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| 1. Project Data: | | Date Posted : 08/20/2001 | |
| PROJ ID: P006108 | | Appraisal | Actual |
| Project Name: Biodiversity Protection Project (GEF) | Project Costs (US\$M) | 8.35 | 8.31 |
| Country: Bolivia | Loan/Credit (US\$M) | | |
| Sector(s): Board: ENV - Central government administration (51%), Forestry (26%), Other social services (23%) | Cofinancing (US\$M) | 8.35 | 8.24 |
| L/C Number: | | | |
| | Board Approval (FY) | | 93 |
| Partners involved : GEF, SDC | Closing Date | 06/30/1998 | 12/31/1998 |
| Prepared by : | Reviewed by : | Group Manager : | Group: |
| Ramachandra Jammi | Andres Liebenthal | Alain A. Barbu | OEDST |
| 2. Project Objectives and Components | | | |
| a. Objectives | | | |
| The objective of the project was to ensure the protection of representative samples of some of Bolivia's most diverse and threatened ecosystems through: | | | |
| (i) consolidating six protected areas and establishing two new ones among some of Bolivia's most diverse and threatened ecosystems; | | | |
| (ii) using an integrated approach involving indigenous communities, NGOs, regional and central institutions; | | | |
| (iii) providing support to the Directorate of Protected Areas (DGB), conducting training of protected area personnel, developing a warden system, and developing an information system; and | | | |
| (iv) establishing a trust fund to cover operational expenditures to be managed by the National Environment Fund (FONAMA), and establishing a system for cost recovery. | | | |
| b. Components | | | |
| The major project components were: | | | |
| (i) support for the organization, implementation, and followup of a National System of Protected areas (NSPA); | | | |
| (ii) support to six existing protected areas and the establishment of two new areas; | | | |
| (iii) alternative management of natural resources in buffer zones; and | | | |
| (iv) administrative support to the project coordination unit in the the National Environment Foundation (FONAMA). | | | |
| c. Comments on Project Cost, Financing and Dates | | | |
| The project was financed through a GEF grant of SDR 3.1 million and cofinancing from the Government of Switzerland for SWF 5.2 million. The project closed on 12/31/1998, six months behind the original closing date of 6/30/1998. | | | |
| 3. Achievement of Relevant Objectives: | | | |
| <ul style="list-style-type: none"> • Two new protected areas areas -- Chaco and Madidi -- were established and staffed. The geographical boundaries of eight areas were agreed upon and defined; • A National Directorate of Biodiversity Conservation (DNCB) was formed in 1993. Administrative arrangements were signed with NGOs for the management of selected protected areas; Local communities were involved for the first time in co-management of some protected areas; • The DNCB and eight protected areas were staffed with competent professionals, most of whom received training under the project. A Biodiversity and Parks Management Information System was developed; • A fiduciary fund was established under the management of FONAMA to finance operating costs of NSPA . No credible mechanism for cost recovery was established . | | | |
| 4. Significant Outcomes/Impacts: | | | |
| <ul style="list-style-type: none"> • The project helped establish a viable system of National System of Protected Areas (NSPA) representing about 14 percent of the national territory, with the presence of trained professionals and some level of infrastructure and logistics facilities. • Policies were developed for genetic resources and wildlife, and classification of protected areas; • One hundred and sixty park wardens, 13 area directors, and 230 Park Guards were trained, equipped and | | | |

assigned to twelve protected areas;

- Policies and regulation were developed in respect of specifications for buildings and infrastructure, hiring and promotion, and financial management.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- There is not enough clarity in the statement of project objectives in the SAR;
- The Bank failed to foresee, and was inadequately prepared for the creation of MDSMA (Ministry of Sustainable Development and Environment), and the National Directorate of Protected Areas;
- The fiduciary fund under FONAMA is insufficient for financing annual operating costs of NSPA . This can be partly attributed to the Bank's failure to assess inherent political weakness of FONAMA and the legal and political difficulties in establishing a fee for service ecotourism . No new funds were committed since 1995, due to donors' skepticism about FONAMA's ability to manage the fund;
- In respect of community involvement in park management, there was scope for improving the level of acceptance and reducing the incidence of serious conflicts, by improving the planning and management process for such involvement.
- MDMSA failed to develop a coherent, integrated ecotourism policy and area user fees system to generate revenue to manage the protected areas;
- Excessive emphasis on central programs and administration delayed the decentralization of authority to the protected areas;
- There were shortcomings in developing capacity to enforce regulations regarding sale of wildlife, illegal activities within parks, and to develop legislation necessary to give park guards legitimate authority for enforcement .

| 6. Ratings: | ICR | OED Review | Reason for Disagreement /Comments |
|-----------------------------|--------------|-------------------------|--|
| Outcome: | Satisfactory | Moderately Satisfactory | Most major objectives were achieved, but there were significant shortcomings in project design, and financial and institutional areas of the project as detailed in Section 5. |
| Institutional Dev .: | Modest | Modest | |
| Sustainability: | Likely | Non-evaluable | Even though the project is technically satisfactory, there is some risk to the longevity of the project due to modest institutional and poor financial resilience . Available evidence is insufficient to fully assess sustainability . |
| Bank Performance: | Satisfactory | Satisfactory | Bank performance is rated as satisfactory, albeit marginally so, since it could have done better in assessing the government's commitment and capacity to undertake enabling policy and administrative decisions, and anticipating financial risk to the project . However, the project was consistent with country and Bank priorities and supervision was satisfactory . |
| Borrower Perf .: | Satisfactory | Satisfactory | As in the case of Bank performance, Borrower performance is considered only marginally satisfactory . The Government showed reasonably consistent commitment despite difficult political and financial circumstances . However, a clearer mandate and greater political support to the project, and ensuring greater continuity in FONAMA's management would have yielded far better project performance and effectiveness . |
| Quality of ICR: | | Unsatisfactory | |

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

7. Lessons of Broad Applicability:

- Before fostering the expansion of a national system of protected areas, a core of well run, adequately

functioning areas should be in place;

- A project's design should allow a margin of flexibility to adapt project execution to a new institutional framework as speedily as possible without compromising the original project's objectives;
- The effort and time required for public participation must not be underestimated;
- Fiduciary funds require detailed preparation work and involvement of qualified experts; there may be significant advantages to having such funds managed by private entities;
- Protected areas run by NGOs and/or indigenous groups may have a greater chance of being better managed, provided adequate arrangements for finance exist.

8. Assessment Recommended? ● Yes ○ No

Why? An audit may be scheduled to verify ratings and identify lessons learned . The project was an ambitious one, undertaken in a very difficult political, economic and institutional environment . A detailed study of the strategies that were adopted to maximize performance in the face of such constraints, can hold very useful lessons for similar projects in the region and other parts of the world .

9. Comments on Quality of ICR:

The ICR covers the most relevant points, but does not provide enough evidence to back up the ratings . It is not presented in a coherent manner, and is carelessly edited . The ICR has also been delivered 2 years after the due date, making the findings unavailable to similar projects in the meanwhile . There are no comments from the cofinancers who account for most of the project finance .