

IMPLEMENTATION COMPLETION REPORT

Region: LAC

Country: Panama

Project ID: P061317

Grant TF No. 022698

39204**GEF Medium-Size Project:****Panama: San Lorenzo Effective Protection with Community Participation**

Washington, D.C., June 2004

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MAP

The project area, showing the protected area at the northern Caribbean entrance to the Panama Canal, and rural buffer zone.

GEF MSP IMPLEMENTATION COMPLETION REPORT (ICR)

I. BASIC DATA

- (1) Date of Completion Report:** October 2003,
Execution Date: August 1999 to September 2003
- (2) Project Title:** San Lorenzo: Effective Protection with Community Participation,
Panama, TF 022698
- (3) GEF MSP Allocation:** \$725,000
- (4) Grant Recipient:** CEASPA, Panamanian Center for Research and Social Action
- (5) World Bank Task Manager:** Douglas Graham (initially John Kellenberg)
Yabanex Batista
- (6) Goals and Objectives of the MSP grant :**

The goals of the MSP grant, as identified in the project document of June 1999, were to support the effective protection of the new San Lorenzo Protected Area in association with efforts to contribute to the long-term conservation and sustainable use of biodiversity in the Mesoamerican Biological Corridor; and to strengthen stakeholder support for the protected area. These goals were to be achieved by: (i) developing and executing a management plan with participation from national authorities, local communities and non-governmental organizations; (ii) by contributing to the establishment of an appropriate institutional framework for the management of the new protected area; (iii) establishing financial mechanisms to generate resources for the long-term financial viability of the new protected area; and (iv) developing an education and training program to increase local capacity to use and to support the sustainable management of natural resources in the project area.

The expected project outcomes were an increased institutional capacity to manage the proposed protected area in a coordinated and participatory fashion, through the development and implementation of a management plan that establishes zoning uses and ensures the effective protection of the area; and the establishment of a system for generating financial resources to ensure the maintenance of the protected area in the medium to long term. Another expected project outcome was increased local benefits from participatory management of the project area, particularly the buffer zones, through support for diversification of sustainable livelihoods, through increasing local capacities for organization and accessing resources.

There were no changes to the overall goals and objectives of the Project during the four years of project execution. They were reviewed during the mid term evaluation, and considered to be valid and achievable overall.

(7) Financial/Budget Information: Describe any changes from original financing plan (changes in co-financing or GEF-financing):

See table on next page of Initial and Final allocations by components, GEF and co-financers.

The components 1 to 5 noted in the table are:

1. Management Plan developed for San Lorenzo Protected Area
2. Institutional framework for management of San Lorenzo Protected Area
3. Financial mechanisms for medium and long term viability of protected area
4. Local capacities developed for sustainable resource management
5. Project management and evaluation.

The figures in the Planned column are taken from the Table in the Project Document as approved, page 26, MSP Budget by Outcomes and Financier, and the columns are presented in the same order. GEF financing remained as planned, with some changes in assignment between components, agreed by the World Bank task manager in the annual budget approvals. All co-financers increased their contributions beyond those anticipated, except for the IFAD-MIDA project to support sustainable rural development in Colon, Cocle and Capira, which suffered from delays in execution. Two additional co-financers are noted, the World Monument Fund, with a contribution of US\$140,000 for the World Heritage Site, Fort San Lorenzo, and the US Fish and Wildlife Service, with a grant of US\$143,000 to CEASPA, for the project Making Achiote a Bird-Friendly and Birder-Friendly Community.

The community and local capacity component was complemented by leveraged funds from the Fundación Natura, the Peace Corps, the National Fish and Wildlife Foundation and the US Fish and Wildlife Foundation.

Table 1. Initial and Final Allocations by Components, GEF and Co-Financers (in thousands US\$)

Project Component	GEF		Co-Fin1		Co-Fin 2		Co-Fin 3		Co-Fin 4		Co-Fin 5		Co-Fin 6		Co-Fin 7		Co-Fin 8		Co-Fin 9		Co-Fin 10		Co-Fin 11		Co-Fin 12		TOTAL NON GEF		TOTAL	
			Fund. Nat.		STRI		ARI		ANAM		CEASPA		Peace Corps		USAID/ USFS		NFWF		IFAD		Other GOP		WMF		USFWS					
	Planned	Actual	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.	Pl.	Act.
Component 1	232	305			500	550	200	200	68	68	5	5			100	500	40	40			80	80		140		30	993	1613	1225	1918
Component 2	50	40								12										30	30					10	30	52	80	92
Component 3	56	48								10							12			30	30					10	30	62	86	110
Component 4	269	163	60	63	10	10				10	8	8	70	245		45	30	30	100	50	50	50				78	328	589	597	752
Component 5	118	169					65	65	15	0	40	40													15	120	120	238	289	
TOTAL	725	725	60	63	510	560	265	265	83	100	53	53	70	245	100	545	70	82	100	50	190	190	0	140	0	143	1501	2436	2226	3161

Table 2: Cofinancing and leveraged resources (for projects which underwent a midterm, phase or a terminal evaluation in FY 03)

Co financing (Type/Source)	IA own Financing (mill US\$)		ARIANAM, GOP Government (mill US\$)		Other* (mill US\$)		Total (mill US\$)		Total Disbursement (mill US\$)	
	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual
– Grants	725	725			130	288	855	1013		
– Loans/Concessional/ market rate	NA	NA	NA	NA	NA	NA	NA	NA		
– Credits	NA	NA	NA	NA	NA	NA	NA	NA		
– Equity investments	NA	NA	NA	NA	NA	NA	NA	NA		
– Committed in-kinds support			538	555	833	1593	1371	2148		
– Other										
Totals	725	725	538	555	963	1881	2226	3161		

* Other is referred to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

Note: the figure in GRANTS includes only the funds managed by CEASPA directly, from the Fundación Natura, NFWF and USFWS. Other non-governmental contributions are included as committed inkind contributions.

Leveraged resources

The project was successful in leveraging additional funds for the project. The **Peace Corps** placed the equivalent of 7 years of volunteers in communities in the buffer zone; the **US Forest Service** and the **USAID** provided training, technical support, publications about the San Lorenzo Protected Area, and have committed the funds for demarcation of the San Lorenzo Protected Area. Private enterprises in Colon and the Colon Free Zone and some conservation and development projects, such as the **GTZ** Cerro Hoya National Park project, and the **Jason project**, have provided training and educational scholarship opportunities for local community students and teachers and adults. The **National Fish and Wildlife Foundation** granted US\$82,000 to CEASPA for Public outreach programs in support of the San Lorenzo Protected Area, and the **US Fish and Wildlife Service** granted CEASPA US\$143,000 for bird habitat protection in the buffer zone and in the San Lorenzo Protected Area. The **World Monument Fund** obtained US\$140,000 from American Express to support research, publications and physical interventions in Fort San Lorenzo, the World Heritage Site, regarding the natural and cultural history and conditions of the area. The contributions by beneficiaries and volunteers were not been quantified, although in time and effort these were substantial.

II. PROJECT IMPACT ANALYSIS

(1) Project Impacts:

The main objectives of the project have been met during the four years of project implementation. The biodiversity of the area is still present, as evidenced by jaguar prints seen by the Park guards in early 2003 in the protected area, indicating both the condition of the habitat, and also of the connectivity of the San Lorenzo Protected Area with surrounding forest cover. The forest coverage has remained intact, *see the Landsat photo taken in 2000*, and was observed as such in helicopter over flight in March 2002.

Two government agencies are financing ten park guards, an environmental educator, and the Director of the Protected Area. The community mapping of the buffer zone gave a base line of vegetation cover for 90% of the western buffer zone. Monitoring of changes in that vegetation cover after one year indicated only minor changes. The park guards have equipment and training, and carry out regular patrols accompanied by a member of the Ecological Police Force. Four government agencies agreed that the management category should be changed to that of National Park, and the Management Plan, complete with park limits and zoning, has been agreed. The Management Plan is on the website of the project, at www.sanlorenzo.org.pa. The USAID has agreed to finance the delimitation of the National Park, at the request of the National Environment Authority.

Decision makers in the pertinent government agencies, private enterprise and local communities recognize the existence and importance of the San Lorenzo Protected Area. Local communities in the buffer zone have received training and participated in activities relating to sustainable production, gender and development and rural and eco-tourism. In two areas in the southern part of the Protected Area, where two government agencies had different policies regarding the use of the land, there have been some incursions and forest

conversion, though no permanent dwellings. The investment projects planned in the built up area of Sherman, and for concessions within the Protected Area itself, are within the parameters of tourism, conservation and research. The environmental impact statements and carrying capacity studies of these projects have not yet been made.

Describe to what extent the objectives have been met

(the following description is presented by project component)

Project objectives have been met overall. Several aspects of the project have taken longer than CEASPA anticipated when formulating the project, and some decisions that correspond to the government are in process. There was a change in government just when the project started, and in general, across all sectors, the execution of public sector commitments has been slow.

Management Plan of the San Lorenzo Protected Area developed and in execution. With respect to the Management Plan, it is a great achievement that the final document was in fact agreed upon by four government agencies, although that process itself took two years and three months, compared with the original design of six months. The consulting company that did the work showed considerable restraint and patience during the process of inter-institutional negotiating and decision making. Once agreed upon, the National Environmental Authority has developed its own procedures for preparing the official resolution approving the Management Plan. ANAM staff expect the resolution to be signed by the Administrator, together with the resolutions for three other protected area management plans.

As regards the preparation of the Management Plan, the process of inter institutional discussions between the four main government agencies - the Interoceanic Regional Authority, the National Environmental Authority, the Panamanian Tourism Institute and the National Culture Institute- was of critical important to those taking part in the review of each stage of the preparation of the Management Plan. CEASPA and the consultants had anticipated a greater degree of input and discussion with other actors, such as local authorities, universities, other government agencies, communities, NGOs, etc. Several mechanisms were used to obtain their input, but the draft final document was not submitted to them for review. The contents of the Management Plan, in terms of programs and activities, indicate the potential for participation in the implementation. *See photos of interagency workshops in the field while preparing Management Plan.*

One of the most important results of the Management Plan process was the discussion over the management category for the protected area. Under the Law 21 of 1997 which decided land uses of the reverted lands, (former Canal Zone), this protected area had two management categories: protection forest and protected landscape. During the negotiations of the Management Plan, it was agreed that this should be a National Park. This is a highly positive result of the GEF project. It is key element for the longterm biodiversity conservation, management principles, fund raising, relationships with investors in the area, and for decisions over visitor management and scientific research.

Another important result of the project is the high visibility accorded to the area. The San Lorenzo Protected Area has been recognized in international publications such as *National Geographic* in Spanish, and in publications of the Mesoamerican Biological Corridor, the IUCN Mesoamerica office, GEF publications about projects in Central America, the journal of the National Environment Authority and national newspapers. A volunteer also researched and produced a book about the San Lorenzo Protected Area that CEASPA published in English and in Spanish. *See cover illustrated in photo.* The US Forest Service is in process of publishing in 2000 copies as a technical report an illustrated slide show text with 80 photographs and 7 maps of the San Lorenzo Protected Area. The San Lorenzo Protected Area was visited by the educators' institute of the Jason project, who bought videos, books, maps and T-shirts of the area. In the school year 2003-2004 the Jason project will reach 1.3 million students in participating schools in Panama and the United States, with information about Panama's tropical forests.

Institutional framework for the Protected Area established

Regarding the institutional framework for managing the San Lorenzo Protected Area on a long term basis, the relevant government agencies communicate regularly regarding issues that require coordination, and each of them, including the Panama Canal Authority, has an awareness of the importance of the area's future development and conservation. As an example of interinstitutional coordination, the Panama Canal Authority, the Interoceanic Authority, and the National Environment Authority are collaborating in providing information for the contract to carry out the demarcation of the Protected Area, approved by USAID at ANAM's request, in the second half of 2003.

This is not to say that all government agencies share a similar vision. Decisions over concessions of investors in Sherman are key with regards to protection, conservation, financing and management of the San Lorenzo Protected Area. These decisions only started to take place in mid 2003, when the project was ending, and are handled exclusively by the government. The San Lorenzo Project has provided information to the investors, when possible, about the protected area, and invited them to seminars and events relating to the area. The kind of investments contemplated both in the Protected Area and in Sherman could be compatible with tourism, conservation and research, but there has been no public discussion of environmental impact studies, or carrying capacity studies of these particular investments.

Mechanisms established for financial viability of the protected area

The financial viability of the San Lorenzo Protected Area is both possible and probable. Several factors, such as accessibility to Panama and Colon, the cruise ship shore excursions development, and tourism development plans in Sherman, will all help make it more viable in the future. However, decisions have to be made by government institutions; for example, to start charging entry fees, to invest in upkeep of the main access road and maintenance of Fort San Lorenzo- the main cultural attraction- and to charge concessionaires for use of the area; and to establish mechanisms for managing the funds generated. The Management Plan lays out a menu of mechanisms and analyses their potential for supporting the long term protection and development of the area. CEASPA helped to update the analysis in March 2003.

Increased local community capacity for sustainable use and management of natural resources

In the area of community development in the buffer zone, CEASPA had considerably greater autonomy of action than in the protected area. In general the response and interest by local people to the potential of more sustainable use of natural resources has been positive. That does not mean however that their incomes have increased substantially, or that many people have in fact succeeded in diversifying their incomes. In the four years of project execution new ways of thinking, of relating between communities and within families, of marketing production and of developing new economic activities have been introduced to the area. CEASPA hopes to continue and further that process with project funds from the US Fish and Wildlife Service. Some examples are the annual festivals organized in Escobal by the environmental and tourism committees, the direct sale of quality organic coffee to the Duran coffee enterprise, interest by adults and children in birds and wildlife and their conservation.

Achievement of Performance Indicators

Table 3: Effectiveness Indicators Comparative Table

Planned	Current Status
1. Management plan developed for the San Lorenzo Protected Area	<p>The San Lorenzo Management Plan was developed by a consulting company in consultation with five government agencies, local communities, university departments, civic groups from Colon city, and the Smithsonian Tropical Research Institute.</p> <p>Four government agencies agreed to change the management category to National Park and agreed on the limits and zoning, and agreed to the Final Document in December 2002.</p> <p>Annual operating plans have been prepared and negotiated with FIDECO, the Ecological Trust Fund, for support.</p> <p>The communication strategy includes publications, a bilingual visitors' guide, information stands, signage, a video, banners, leaflets, an audiovisual presentation and scientific review, and an environmental education program.</p> <p>Park guards are equipped and have received training in patrolling, first aid, map reading, attention to visitors, bird watching, animal tracks, and have visited other protected areas. <i>See photos of park guard training.</i></p> <p>Project personnel with the park guards and Director produced the first Protection and Patrolling Plan for a National Park in Panama.</p> <p>The project provided a launch and motor for patrolling the river and lake. ANAM requested support for building a control and information post at the entrance to the Protected Area, between Sherman and Fort San Lorenzo, construction began in September 2003.</p>

<p>2. Establishment of institutional framework for the management of the San Lorenzo Protected Area</p>	<p>The protected area and Sherman are managed by an interinstitutional agreement between the Interoceanic Regional Authority, the National Environment Authority, the Panamanian Tourism Institute and the National Culture Institute.</p> <p>ANAM runs the area as a National Park, with an experienced Park Director. The ARI pays the park guards. The ARI agreed to make the formal transfer of the protected area to the National Environment Authority once the demarcation has been completed.</p> <p>The Management Plan presented several alternatives for managing the Area, but no final decisions were made. The Smithsonian Tropical Research Institute and the Panama Canal Authority are supportive of the objectives of the National Park.</p> <p>CEASPA helped facilitate government decision-making regarding aspects of management of the protected area by providing analysis, resources, publications and publicity for events.</p>
<p>3. Financial mechanisms to ensure the financial viability of the San Lorenzo Protected Area</p>	<p>Studies of alternative mechanisms for the financial viability of the area were made for the Management Plan, in 2001, and updated to 2003.</p> <p>A Cooperation agreement was signed between ANAM and Fundación Natura, and CEASPA, to open a dedicated bank account to receive funds for this protected Area. The Controller General's office has to give approval of the agreement.</p> <p>The Management Plan recommends producing quality materials for sale, the project has produced a book, and visitors guide with map.</p>
<p>4. Increased local capacity for sustainable resource management</p>	<p>CEASPA has worked with communities in the buffer zone in sustainable production, community-based tourism, and gender and development.</p> <p>The participatory community analysis and planning produced vegetation cover and land use maps of 90% of the buffer zone. Some local residents were trained also in mapping of land use of individual farms.</p> <p>Results include the establishment of a coffee producers' association, "Community, Coffee and Environment" that has sold coffee directly to one of the largest coffee marketers in Panama, Café Duran; the establishment of a nursery in Achote producing native trees and ornamental plants; introduction of organic agriculture and soil conservation to the area; the establishment of rural tourism committees and the holding of three annual Agro-Ecotourism festivals in Escobal. <i>See photo of Festival.</i></p> <p>Local people have been trained in bird watching with</p>

	<p>experience as research assistants in monitoring of raptor migrations and guiding of bird tours, and in making puppets and presenting environmental puppet shows;.</p> <p>Four active women's groups have been established, and community promoters trained.</p> <p>Synergies have been established with the Peace Corps, pertinent government agencies, University professors and students from Colon, and McGill, and NGOs, such as the Panama Audubon Society and APRONAD.</p>
5. Project management and evaluation	<p>The project produced regular quarterly reports on progress, and a Mid Term Review was carried out by an external consultant, Dr. Jim Barborak. Financial and acquisition procedures were followed, the audits were approved. CEASPA is proud of the safety record achieved during the project, zero work-related accidents, and only minor problems with equipment, vehicles, etc.</p> <p>World Bank supervision missions were attended as required by the World Bank, and a special visit arranged for a World Bank mission to Panama in the fourth year of project execution.</p> <p>The final evaluation was carried out by a local consultant, in interviews with government agencies and international cooperation representatives, and participatory evaluation of impact in the communities.</p>

(2) **Project Sustainability**

The San Lorenzo Protected Area has good potential for its long term sustainability. The location makes it an area of national and international interest, and the public communication strategy has helped ensure that large numbers of people and institutions know about the area. The potential for its financial viability is good, as negotiations are underway for support from the investors in Sherman for protection of the National Park. The ground has been laid for communities to take a positive attitude towards the protected area, and towards conservation of their natural resources. Thanks to an additional project financed by the US Fish and Wildlife Service, CESAPA is building a Community Learning Center and Visitors Center in Achiote in the buffer zone. However, basic needs of the rural population (housing, water and sanitation, communications, roads, access to schooling, income earning opportunities) are far from being satisfied.

The National Environmental Authority, ANAM, has requested USAID to carry out the formal delimitation of the National Park, which is a necessary step for the area to be formally handed over from the Interoceanic Regional Authority to the ANAM. This will pave the way for decisions on the management structure of the Park, as overlapping jurisdictions continue to present difficulties.

Key issues requiring attention in the future include follow up with the private sector investors in Sherman, and proposals and actions to mitigate negative impacts of improved vehicular access and other infrastructure related to the Panama Canal expansion projects. It is imperative for the long term conservation of biodiversity to strengthen the connectivity of this Protected Area with the forested areas and the protected area network of the Canal area, and towards the west, the Costa Abajo of Colon, towards Donoso and the Veraguas Caribbean coast.

(3) Replicability

Key elements of the project that could be useful for other projects include the following elements:

- (i) a project design that works simultaneously in the field with families and communities in topics of direct interest to them, and with policy makers in the government and people and sectors who influence decisions.
- (ii) A communication strategy that works on different levels and uses different media is also an approach that can be replicated, for example: using such varied methods as mobile workshops and guided tours with specialized information packets, a website with guest book, mobile photographic exhibition, a book published specially about the San Lorenzo Protected Area, (a first in Panama, with exception of books about the Barro Colorado Island, which is run by the Smithsonian Tropical Research Institute), a professionally researched and developed slide show and short video, the preparation of hand made finger puppets and writing of puppet shows based on local knowledge, and use of the website, guest book and email.
- (iii) Innovative financial approaches made by this project are also serving as a model for other protected areas: for example the Cooperation agreement for the establishment of a dedicated bank account to receive and manage funds raised specifically for the San Lorenzo Protected Area is serving the Fundación Natura and ANAM as a model for other protected areas.
- (iv) Methodologies used for the first time in Panama in developing the San Lorenzo National Park Management Plan are being used in preparing Management Plans for other National Parks in the Mesoamerican Biological Corridor. For example, the use of the US Forest Service methodology of applying Recreational Opportunities Spectrum planning methodology, and the use of the analysis of as many of 14 financial mechanisms in developing the financial strategy for financing the Management Plans of the Volcan Baru National Park and the La Amistad National Park.
- (v) This project produced the first Protection Plan and Sign Maintenance Plan for a protected area in Panama. The methodology was based on analysis of threats and critical areas based on the park guards' knowledge, and some models used in the US National Park Service. These are serving as models for similar efforts in other protected areas in Colon, and could do so nationally.

- (vi) The Nature Conservancy with USAID has designed a project for the Chagres National Park that includes decision-making by a management committee, made up of representatives of ANAM and three NGOs, including CEASPA, and TNC.
- (vii) Design of an attractive, bilingual website with relevant links, has proved a highly effective way to reach people. It even brought the *National Geographic* in Spanish to contact us for an illustrated article for the section on Conservation in Latin America.

(4) **Stakeholder Involvement** – Describe the approach taken for stakeholder involvement; and adjustments to the approach; and any lessons learned from this approach.

CEASPA signed a Memorandum of Understanding for project execution with four government agencies, the National Environment Authority, the Interoceanic Regional Authority, the Panamanian Tourism Institute and the National Institute of Culture. Even though CEASPA did not take part in the regular meetings of the interinstitutional committee that these government agencies had formed for the management and integral development of the Sherman-San Lorenzo area, CEASPA played a facilitating and “confidence-building” role in promoting improved workings of this unique inter institutional decision-making committee, at least during the early stages of the project. In addition CEASPA helped facilitate the elaboration and approval of the first Management Plan with input from the Panama Canal Authority and the Smithsonian Tropical Research Institute, in addition to local community, local government and civil society and university inputs.

CEASPA’s view of participation was consistently more encompassing than that of some of the government agencies, which led to some difficulties. Personnel from the Mesoamerican Biological Corridor projects in Panama, World Bank and GTZ, and the World Bank were consistently helpful in advising CEASPA in these issues. CEASPA took the approach that the more people and organizations who know about the area and its special characteristics and importance for biodiversity, and who have some direct involvement, the better. With that in mind, CEASPA devoted many resources to outreach by traditional and new methods and to running an inclusive team. Wherever feasible, CEASPA sponsored and organized joint activities, with groups such as the Panama Audubon Society, the World Monument Fund, the Patronato Panama Viejo, the Smithsonian Tropical Research Institute and the University of Panama Regional Center in Colon, among others. CEASPA encouraged volunteers, locally and internationally, in professional and specialist activities, and university students doing internships and theses. CEASPA has deliberately given attention to involvement by the international community, organizations and individuals, for their potential support for this area of international importance for biodiversity, scientific research, its World Heritage Site, and history.

Although local community organizations are active in the buffer zone, their participation inside the protected area itself is minimal. Co-management with community participation of this particular protected area is still away in the future. This is

disappointing to CEASPA. CEASPA carried out stakeholder analysis periodically, in order to help identify with which organizations to promote greater (or lesser) involvement. CEASPA worked with church based organizations, but not exclusively Catholic ones, as in some communities the Protestants have great influence. Some groups in the area were suspicious of CEASPA's activities due to the combination of working with local groups and with government agencies (with particular reference to the disputes over the Panama Canal expansion plans in the new watershed). CEASPA's response was that actions speak louder than words.

Some lessons learned include:

- (i) Getting people into the field, involved in an activity, anywhere out of their normal working environment, is conducive to encouraging stakeholder involvement.
- (ii) The nongovernmental stakeholders are interested in participation, often more than the government.
- (iii) It is vital for the facilitating organization, CEASPA in this case, to carry out regular analysis of the context and the roles that different stakeholders are playing, in order to decide where to focus attention.

(5) **Monitoring and Evaluation** – Describe the approach taken, any adjustments to the approach, and any lessons learned.

It was agreed with the World Bank that CEASPA would write regular quarterly reports, maximum 5 pages, with annexes to include letters of no objection, approved terms of reference and other reports on project activities. In addition, CEASPA provided special reports in a timely fashion when requested by the Task Manager, as inputs to World Bank internal reports. CEASPA attended to the supervision missions, and Aide Memoires were prepared of most visits. CEASPA was informed during project implementation that field supervision missions were intended to take place every six months. The actual frequency during the project life was less than that, mostly due to supervision budget constraints. The Mid Term Review by an external consultant, at the decision of CEASPA, was helpful to CEASPA and the World Bank in making slight adjustments to project objectives, and in proposing a brief extension to the project duration. The government (ANAM) carried out annual exercises in monitoring the effectiveness of the protected area management, using 45 indicators. The indices showed considerable improvement over the four years, and this new protected area is well managed by national standards.

Some lessons learned:

- (i) a MSP related to a full size project with a shared Task Manager, leads to improved supervision and evaluation of the MSP.
- (ii) The World Bank can assist a non governmental organization that is running a project that relies on governmental agreements to be taken more seriously. For example, the government agencies are willing to come to meetings with the NGO when

the World Bank official is present. It is not possible however to identify specific outcomes that have resulted as a result of the World Bank's official presence.

(iii) The fact that the World Bank was overseeing the project run by an NGO gave the government confidence that the NGO would carry out a serious project.

(iv) World Bank backup and support gives the NGO greater confidence in carrying out the project and in dealing with the government.

(6) Special Project Circumstances – Provide an overview of the relevant economic, financial, social, institutional and environmental conditions that may have influenced project implementation. Identify main factors affecting implementation and outcomes distinguishing those within and outside control of the recipient.

Special project circumstances that have affected project implementation include the change of government in September 1999, just two months after the project began execution. Many of the technical personnel from the government involved in project formulation maintained their positions, but there were important changes in the decision makers and the Directors of the government institutions. Project execution of elements under government responsibility in general was slower than anticipated. The Mid Term Review by the external consultant, Dr. Jim Barborak of the Wildlife Conservation Society, made this point in his report. The procedures whereby four government agencies had to make decisions jointly about certain aspects of the San Lorenzo Protected Area were definitely unwieldy, fortunately not inoperative. But all decision making is slow. In the case of the Interoceanic Regional Authority, the change in government meant a change in the orientation of the development of Sherman by private enterprise and considerable delays. Private investment in the area is beginning firm negotiations with the ARI in mid-2003.

The National Environment Authority, as a recent institution, (created in mid 1998) is in the process of developing regulations for several topics of direct relevance to project components. Examples are: the procedures for developing and approval Management Plans for protected areas; regulations for co-management, and for concessions to manage protected areas or to provide services within a protected area; regulations of the management of income generated by Protected Area entrance fees; a review of protected area categories. Until these regulations are in place, there are no standard procedures for implementing several aspects of the project. CEASPA through this project helped to put topics on the agenda and to provide information and analysis that would contribute to solutions and decisions. The paragraphs above refer to factors outside the recipient's control.

With regards to factors affecting implementation by CEASPA, there were some changes in members of the team, and a learning curve that took its time in developing effective communication and collaboration as the San Lorenzo project team, and in developing strong working relations with the other programs and activities that CEASPA has been involved in. *See photos of the project team.* The political and economic environment in Panama, particularly in Colon, has been characterized by distressed economic circumstances, and rather weak government, with increasing politicization and a

perception of generalized corruption. Despite that environment, in general the news and the projection of the project's activities has been positive, which is a considerable achievement.

(7) **Institutional Capacity / Partner Assessments:** Evaluate the implementing agency's performance during the preparation and implementation of the project, with an emphasis on lessons learned that could be relevant for the future; Evaluate the Bank and other co-financier's performance; and present any assessment(s) or comments from co-financiers and other project partners.

CEASPA's experience with the World Bank as Implementing Agency was positive in general. On occasions, decisions on procedures for MSP's were not always in place and CEASPA had to wait while they were made. The fact that this project was initially managed by the same Task Manager as a larger full size project in Panama meant that the MSP initially received regular attention in the field. When this arrangement ceased, it was harder for the new Task Manager to devote time and attention or field visits to the Project. Fortunately this change occurred after the Mid term review and so project execution was well under way. The regular field visits were key in establishing confidence with the government institutions with whom CEASPA worked. A reduction in their frequency coincided with a decline in government interest in the project.

III. SUMMARY OF MAIN LESSONS LEARNED

1. **The importance of taking advantage of synergies and complementary efforts.** The objectives of the project and design meant that it was vital to get other people on board with shared interests so that they would take on responsibility for actions and follow up. A great deal of effort went into working alongside other initiatives, institutions, organizations, whether local, civil society, international cooperation, NGOs, local government, central government, universities both national and international. Mainly this strategy paid off, but one does not always know it will until after the effort has been made. A constant reevaluation of the context and the actors, and a willingness to be flexible, to take advantage of unexpected offers and to follow up on new ideas, makes for an intense working environment and heavy workload, though it is for the most part very rewarding.
2. **The great benefits of using a larger umbrella project to support a small focused one, that gives much greater resonance to the impact of the small one.** (Fundacion Natura, Community, Coffee and Environment)
Relatively small amounts of leveraged funds can have a very effective impact, when integrated into a larger project. The impressive results of the Fundacion Natura project are a result of dedication and long hours, but also the intangibles of counting on a larger team sharing the aims and resources, and providing full back up and extra support.

3. **The focus on gender analysis with men, women and families, had a great liberating and cohesive community impact, in terms of human development, participation, motivation, self esteem, confidence, and social interaction.** The workshops CEASPA held exclusively with men, and then with women, had great impact. In the case of the men, CEASPA worked with the park guards, community members and with the project team. Among the park guards, some previously unresolved issues of family violence, drinking and abuse came out; again interpersonal relations improved after the workshop. In the communities, the women's groups started to organize themselves in a more consistent fashion and community activities in some cases showed an increase in the participation of both partners and of the sons and daughters of older community members. Many community people refer to changes (positive ones) in family communication.
4. **Care taken in designing and thinking through methodologies of how to get results in community changes and action pays off.** The project team ran into problems when we did not take sufficient time to think things through and even with the best design in the world, it is still not possible to guarantee or control how things will turn out. This issue is one that requires constant revisiting. There was a tendency to take for granted that the new people working on the project already had experience in the popular education methodologies, as they had worked in extension. However, there is a world of difference between vertical communications and the approach of popular education methodology, that starts with respect and acknowledgement of where people are, their knowledge and experience, moves into reflection and deepening of that knowledge, and back to a transformation in praxis. There is a tendency to fall into activism, and count the results in terms of numbers of workshops, meetings, etc., rather than the quality of the decisions and outcomes and what people actually do as a result of a workshop.
5. **Methodologies that work particularly well: exchange visits, field trips, mobile workshops, farmer to farmer interactions, horizontal exchanges, learning by doing, having fun, sharing a meal, getting people together in a new environment, doing something different.** In terms of thinking or experiencing something new, there is nothing quite like being in a different environment. This project required participants, the project team, the government, local people, other institutions, to do a lot of envisioning, dreaming, daring to think out of the box, in a way that did not always square with their expectations or past experiences. CEASPA had lots of opportunities to do things differently, to have new experiences, starting with becoming familiar with this beautiful area that had been largely off limits to Panamanians since the beginning of last century. So CEASPA arranged bus trips, picnics on the beach, train rides, a boat trip down the river, horseback riding in the mud to get to more isolated communities, going up in a crane to above the forest canopy, muddy walks to caves and waterfalls deep in the

forest, exchange visits to campesino organizations in Darien, Veraguas, visits by park guards to other parks in the Canal area. CEASPA arranged for children and teachers to go to festivals and school competitions, for campesino women leaders to leave their families to go to a residential course in a hotel, or even in Costa Rica; the project promoted increasing exchanges between communities, receiving young Canadians overnight, in villages completely unused to outsiders; arranging a Chinese breakfast for government officials with the CEASPA board of Directors, to break a deadlock in communication; and any chance to explore the unknown with interested people or groups.

6. **People love to learn new things:** especially in isolated rural communities, for example, the introduction of bird watching, making maps of the communities, monitoring raptor migrations, painting, puppet making, presenting puppet shows, community tourism exchanges. People really like to visit new places, meet new people, talk about new topics, be taken into account. The social interactions and the knowledge and confidence gained in new skills are experiences that stay with people, help them grow and sow seeds for the future with results way beyond the life of a project.
7. **Students and volunteers can make the paid team far more effective and do wonderful and surprising things.** The positive energy in the ideas and dreams of the project attracted some great additions to the formal team and its activities. The interns and volunteers from Canada, Panama, Spain, the United States, England gave a boost of energy, fun, brilliance, distraction and friendship, in addition to contributing in tangible ways with a video, a book, brochures, photographs, a community center in Caño Quebrado, publicity in *Lonely Planet Guide Panama*, website design, establishing of local committees, tears and laughter.
8. **Communication is vital, a website and an attractive book mean people take you seriously.** The book *Panama's Caribbean Treasure: the San Lorenzo Protected Area* was not a planned project output. It was written by a volunteer. However, without the project's accumulated specialized documentation center, it would not have been possible. Once available, the full value of it was realized, and CEASPA strongly recommends having a good website and publication about an interesting project within the first year.
9. **Teamwork and networking are key.** Constant communication, feedback, promotion of identity, intensity of interaction, encouraging of incorporation of new elements were all needed and encouraged. "Working as a team" is more than a cliché, or something that everyone knows how to do. It takes a lot of hard work to get there. The project was very complex, and ambitious. It required permanent and intensive flows of information among all the components, people and activities, to be able to respond appropriately, take initiatives and follow up in a timely fashion, and to help promote movement

in a direction that would support the project objectives. CEASPA spent a lot of time trying to promote the attitudes and behaviours necessary to achieve that permanent intercommunication. The project all felt the difference and knew when the flow was working, and conversely when not. The external environment was not always positive towards the project, so it was particularly important to maintain a mutually supporting interactive environment within the project team. The World Bank Task Manager can become part of that team, but is not necessarily so. It's great when they are.

10. **Transition from military to civilian use with community participation is a high level objective.** And in times of national security needs, even more so. The project aims are very ambitious. There is not agreement between civil society and all government agencies as to what are the parameters of "community participation". The words are shared, but not necessarily the ideas and action that go behind them. Moreover, the project area was used for jungle warfare training for forty years prior to 1999. Old habits die hard. CEASPA has learnt that despite all the efforts:- the investments, the publicity, the agreements among government agencies, the support of international agencies, including US government agencies- the siren call of "national security requirements" can override the efforts, at least temporarily. Efforts such as these require long term commitment, way beyond four years of a project.

IV. FINANCIAL MANAGEMENT STATUS

Block A grant Audit sent: March 21, 2003, From September 1, 1998 to June 30, 1999, approved in 5 September 2003

Audit of calendar year 1999 sent September 18, 2000, approved in August 1, 2001

Audit of calendar year 2000 sent May 14, 2001, approved in August 1, 2001

Audit of calendar year 2001 sent April 16, 2002, approved in August 30, 2002

Audit of calendar year 2002 sent to WB: March 21, 2003, approved in 5 September 2003 approved

Due date of final statement of account and external audit/ period to cover: calendar year 2003: November 2003

Received by Task Manager: Yes. Pending approval from FMS.

ANNEX

Photographs of the San Lorenzo project team and work

(NB sent as individual files to facilitate desired layout)

1. The project team (from left to right, top to bottom): Luis Espinosa, Administrative assistant; Sara Jalil, Administrator of natural resource projects; Charlotte Elton, Project Coordinator; Alvaro Jaén, Mapping and Information Management; Carlos Vigil, Community component coordinator; Daniel Holness, Natural resources component coordinator; Soledad Batista, ANAM, Director of the San Lorenzo Protected Area; José Herrera, Administrator and accountant; Manuel Hayen, Community promoter; Graciela Estripeaut, Consultant in systematizing experiences; Máximo Flores, Community promoter; Pedro Cedeño, Facilitator in popular education workshops.
2. Landsat photo 2000, showing forest cover of the northern, Caribbean portion of the Canal area.
3. Cover of book, *Panama's Caribbean Treasure: The San Lorenzo Protected Area*, by Leslie F. Larson. The book was published by CEASPA, 2002. The proceeds are earmarked for environmental education activities approved in the Management Plan.
4. Parkguards training in map reading, July 2003.
5. Gender workshop in the Achiote chapel, 2001.
6. Children from Escobal enjoying the CEASPA and San Lorenzo Protected Area exhibit at the III Agroecotourism Festival of Lake Gatun and the Costa Abajo of Colon, organized by the community of Escobal, July 2003.
7. Coffee plants in La Tagua, in a nursery, prior to planting on the farm, inspection by the coffee specialist, Carlos Ábrego, 2001.
8. On site planning for the World Heritage Site, Fort San Lorenzo, with the US Forest Service, Panamanian Tourism Institute, Management Plan consultants and park guards, 2000.
9. Jaguar footprint plastercast, made by ANAM park guard in the San Lorenzo Protected Area, after receiving training in animal footprints organized by the project, 2003.
10. US Forest Service workshop on recreational opportunities and scenery management of the San Lorenzo Protected Area, with Management Plan consultants, officials of the Panama Tourism Institute, the Interoceanic Regional Authority, the National Environment Authority and CEASPA, 2000. Documents available on the website www.sanlorenzo.org.pa
11. Park guards in bird watching training session, 2001.
12. Buffer zone community of La Tagua, making organic fertilizer, 2002.
13. Hand puppet of a Toucan, made by the Girasoles Creativos women's group, Escobal.

**SAN LORENZO
PROJECT TEAM
CEASPA AND ANAM**

