that INEFAN was not adequately prepared to assume the role of NGO coordinator during implementation. “The project did not elevate the possibility of establishing more cooperation and collaboration among NGOs and bilateral agencies to the level of a basic objective” (World Bank 2000:8). There was no analysis of INEFAN’s cash flow to test the assumption that its revenue was reliable and adequate to finance the operation of the SNAP (World Bank 2000:5). This omission is particularly important given that one of the risks the Bank identified during preparation was the potential national budget constraints limiting the funding during project implementation. On this basis quality at entry is rated **unsatisfactory**.

Box 4. Low Priority Given to Monitoring

According to the appraisal report, biological monitoring would be a crucial part of the project. It was to be carried out at the level of the project areas and field information was to be combined with remote sensing material. The identification of specific biological elements to monitor was to be done as part of the preparation/update of protected area management plans. Aspects to monitor included results of project activities as well as distribution of fauna and flora, fragile ecosystems, hydrological cycles and climatic parameters. But the monitoring and information systems set in place were much narrower in scope: According to the ICR “the monitoring and evaluation system appears to have been designed so as to focus on the completion of the activities, with much less attention paid to the effectiveness of the models being developed” (World Bank 2000:8). Moreover, given that the appraisal failed to identify specific performance goals, the emphasis of the monitoring system was simply on tracking project actions. Tracking impacts or results was not important from the perspective of the project managers. Thus, the project spent only 21 percent of the funds budgeted for this purpose. On the other hand, expenses related to the organization of INEFAN exceeded the original budget by 185 percent (Baracatt *et al.* 1999:59). When the project was completed, the monitoring system had served its purpose and it was dismantled. What seemed to have been an administrative decision resulted in the elimination of a critical part of the project.

Supervision

37. During supervision Bank staff was very responsive to the implementation process, procurement, auditing of disbursements, and other financial issues. Moreover, the task manager included the director of the CPU in supervision missions of similar projects to foster exchange and learning. Issues raised during missions addressed most problems facing the project. Nevertheless, “the supervision efforts did not act effectively to maintain focus on achieving the project’s intended strategic objectives” (World Bank 2000:14). Keeping the project on course was difficult given the lack of indicators against which to measure progress and outcomes. Similarly, for the Galapagos, low levels of financial commitments by the GOE were noted but not rated as implementation problems. Supervision missions consistently rated the project satisfactory, even for such important components as the Galapagos National Park investments and the legal reforms that were increasingly delayed or difficult to achieve. As the ICR put it “in spite of the repeated evidence that the INEFAN was not developing as intended, no activity was dropped or modified, and no new activity was introduced that might have improved project efficacy” (World Bank 2000: 8). On this basis supervision is rated **unsatisfactory**.

38. The ICR rates the Bank’s performance as satisfactory for design and deficient for supervision. This review, however, rates the Bank performance **unsatisfactory** both for design and supervision.

BORROWER PERFORMANCE

*Lack of ownership and support by the implementing agency for the project and its proposals was a major impediment in the accomplishment of the project’s strategic objectives. Borrower performance is rated **unsatisfactory**.*

39. The appraisal report indicates, “the strong leadership demonstrated by INEFAN officials combined with the extensive consultation process that took place during preparation of the project provide a reasonable assurance of adequate involvement and commitment of the Government”(World Bank 1994:8). But a critical factor affecting the project was that INEFAN did not share several important goals of the project. INEFAN staff held two different outlooks toward forest resources, one outlook sought to restrict their use and the other sought to promote their use. Government ownership of the project throughout the project was low. This was partly due to the concentration of decision-making in the CPU and a growing perception of the CPU as an enclave within INEFAN. Lack of project ownership within the DNAPVS, the most likely institutional ally of the project, led to the rejection or lack of support of the project’s studies and recommendations. Not only was there a low commitment to biodiversity protection in INEFAN, but the organization resisted the notion that NGOs had a role to play in policymaking. This became a major obstacle to civil society participation in project activities and led to an inoperative Consultative Committee. During the life of the project there were four acting directors of INEFAN and four different governments. The consequent changes in vision created considerable institutional instability during implementation. Further instability came when the government failed to provide INEFAN with the financial support to meet its obligations to the project. This had a particularly large impact on the activities programmed for the Galapagos National Park. The ICR rates borrower’s performance as deficient, which is consistent with this report’s rating of unsatisfactory.

LESSONS LEARNED

40. This PPAR drew several valuable lessons that build on the lessons in the ICR:
- ***The promotion of biodiversity protection needs to take the political dimension into account and plan and provide for building alliances in support of the necessary reforms of the system.*** INEFAN was divided among those advocating biodiversity conservation and those advocating forest development. This created a hostile environment for the strategic purposes of the project. The CPU did not help this situation by failing to enlist the support of the DNAPVS, the most likely ally of the conservation cause. The mechanisms to incorporate NGOs and community groups in policymaking were never consolidated. Without internal and external support, many of the studies, recommendations, and proposals produced by the project were not acted upon by the implementing agency. Thus, the project's impact on policies, regulations, and institutional reforms were at best indirect and minor.
 - ***Realistic objectives, clear benchmarks, and sound monitoring are crucial to ensure that project activities contribute to strategic goals.*** The project's objectives were too broad. Also, lack of information regarding biodiversity and project impact made it particularly difficult to assess the utility of the project's approach during implementation. For example, insufficient information on the overall condition of biodiversity resources in the country made it difficult to assess the value of focusing on specific protected areas, and the failure to put in place an impact monitoring system precluded any possibility of tracking the extent to which project activities actually had an impact on protected areas. Lack of benchmarks or specific directional guidelines contributed to poor supervision. Thus, even though problems with the adoption of studies and recommendations were apparent since the mid-term review, having no benchmark against which to measure accomplishments, the project continued to implement activities while failing to take action on the most crucial factors affecting the project's impact: the inaction of the implementing agency and the insularity of the central project unit.
 - ***The protection of biodiversity is a complex process; to make it manageable, projects should address a few crucial factors and seek to gradually build capacity.*** Excessive complexity was a major flaw in the project—it sought to address too many factors simultaneously, some of which required careful coordination. Another flaw was the emphasis on products (largely reports and studies), to the detriment of support for capacity-building processes, and insufficient attention to building upon existing institutional and social institutions. Had the project focused on fewer activities and given more attention to linking with existing initiatives and working with other institutions and organizations it might have been more successful.
41. Three recommendations emerge from this analysis for the follow-up project currently under preparation:
- The project should incorporate a strategy to build alliances that support the reforms and institutional changes proposed. Project design and implementation should ensure ownership by the implementing agency, build alliances with environmental offices of sectoral ministries, and ensure the active participation of NGOs and local communities in project planning, execution, and monitoring.

- The project should clearly define objectives, benchmarks, and impact-monitoring indicators. Also, supervision should focus on the extent to which activities are contributing to the project's strategic objectives and not just on execution of activities.
- The project should concentrate on a few crucial aspects of biodiversity protection, and should make special efforts to build upon local capacities and ongoing processes.

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Mission Data

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Staff days in field</i>	<i>Specializations represented</i>	<i>Performance rating</i>	<i>Rating trend</i>	<i>Types of problems</i>
Identification/ Preparation		2			S	S	
Appraisal Supervision	Oct. 94	2		Environment Specialist Social development Specialist	S	S	PCU Financial/accounting INEFAN staff Training Planning Lack of park rangers Institutional procedures Organization Coordination Lack of knowledge in conflict resolution Establishment of Protected Areas Trust Fund
	July 1995	2	3	Environment Specialist GIS Specialist	S	S	
	August 1995	4	3	Environment Specialist Institutional Development Archeologist GIS Specialist	S	S	Terms of Reference for the Biodiversity Information Center Information format delivery to INEFAN Limited Participation of the DNAPVS's Increase Staff in PCU DNAPVSs Weak organizational structure INEFAN's Financial Administración Promulgation of Laws pending in Congress Establish new priorities regarding project activities Delay allocation of counterpart funds Delay on Galapagos activities due to counterpart funds Conservation of cultural resources in Machalilla Define Activities to assist communities in Machalilla National Park
	February 96	2	3	Environment Specialist	S	S	Disbursements interrupted due to delay on requests by CPU DNAPVS's weak organizational structure NGOs complain regarding treatment
	March 97	8	8	Environment Specialist NGO coordinator Natural Resources Management Protected areas Management Social Development	S	S	

<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Staff days in field</i>	<i>Specializations represented</i>	<i>Performance rating</i>	<i>Rating trend</i>	<i>Types of problems</i>
April 98	2	4	Nature Tourism (2) Institutional Development	S	S	as consulting firms. Interim training plan Delay on Contracting DNAPVS's institutional assessment Operational Plan for 1996 to extensive needs to be revised Continues delay on Galapagos activities due to lack of counterpart funds Partial involvement of DNAPVS's staff in project activities DNAPVS position within Infant's institutional structure Operational administrative independence of the Galapagos National Park in relation to the SNAP Several initiatives regarding policies for protected areas and lack of consensus among them Lack of a legal specialist in the DNAPVS
Nov./ Dec 98	1	2	Environment specialist NGO Specialist	S	S	Participation of civil society in the administration of the NSPA PAMP: large documents, language and concepts difficult to understand PAMP: Deeper analysis on stakeholders is necessary and should promote more participation. Activity 35: Local communities have manifested their concern in the sense that most of the funds have been used for studies while no practical projects/ experiences have been contemplated.
April 99	2	2	Environment specialist	S	S	Continues delay on counterpart funds

<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Staff days in field</i>	<i>Specializations represented</i>	<i>Performance rating</i>	<i>Rating trend</i>	<i>Types of problems</i>
			Environment Specialist Biodiversity Specialist			<p>only US\$ 352,000 has been allocated Continues delay on Galapagos activities due to lack of counterpart funds Administration and maintenance of Interpretation Centers Improve NGOs participation mechanisms NGOs need technical assistance for preparation of proposals Depleted INEFAN's Financial situation due to the Galapagos Special Law. No decisions are taken by INEFAN regarding the establishment of the Protected Area Trust Fund. Delays and disagreements regarding the contract for the design of Regional System of Protected Areas.</p> <p>Only few activities have been implemented in Galapagos, due to partial allocation of counterpart funds INEFAN's Board has not approved policies for protected areas Minor problems detected in design of Interpretation Centers There are no clear mechanisms for the administration of interpretation centers. BIC: INEFAN needs to internalize the center and work out the regulations for its operation. Training system: the contract will be closed by the end of Dec. but only 80%</p>

<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Staff days in field</i>	<i>Specializations represented</i>	<i>Performance rating</i>	<i>Rating trend</i>	<i>Types of problems</i>
						<p>has been completed GOE has the intention of restructuring INEFAN. But the specific actions and mechanisms are not known yet.</p> <p>Changes in the institutional Framework: INEFAN has been eliminated and its functions have been transferred to the MMA. The new institutional framework for the administration of the NSPA is under design Policies for protected areas have not been approved due to changes in institutional framework Studies and assessments carried out under the project are not being considered by the MMA for the institutional restructuring process. There are still no clear mechanisms for the administration of the Interpretation Centers. Maintenance plans for Interpretation centers should be prepared</p>
Completion	NA	NA	NA	NA	S	S

Annex B. Project activities and expenses

Activity	Budget	Expended	%
1. Strengthening of INEFAN	1552,436	2,867,726	185
2. Policies formulation	72,000	48,781	68
3. SNAP strategy	517,000	217,423	42
4. Conflict resolution method (land holding)	84,000	1,952	2
5. Regulatory reforms	32,000		0
6. PA Management plans	348,000	1,254,921	361
7. Management of protected areas (investments)	1,939,000	1,215,287	63
8. Monitoring	777,000	163,000	21
9. Regional development	32,000		0
10. Regional committees	528,000	115,011	22
11. Economic value of Biodiversity	144,000	75	0
12. Eco-tourism study	95,000	40,928	43
13. Regulation of activities in PA (concessions)	15,000		0
14. Financial System	45,000	18,064	40
15. Community use of resources	93,000		0
16. Biod. Info. System / Pub. Natural History	220,000	279,627	127
17. Staff training	189,000	499,948	265
18. Staff training on legal system	45,000	18,054	40
19. Public Outreach on SNAP	154,000	30,730	20
20. Biodiversity protection strategy	109,000	179,237	164
21/24. Public education campaigns	30,159	355,159	109
25. Strategic plan for Galapagos	98,000		0
26. Strategic plan for marine reserve	34,000		0
27. Quarantine Galapagos	249,000	275	0
28. Tourist system Galapagos	44,000		0
29. Tourist monitoring Galapagos	138,000		0
30. Urban planning Galapagos	249,000	54,367	22
31. Land use planning	151,000	13,740	9
32. PA equipment and patrolling system	308,283	160,717	34
33. Staff training	64,000	24,381	38
34. Educational system of Galapagos	121,000	9,835	8
35. Chachi community development	350,000	366,128	105

Source: Baracatt et al (1999): Anexo VIII: Monitoreo Presupuestario por Actividad

Annex C. Investment Activities

1. Furnishings and Equipment

<u>Type of Equipment</u>	<u>US dollars</u>
Field Equipment	237,354
Computers and software	814,411
Office furnishings	97,808
Audio - visual equipment	95,788
Weapons, ammunitions, riding outfits, mules	36,278
Vehicles, motorcycles, canoes	594,086
Other Furnishings	<u>62,090</u>
TOTAL	1'937,815

2. Construction and Furnishing of Visitors Centers

The visitors centers built are:

- (a) "Ecuador's Pioneer Areas in Conservation" and "The National Protected Areas System" located at Recreational Area "El Boliche".
- (b) "A Reserve from the Snow to the Jungle" at Cotacachi Cayapas Ecological Reserve.
- (c) "3,000 years of History in the Tropical Forest" located at "La Chiquita", in Cayapas Mataje Ecological Reserve.
- (d) "The Mangrove" Interpretation Center in San Lorenzo, designed but not built.

All Interpretation Centers rely on the project's contracts for the designing and construction of furnishings and exhibitions. The Interpretation Center located at San Cristóbal, Galapagos National Park, was assisted in its design by the project with US\$ 20,000.

3. Other construction executed by the project

- (a) Classroom and office at INEFAN's station in Borbón, Cotacachi Cayapas Ecological Reserve;
- (b) 50 kilometers of trail and daytime office for Podocarpus National Park;
- (c) Recreational Area El Boliche Tourist complex made of:
 - 2 interpretation centers, 1 administrative center; 10 log-cabins,
 - 1 restaurant; Camping lots; tables and BBQ place; 2 sanitary batteries & complete external lighting; parking lots; water; gardening; basic furniture and domestic equipment
- (d) Photovoltaic Energy Study in Isla Floreana, Galapagos.
- (e) Guard posts at Galapagos National Park.
- (f) Office, Housing and Services Design at Isla San Cristóbal, Galapagos National Park.
- (g) Trail Design under the Interpretative Diagnostic Study of 8 Protected Areas.
- (h) Environmental Impact and Economic Feasibility Studies were prepared for Boliche and also for Cotacachi Cayapas Ecological Reserve Interpretation Centers.

Source : Baracatt et al (1999)

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