



1. Project Data:		Date Posted : 01/26/2001	
PROJ ID: P007029		Appraisal	Actual
Project Name: Biodiversity Protect	Project Costs (US\$M)	8.7	7.7
Country: Ecuador	Loan/Credit (US\$M)		
Sector(s): Other Environment	Cofinancing (US\$M)	7.2	7.4
L/C Number:			
	Board Approval (FY)		94
Partners involved : GEF	Closing Date	03/31/2000	06/30/2000

Prepared by :	Reviewed by :	Group Manager :	Group:

2. Project Objectives and Components

a. Objectives
The objective was to raise the level of protection of Ecuador's National System of Protected Areas (NSPA) through: (i) strengthening the institutional capacity, policy and legal framework for management of NSPAs, and (ii) ensuring the financial sustainability of the NSPA through the establishment of an efficient fees and tariffs system .

b. Components
These objectives were supported through four components :
(i) institutional strengthening of the National Institute of Forestry, Natural Areas and Wildlife (INEFAN);
(ii) support for the strengthening and rationalization of the legal and regulatory framework;
(iii) outreach activities focussing on awareness raising and conflict resolution; and
(iv) investments in civil works and infrastructure in eight selected areas, and logistic support for INEFAN field staff .

c. Comments on Project Cost, Financing and Dates
Total project costs were lower than appraised, mainly due to a shortfall in counterpart funds, which reached only 25% of expected levels.

3. Achievement of Relevant Objectives:
The project's objectives were not achieved . Numerous institutional strengthening activities, including training of INEFAN staff, manuals on administrative systems, plans for a Protected Areas Trust Fund, strategic studies, and management plans for four protected areas were completed but not implemented . Existing regulations on completed areas were compiled and published . Other needed regulations, however, were drafted but not acted upon . The financial sustainability of the NSPAs was not improved .

4. Significant Outcomes/Impacts:
The project produced a number of studies that contributed to thinking on the institutional, policy and legal framework for biodiversity conservation, consolidated a useful data base in the Biodiversity Information Center, increased public awareness of biodiversity conservation issues, and funded the construction and remodeling of visitor information centers in several protected areas. The project also stimulated collaborative programs between local communities, NGOs, private sector and public authorities in the management of biodiversity protection and resource use at the local level, that should provide useful experience for further such initiatives in the future .

5. Significant Shortcomings (including non-compliance with safeguard policies):
The project mainly failed to achieve the ownership and implementation of the strategic and policy proposals developed through the studies and other initiatives it financed by INEFAN, the agency responsible for biodiversity management in Ecuador. The many achievements, of the project, while important, appear to have been produced in an "enclave" by the Project Coordination Unit (PCU), and do not form an integrated basis for a comprehensive biodiversity protection program. Overall, the preparation and design of the project did not sufficiently appreciate the political and behavioral risks associated with trying to strengthen INEFAN's capacity and policies by inserting the PCU as an enclave at a relatively low level.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments

Outcome :	Satisfactory	Moderately Unsatisfactory	OED's rating is consistent with the ICR's text that the objectives were only "partially met". The ICR, however, argues that the project's disappointing experience demonstrated INEFAN's incapacity, leading to its replacement by a new Environment Ministry. While this may be a step in the right direction, it is not enough to justify more than a marginally unsatisfactory outcome rating.
Institutional Dev .:	Modest	Modest	The ICR rating of "partial" is not provided under the new ICR rating guidelines. The "modest" rating is equivalent.
Sustainability :	Unlikely	Unlikely	The ICR rating of "uncertain" is not provided under the new ICR rating guidelines. Based on the text, the equivalent rating would be (marginally) unlikely.
Bank Performance :	Satisfactory	Unsatisfactory	OED rates the QAE as unsatisfactory, for not having appreciated the old lesson that enclave PCUs are not good vehicles for institutional strengthening, and agrees with the ICR that supervision was deficient, due to inability to restructure the project on the face of mounting evidence that it would not succeed.
Borrower Perf .:	Unsatisfactory	Unsatisfactory	The ICR rating of "deficient" is equivalent to unsatisfactory.
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with "*" don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

As discussed in the ICR, the experience of this project once again illustrates the (old) lesson that enclave Project Coordination Units are not good vehicles for institution strengthening. This aspect of project design was at the root of poor ownership of the project by INEFAN, the difficulty in mainstreaming the capacity of the surrogate PCU established to implement the project, and the lack of follow-up action on the many studies funded by the project the proposals they supported.

The project also illustrates the importance of establishing functional monitoring and evaluation systems from the beginning, through such actions as conducting baseline surveys or pre-project assessments of institutional performance. As suggested in the ICR, the presence of explicit performance goals and monitoring indicators of expected results, could have flagged and substantiated the lack of progress in achieving the expected institutional development outcomes, and stimulated timely remedial action.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR provides a candid and detailed assessment of the experience of the project. It should be commended for its extended and reflective discussion of the strengths and weaknesses of project design and implementation.