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**MID-TERM REVIEW**  
**of the IFC/GEF Project**  
***"Marine Aquarium Market Transformation Initiative (MAMTI)"***  
*(Project No. 506049)*

**Final Report**



*Courtesy of MAMTI*

*Submitted to:*  
International Finance Corporation - Washington

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## TABLE OF CONTENTS

LIST OF TABLES AND FIGURES .....	II
LIST OF ABBREVIATIONS AND ACRONYMS .....	III
ACKNOWLEDGEMENTS .....	IV
EXECUTIVE SUMMARY .....	V
1. INTRODUCTION .....	1
2. OVERVIEW OF THE PROJECT .....	1
3. DESCRIPTION OF THE EVALUATION .....	2
3.1. OBJECTIVES .....	2
3.2. SCOPE .....	2
3.3. METHODOLOGY .....	3
3.3.1. <i>Overall Approach</i> .....	3
3.3.2. <i>Evaluation Instruments</i> .....	4
3.4. EVALUATION USERS .....	5
3.5. LIMITATIONS AND CONSTRAINTS .....	6
4. EVALUATION FINDINGS .....	6
4.1. PROJECT RELEVANCE .....	6
4.1.1. <i>UNCBD Objectives</i> .....	6
4.1.2. <i>Marine Environment Objectives of the Philippines and Indonesia</i> .....	7
4.1.3. <i>IFC Sector Objectives</i> .....	8
4.1.4. <i>Needs of End-Users Beneficiaries</i> .....	8
4.1.5. <i>Synergies with Donor Programs/Projects in Countries and in Region</i> .....	9
4.1.6. <i>Internal Project Concept/Design</i> .....	10
4.2. PROJECT EFFECTIVENESS .....	11
4.2.1. <i>Achievements of Project Expected Results</i> .....	12
4.2.2. <i>Contribution to Capacity Development</i> .....	15
4.2.3. <i>Unexpected Project Achievements</i> .....	16
4.2.4. <i>Risk/Assumptions and Risk Mitigation Management</i> .....	16
4.3. PROJECT EFFICIENCY .....	17
4.3.1. <i>Project Management Approach / Adaptive Management</i> .....	17
4.3.2. <i>Financial Planning and Management</i> .....	19
4.3.3. <i>Fund Leveraging / Co-financing</i> .....	21
4.3.4. <i>Quality of Technical Assistance / Use of National Capacity</i> .....	22
4.3.5. <i>Project Delivery Mechanisms / Partnerships</i> .....	23
4.3.6. <i>Stakeholder Participation</i> .....	24
4.3.7. <i>Monitoring Approach and Progress Reporting</i> .....	24
4.4. PROJECT IMPACTS .....	25
4.4.1. <i>Potential to Achieve Long Term Project Goal and Objectives</i> .....	25
4.4.2. <i>Potential to Achieve Global Environmental Benefits</i> .....	27
4.4.3. <i>Potential Impacts on Local Environment, Poverty and Other Socio-Economic Issues</i> .....	28
4.5. SUSTAINABILITY AND REPLICABILITY .....	29
4.5.1. <i>Sustainability Strategy and Project Exit Strategy</i> .....	29
4.5.2. <i>Sustainability of Results Achieved by the Project</i> .....	29
4.5.3. <i>Financial and Human Resources Sustainability</i> .....	31
4.5.4. <i>Enabling Environment – Policy, Legislation and Institutions</i> .....	31
4.5.5. <i>Ecological Sustainability</i> .....	32
4.5.6. <i>Replication and Scaling-Up</i> .....	32
5. CONCLUSION / RATINGS SUMMARY .....	33
6. LESSONS LEARNED .....	37
7. RECOMMENDATIONS .....	38
ANNEX 1: TERMS OF REFERENCE .....	43
ANNEX 2: EVALUATION MATRIX .....	51
ANNEX 3: LIST OF DOCUMENTS REVIEWED .....	58
ANNEX 4: MISSION AGENDA .....	61
ANNEX 5: INTERVIEW GUIDE .....	63
ANNEX 6: LIST OF PEOPLE INTERVIEWED .....	67

## List of Tables and Figures

Table 1:	Steps to Conduct the Evaluation .....	4
Table 2:	Relevance of the Project to the UNCBD .....	7
Table 3:	Status of Project Summary Targets (as of End of June 2007) .....	12
Table 4:	IFC/GEF Fund Disbursement Status .....	19
Table 5:	IFC/GEF Financial Status per Activity .....	19
Table 6:	IFC/GEF Financial Status per Line Item .....	20
Table 7:	Co-financing from Project Partners .....	21
Table 8:	Ratings Summary .....	33
Figure 1:	MAMTI Capacity Development Approach .....	15

## List of Abbreviations and Acronyms

APEC	Asia-Pacific Economic Cooperation
AWP	Annual Work Plan
BD	Biodiversity
BINU	Biodiversity Indicators for National Use
CAMP	Collection Area Management Plan
CCIF	Conservation and Community Investment Forum
CI	Conservation International
COREMAP	Coral Reef Rehabilitation and Management Programme
CTI	Coral Triangle Initiative
CRMP	Coastal Resource Management Plan
CZMP	Coastal Zone Management Plan
DINARI	Dian Bhuana Lestari – an Indonesian NGO
EA	Executing Agency
EFM	Ecosystem and Fisheries Management
EU	European Union
EXCOM	Executive Committee
FT	Full Time
GEF	Global Environment Facility
GTZ	Gesellschaft für Technische Zusammenarbeit – German development assistance agency
HHT	Handling, Husbandry and Transport
IA	Implementing Agency
IFC	International Finance Corporation
ISO-9000	International Organization for Standardization Management Standards
IUCN	International Union for the Conservation of Nature and Natural Resources
LGU	Local Government Unit
M&E	Monitoring & Evaluation
MAMTI	Marine Aquarium Market Transformation Initiative
MAC	Marine Aquarium Council
MAC-HQ	MAC - Headquarters
MAQTRAC	Marine Aquarium Trade Coral Reef Monitoring Protocol
MPA	Marine Protected Area
MTE	Mid-Term Evaluation
NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non-Governmental Organisation
NIPAS	National Integrated Protected Areas System - Philippines
NTZ	No Take Zone
PA	Protected Area
PDF	Project Development Facility
PMC	Project Management Committee
PMU	Project Management Unit
PSC	Project Steering Committee
PT	Part Time
RAF	Resource Allocation Framework
RBM	Results Based Management
RCF	Reef Check Foundation
TMAT	Transforming the Marine Aquarium Trade
TNC	The Nature Conservancy
TOR	Terms of Reference
UNCBD	United Nations Convention on Biological Diversity
UNEP	United Nations Environment Programme
USA	United States of America
USAID	United States Agency for International Development
WASAN	Indonesian NGO
WB	World Bank
WP	Work Plan
WWF	World Wide Fund for Nature

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## EXECUTIVE SUMMARY

The Marine Aquarium Market Transformation Initiative (MAMTI) is a five-year (2005-2009) initiative that is funded by the Global Environment Facility (GEF), implemented by the International Finance Corporation (IFC) of the World Bank Group and executed by the Marine Aquarium Council (MAC) in collaboration with the Reef Check Foundation (RCF) and the Conservation and Community Investment Forum (CCIF). The project is funded by a IFC/GEF grant of US\$6.6 million and co-financing commitments of US\$6.9 million.

The objective of MAMTI is to transform the marine aquarium trade towards ecological and economic sustainability using conservation management and rehabilitation to ensure the ecological health of coral reef ecosystems and their contribution to poverty alleviation and food security. The project provides incentives for actors in the marine aquarium industry to exploit marine resources in a manner that enhances conservation, sustainable use and sustainable livelihoods.

This mid-term project evaluation - a requirement of IFC/GEF procedures - has been initiated by IFC as the GEF Implementing Agency of the MAMTI project. The objectives of this mid-term evaluation (MTE) were to determine whether project mechanism/processes for accomplishing the project's objectives are efficient and effective and whether they will lead to attainment of the stated project objectives.

This evaluation is based on a desk review of project documents and on interviews with project staffs and key project informants. The methodology included the development of an evaluation matrix to guide the entire data gathering and analysis process. The findings were triangulated with the use of multiple sources of information when possible. The evaluation report is structured around the GEF five evaluation criteria: Relevance, Effectiveness, Efficiency, Results/Impacts and Sustainability.

### ***The main findings of this evaluation are:***

The overall progress of the project is marginally satisfactory. Progress has been constrained primarily by management conflicts, an inefficient mobilization of project resources and an implementation strategy based on incorrect assumptions. The project concept/design has now become weak as it was based on several assumptions that are no longer valid. Project implementation has been facing major management issues such as staff turnover (including several court cases), a top-down and inflexible management approach. The partnership between the three organizations (MAC, RCF and CCIF) is dysfunctional and the project delivery mechanisms have failed to provide good support to the national teams. The decision-making process is mostly an internal process with very limited participation of stakeholders. Overall, the strategy of transforming the industry through the MAC certification of the entire chain of custody is not working and, moreover, cannot be implemented given the new set of [reduced] targets. Therefore, the potential to achieve the project targets is poor and the LT sustainability of the MAC certification scheme is at risk.

Despite the above management issues, MAMTI has had some positive impacts on the supply side and on the local environment, specifically on poverty and on other local socio-economic issues. In the 15 selected sites, the MAMTI project is making good progress. It provides a solution to some neglected supply issues of this industry through the development of a community-based transformation model to improve the business performance of these small operators. The capacity of collectors and traders has been improved. For example, they are now using better fishing techniques – including “fish to order”. They have access to micro-credit facilities and are managing their marine resources in a more sustainable way. As a result, the livelihood of these fishing communities has improved, the fish mortality has decreased and fishermen now catch only what is needed. The long-term sustainability of these activities is good and this community-based model could be “franchised” to other areas of the Philippines and Indonesia and other relevant countries.

### ***The main lessons learned are:***

- The MAC standards are too much driven from the USA and not enough “ownership” exists in the “producing” countries. No local institutions are involved in the MAC certification process;

- Implementation of a certification scheme needs to be fully supported by the relevant industry and its many players and it needs to be field-tested and its implementation strategy fully demonstrated;
- Transforming this trade in countries such as Indonesia and the Philippines requires considerable governance in place before a certification scheme can be implemented to transform this industry;
- Implementation of multi-million dollar projects located in a vast geographical area and including operations in multiple countries requires an implementing organization with the experience and track record in managing/implementing similar international projects;
- The marine aquarium trade needs to use better practices to ensure its long-term sustainability. This industry needs standards for its own self-regulation and a professional organization to manage/administer these standards and the certification process;
- Local governments (particularly the municipal level) need to be full partners of initiatives such as MAMTI.
- Transforming the supply side necessitates a strong emphasis on capacity development of local industry players such as collectors, traders and exporters;
- Implementation of one project to transform 17% of a worldwide industry is not realistic; it is too simplistic;
- The need to improve the demand side is not obvious. Demand from the industry does not seem to be based on asking for better quality fish but to comply with some recognized international standards;
- After three years of MAMTI implementation – including the PDF-B phase focusing on feasibility and market studies – we seem to know little about this industry. However, more knowledge on the industry is needed to maximize the effectiveness of a project such as MAMTI.

***The way forward is:***

Currently, the project is at a “cross-roads”; the management issues have almost brought the project to a halt. The two partner organizations (RCF and CCIF) withdrew from the partnership with MAC and the contracts of the project staff from these two organizations were terminated by the end of 2007. A brief SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis was conducted to identify the key findings on which the recommendations are based.

***What are the options?***

The feasible options are: (1) the project could close its selected sites and close the entire project in the next few months or (2) the project could be downsized and refocused on the supply side of this industry in Indonesia and the Philippines, developing further the emerging viable community-based model, which seeks to improve the collectors and traders business performance. This latter option is the recommended option.

***Recommendations for the way forward:***

The recommended option is to downsize the project and refocus it on the supply side of the marine aquarium industry, particularly in improving the business performance at the collector and trader level in the 15 selected sites. This option would build on the strengths of the project and on the progress made in the (15) selected sites. It would further develop the emerging community-based model to transform the supply side of this industry. This model could be replicated nationally and in other similar countries. The recommendation includes two components:

- *Selected sites:* The project activities should continue the capacity development of these communities such as the use of better fishing techniques, the business training with micro-finance capacity and the management of the resource with the development of CAMPs and NTZs. A project exit strategy should be prepared for each site. The project should also refine the community-based model to transform the industry in the “producing” countries and emphasize the long-term sustainability and the replication in the neighbourhood communities and possibly in the region through local governments and other NGOs.
- *Exporters in both Indonesia and the Philippines:* The project team should initiate a dialogue with the exporters in the Philippines and in Indonesia, emphasizing the use of their professional associations - to raise their awareness about the industry and the need to set some internationally recognized standards.

In order to design/plan this option, it is recommended to hire an external [neutral] consultant to conduct a planning phase to identify the strategy, the expected results, the required management structure, the management

## 1. INTRODUCTION

1. This report presents the findings of the Mid-Term Evaluation (MTE) of the IFC/GEF Project “*Marine Aquarium Market Transformation Initiative (MAMTI)*”. This MTE was conducted by Jean-Joseph Bellamy & Malcolm Winsby - Independent Senior Consultants with the Groupe-conseil Baastel limitée - on behalf of the International Finance Corporation (IFC).

2. The project has emerged because damaging fishing techniques including blast and poison fishing used in the marine aquarium trade are contributing to the degradation of coral reefs and more generally of the marine biodiversity. Market transformation through international Marine Aquarium Council (MAC) certification has potentially to ensure the sustainability of the marine aquarium industry and create incentives for achieving global benefits of biodiversity conservation, reef management, protected areas and reef restoration - thereby contributing to poverty alleviation, sustainable livelihoods and food security.

3. This MTE report includes seven sections. Chapter 2 presents an overview of the project; Chapter 3 briefly describes the objective, scope, methodology, evaluation users and limitations of the evaluation; Chapter 4 presents the findings of the evaluation and conclusions, lessons learned, and recommendations are presented in Chapters 5, 6 and 7 respectively. Supporting information is presented in relevant annexes at the back end of this report.

## 2. OVERVIEW OF THE PROJECT

4. The Marine Aquarium Market Transformation Initiative (MAMTI) is a five-year (2005-2009) initiative that is funded by the Global Environment Facility (GEF) through the International Finance Corporation (IFC) of the World Bank Group and executed by the Marine Aquarium Council (MAC) in collaboration with the Reef Check Foundation (RCF) and the Conservation and Community Investment Forum (CCIF). The project is funded by a IFC/GEF grant of US\$6.6 million and co-financing commitments of US\$6.9 million from both public and private sources.

5. MAMTI objective is to transform the marine aquarium trade towards ecological and economic sustainability using conservation management and rehabilitation to ensure the ecological health of coral reef ecosystems and their contribution to poverty alleviation and food security. The project provides incentives for actors in the marine aquarium industry to exploit marine resources in a manner that enhances conservation, sustainable use and sustainable livelihoods. The MAMTI Project objectives are to:

1. Transform at least 17% of the worldwide marine aquarium industry (21% of the Philippines and Indonesian markets combined) by achieving MAC certification through the complete supply chain (“reef to retail”).
2. Establish more than two dozen marine management areas (that include no-take marine protected areas and reef enhancement zones) that are managed by the local community and harvesting groups to their own benefit, approved and regulated by the local and national government.
3. Transform the existing unsustainable market to one that demands sustainably harvested marine ornamentals by increasing global industry and consumer awareness of, and involvement in, certification and the benefits of marine ornamentals that are harvested in a manner that conserves global biodiversity.

6. The project is to address the main threats and root causes of marine biodiversity loss in Indonesia and in the Philippines. The project document states that destruction of coastal and marine habitats and unsustainable and illegal harvesting are the main threats in addition to coastal water pollution. It makes the case for the need for market transformation as the only possibility to turn the tide of continuing reef degradation on a large scale; by combining private sector incentives with government policy and regulation. The document states further that “*luckily*” the government policies and regulations are already in place.

7. The project is proposing that market transformation through international Marine Aquarium Council (MAC) Certification can ensure that the marine aquarium industry is sustainable, responsible and is creating incentives for achieving global benefits of biodiversity conservation, reef management, protected areas and reef restoration - thereby contributing to poverty alleviation, sustainable livelihoods and food security. The MAMTI project is to mainstream this transformation by:

1. Building the capacity of community stakeholders to develop certified ecosystem management;
2. Ensuring there is scientific assessment and monitoring of coral reefs and marine ornamentals stocks for management;
3. Establishing no-take zones and reef and stock restoration;
4. Building the capacity of marine ornamentals collectors to become certified;
5. Increasing the financial resources and business skills for collectors to participate in a sustainable trade;
6. Increasing the participation of exporters, importers, and retailers in certification;
7. Raising the awareness of, and demand for, certified marine ornamentals among consumers.

8. Over the long-term, the role of MAC certification is to ensure that the marine aquarium industry contributes to sustainable and healthy coastal communities. For example, coral reefs will be supported and financed through cost recovery mechanisms derived from industry participation in certification. The marine aquarium industry is supportive of the need for full cost-recovery, fee-based systems. The project strategy is to develop a "reef to retail" pilot approach and to build on the pilot achievements to "scale up" to a critical mass of certification supply and participants in order to mainstream certification for a sustainable trade in the two most important source countries - the Philippines and Indonesia. The project document states that this strategy will happen with international standards of best practices and certification – which is already offered by MAC – and by the mobilization of sufficient resources over a sufficient time period to overcome the barriers to mainstreaming the transformation of the marine aquarium trade.

### **3. DESCRIPTION OF THE EVALUATION**

9. This mid-term project evaluation (a requirement of IFC/GEF procedures) has been initiated by IFC as the GEF Implementing Agency of the MAMTI project. This section presents the evaluation objectives, its scope, its methodology, the evaluation users and its limits and constraints pursuant to the Terms of Reference (TOR) (*see Annex I*).

#### **3.1. Objectives**

10. The objectives of this mid-term evaluation were to: determine whether project mechanism/processes for accomplishing the project's objectives are efficient and effective and whether they will lead to attainment of the stated project objectives; identify early signs of project results and sustainability of these results (increased capacity of stakeholders to develop and manage certification process, collector's capacity to obtain certification, access to finance for collectors, awareness and interest of importer and exporters in the certification process); identify/document lessons learned and make recommendations that might improve design and implementation of the project; and, furthermore, examine prospects for transforming the marine aquarium market, level of stakeholder acceptance of the project and its goals, and evidence of any physical changes in the coral reefs. With the project log frame as a guide, the consultant analyzed the project's environmental objective, delivery and completion of outputs/activities against appropriate indicators.

#### **3.2. Scope**

11. Below is presented a summary of the elements, which were covered by this evaluation; there are based on the TOR (*see Annex I*):

- Project concept and design
- Implementation
- Project outputs, outcomes and impact

- Progress towards results / Changes in marine aquarium market conditions
- Sustainability
- Project’s Adaptive Management Framework
- Underlying Factors
- Risk Management
- Partnership Strategy/Stakeholder Participation
- Monitoring and evaluation

### 3.3. Methodology

12. The following methodology is compliant with international criteria and professional norms and standards. It promotes a shared understanding of environmental management procedures and priorities. The evaluation provides evidence-based information that is credible, reliable and useful. The findings were triangulated through the concept of “*multiple lines of evidence*” using several evaluation tools and gathering information from different types of stakeholders and different levels of management.

#### 3.3.1. Overall Approach

13. The evaluation approach utilized and built on previous methodologies developed for the evaluation of similar initiatives in this sector, but they were adapted to IFC private sector investment projects, which help to conserve and improve threatened ecosystems. The mid-term review of this IFC biodiversity project included an assessment of the global environmental benefits, and contributions made to the capacity development of the private sector needed for the protection and sustainable use of natural resources at local, national, or regional levels.

14. The Evaluation Team assessed the project’s success in catalyzing private enterprises investment engaged in commercially viable activities that contribute to conservation of biological diversity by analysing, among other aspects:

- Transformation of the market of marine aquarium trade;
- Effectiveness of the business model for MAC certification process;
- Emergence of new value and markets from ecosystems services and sustainable harvesting; and,
- Changes in pressure on critical biodiversity resources.

15. Overall capacity built with respect to identifying, developing and financing private sector biodiversity-related initiatives as well as any changes in behaviour were also assessed through interviews with key informants. However, the assessment of contributions made to global environment through this biodiversity project was particularly challenging, since meaningful change in biodiversity, or in human behaviour that has an impact on biodiversity, often require longer than the normal project cycle to occur. Nevertheless, the Evaluation Team assessed the potential for long-term impact on global environment by using two principles: first, the assessment was based as closely as possible on biodiversity indicators actually used by the IFC/GEF during the project; and, second, any fieldwork in the very short time available took advantage of rapid assessment techniques such as focus groups with national project teams and one-to-one interviews.

16. The evaluation was conducted in accordance with the “*GEF Monitoring & Evaluation Policy*”. It was undertaken in-line with the GEF principles: *independence, impartiality, transparency, disclosure, ethical, partnership, competencies/capacities, credibility and utility*. It considered the two GEF evaluation objectives at the project level: (i) promote accountability for the achievement of GEF objectives; including the global environmental benefits; and (ii) promote learning, feedback and knowledge sharing on results and lessons learned among the GEF and its partners.

17. The Evaluation Team developed/used tools in accordance with the GEF policy to ensure an effective project evaluation. As mentioned in the TOR, the evaluation was conducted and the findings are structured

around the GEF five major evaluation criteria; which are also the five internationally-accepted evaluation criteria set out by the Development Assistance Committee of the Organisation for Economic Co-operation and Development. There are: *Relevance, Effectiveness, Efficiency, Results/Impacts* and *Sustainability*:

- *Relevance* relates to an overall assessment of whether the project is in keeping with its design and in addressing the key priorities to ensure that the obligations under the UNCBD are met and in keeping with the donors and partner policies, as well as with local needs and priorities.
- *Effectiveness* is a measure of the extent to which formally agreed end of project results (outcomes) have been achieved, or can be expected to be achieved.
- *Efficiency* is a measure of the productivity of the project intervention process, i.e. to what degree the outcomes achieved derive from efficient use of financial, human and material resources. In principle, it means comparing outcomes and outputs against inputs.
- *Impacts* are the long-term results of the project and include both positive and negative consequences, whether these are foreseen and expected, or not.
- *Sustainability* is an indication of whether the outcomes (end of project results) and the positive impacts (long term results) are likely to continue after the project ends.

18. In addition to the GEF guiding principles described in the TOR, the Evaluation Team also applied the following methodological principles to conduct the evaluation: (i) *Participatory Consultancy*: participatory data gathering activities; (ii) *Applied Knowledge*: the Evaluation Team’s working knowledge of evaluation theories and approaches and its particular expertise in biodiversity issues were applied to this mandate; (iii) *Results-Based Management*: the consultant customized its RBM approach to the requirements of this mandate; (iv) *Validity of information*: multiple measures and sources were sought out to ensure that the results are accurate and valid; (v) *Integrity*: any issue with respect to conflict of interest, lack of professional conduct or misrepresentation were immediately referred to the client; and (vi) *Respect and anonymity*: all participants had the right to provide information in confidence.

19. Finally, the evaluation was conducted following a set of steps presented below:

**Table 1: Steps to Conduct the Evaluation**

<p><b>I. <u>Preparation and Desk Study</u></b></p> <ul style="list-style-type: none"> <li>• Teleconference with IFC</li> <li>• Desk study in Canada</li> <li>• Elaboration of Evaluation Methodology: work plan, evaluation matrix and data collection tools (interview guides/methods)</li> <li>• Logistical arrangements for field missions</li> </ul>
<p><b>II. <u>Information Collection</u></b></p> <ul style="list-style-type: none"> <li>• Field mission to Indonesia and the Philippines</li> <li>• Documents collection</li> <li>• Follow-up interviews (as appropriate and necessary)</li> <li>• Further documentation review</li> </ul>
<p><b>III. <u>Information Analysis</u></b></p> <ul style="list-style-type: none"> <li>• Mission Summary Report</li> <li>• In-depth data analysis and interpretation</li> <li>• Follow-up interviews (as appropriate and necessary)</li> </ul>
<p><b>IV. <u>Evaluation Report</u></b></p> <ul style="list-style-type: none"> <li>• Elaboration and submission of draft evaluation report</li> <li>• Circulation of draft report to IFC and relevant stakeholders</li> <li>• Integration of comments from IFC and submission of final report</li> <li>• Fine-tuning if needed</li> </ul>

### **3.3.2. Evaluation Instruments**

20. To conduct this mid-term evaluation, the Evaluation Team used the following evaluation instruments:

**Evaluation Matrix:** As part of the initiation phase, the Evaluation Team developed an evaluation matrix based on the evaluation scope presented in the TOR, the project log-frame and the review of the key project documents (*see Annex 2*). This matrix is structured along the five GEF evaluation criteria and includes all evaluation questions. It provided overall directions for the evaluation, used as a basis for interviewing people and reviewing project documents and provided a basis for structuring the evaluation report. This matrix was assembled in the **Evaluation Work Plan** with an overview of the project, the evaluation scope and the proposed evaluation methodology to complete the evaluation framework. This work plan was submitted to IFC to be reviewed before proceeding into the data-gathering phase.

**Documentation Review:** The Evaluation Team reviewed the project and related documents in the Philippines, Indonesia and at home-office (Canada). In addition to being a main source of information, project documents were also used as preparation for the mission of the Team Leader. A list of documents was provided in the TOR and the Evaluation Team searched other relevant documents through the web and contacts. The list of documents was also reviewed at the start-up of the assignment (*see Annex 3*).

**Mission Agenda:** An agenda for the mission to the Philippines and Indonesia was developed during the preparatory phase (*see Annex 4*). The process reviewed the list of Stakeholders to be interviewed; starting with the initial list presented in the TOR. This list was expanded as needed to represent other Stakeholders. Then, the Team Leader in collaboration with the project team planned the interviews during the week prior to the mission. The objective was to have a well organized and planned mission; which is critical for maximizing data collection and ensuring a broad scan of Stakeholders' views during the time allocated to the mission.

**Interview Guide:** An interview guide was developed to solicit information from the stakeholders (*see Annex 5*). It is composed of standard questions issued from the evaluation matrix. As part of the participatory approach, the Evaluation Team ensured that all parties view this tool as balanced, unbiased, and structured; in order to yield relevant information.

**Interviews:** A sample of Stakeholders was interviewed during the mission to the Philippines and Indonesia. The semi-structured interviews were conducted using the interview guide and adapted to each interview. All interviews were conducted in person with some follow up using emails and phone as needed (*see Annex 6*). Confidentiality was guaranteed to the interviewees and the findings are incorporated in the final report.

**Field Visit:** As per the TOR, field visits were conducted during the mission of the Team Leader in the Philippines and Indonesia; it ensured that the Team Leader had direct primary sources of information from the field and project end-users. A short summary mission report was provided to IFC in the following few days after the mission.

**Achievement Rating:** The Evaluation Team rated the project achievements according to the GEF project review criteria; which includes the (i) Implementation Approach; (ii) Country ownership; (iii) Outcome/achievement of objectives; (iv) Stakeholder participation/ public involvement; (v) Sustainability; (vi) Replication Approach; (vii) Cost Effectiveness; (viii) Monitoring & Evaluation. The Evaluation Team used the ratings as *Highly Satisfactory* (HS), *Satisfactory* (S), *Marginally Satisfactory* (MS), *Unsatisfactory* (U) and *Not Applicable* (NA).

### 3.4. Evaluation Users

21. This Mid Term Evaluation was initiated by the IFC. The findings provides the project managers (Project Partners, IFC Headquarters and GEF) with strategies and implementation options to strengthen the efficiency and effectiveness of the implementation of the project; in order to ensure that the project achieves on time its

expected results. These findings also provide managers and stakeholders with some basis for learning and accountability.

22. This evaluation report will play a critical role in future implementation of the project by providing advice on how to strengthen the adaptive management and monitoring function of the project – as well as how to enable informed decision making. The evaluation report provides the Client complete and convincing evidence to support its findings/ratings. It includes ratings on specific aspects of the project, as described in the Terms of Reference. A particular emphasis was put on the current project results and the possibility of achieving all objectives in the established timeframe, taking into consideration the speed, at which the project is being delivered.

### **3.5. Limitations and Constraints**

23. The findings and conclusions contained in this report rely primarily on a desk review of project documents, a field mission to the Philippines and Indonesia and about 40 interviews with project key informants. Additionally, neither the initial documents review (project document, PSRs and progress reports) nor the initial teleconference with IFC (M&E Senior Office and MAMTI Task Manager at the time) prepared the Evaluators adequately for the mission. It is only when the Team Leader arrived in Manila that he was briefed on the state of the partnership between MAC, CCIF and RCF and had to adapt his mission agenda accordingly. A better preparation prior to the mission would have helped the review to be more targeted on assessing the issues and addressing the best way to go forward. Nevertheless, within the given resources allocated to this terminal evaluation, the Evaluation Team conducted a detailed assessment of the implementation of the project so far; including its relevance, its effectiveness in achieving its expected results, its management efficiency, its potential long term impacts and the potential for the long term sustainability of its achievements.

24. Despite the complexity of the project and the limited resources allocated to this mid-term review, this report successfully ascertains whether the project is meeting its main objectives - as laid down in the project design document - and whether the project initiatives are, or are likely to be, sustainable after completion of the project. It also makes a number of recommendations that would be useful to reinforce the long term sustainability of the project achievements and also identifies the main lessons learned and best practices obtained during this initial period of implementation.

## **4. EVALUATION FINDINGS**

25. This section presents the findings of this mid-term review, which are based on a desk review of project documents and on interviews with key project informants and project staffs. As described in Section 3.3.1 they are structured around the GEF five major evaluation criteria: *Relevance, Effectiveness, Efficiency, Results/Impacts and Sustainability*.

### **4.1. Project Relevance**

26. The project MAMTI aims to transform the marine aquarium trade – through MAC certification - towards ecological and economic sustainability using conservation management and rehabilitation to ensure the health of the coral reef ecosystem and their contribution to poverty alleviation and food security. This section discussed the relevance of the project within its international and national context; as well as against its original design.

#### **4.1.1. UNCBD Objectives**

27. The project is highly relevant to the implementation of the UNCBD in both countries: Indonesia and Philippines. It contributes to the objectives of the convention; particularly “*the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources*”. The project objective is to transform the existing marine aquarium trade towards ecological and economic sustainability by improving the management of the resource, the exploitation of the resource and as a consequence to alleviate

poverty in the related communities.

28. As indicated in the table 2 below, the project activities respond well to the objectives of the Convention:

**Table 2: Relevance of the Project to the UNCBD**

Project Outcomes	UNCBD Articles							
	Article 1: Objectives	Article 6. General Measures for Conservation and Sustainable Use	Article 7. Identification and Monitoring	Article 8. In-situ Conservation	Article 10. Sustainable Use of Components of Biological Diversity	Article 12. Research and	Article 13. Public Education and Awareness	Article 17. Exchange of Information
1. Building the capacity of community stakeholders to develop certified ecosystem management	X		X	X	X	X	X	
2. Ensuring there is scientific assessment and monitoring of coral reefs and marine ornamentals stocks for management	X		X		X	X		
3. Establishing no-take zones and reef and stock restoration	X			X	X	X		
4. Building the capacity of marine ornamentals collectors to become certified	X		X	X	X	X	X	
5. Increasing the financial resources and business skills for collectors to participate in a sustainable trade	X				X	X	X	
6. Increasing the participation of exporters, importers, and retailers in certification	X						X	X
7. Raising the awareness of, and demand for, certified marine ornamentals among consumers	X						X	X

29. The analysis provided in the table above indicates that the project is fully in line with implementation of the UNCBD in both countries. As the project focuses on transforming the chain of custody of the marine aquarium industry the project has limited impact on linkages with the national strategies and programmes for conservation and sustainable use of marine biological diversity (Article 6).

#### **4.1.2. Marine Environment Objectives of the Philippines and Indonesia**

30. The project is relevant to the marine environment objectives of both countries. Indonesia ratified the UNCBD through the *Law No.5 of 1994 on the Ratification of the United Nations Convention on Biological Diversity*. It completed its NBSAP in 2003. This action plan has 5 main objectives to improve biodiversity management in the country; but none are specific to the marine environment. However, in addition to the NBSAP, several programs, strategies and action plans have been developed in some relevant sectors including marine biodiversity. It includes the plans laid out by the Ministry of Marine Affairs and Fisheries to expand the Marine Protected Areas (MPA) by approximately 5 million ha by 2010; to strengthen the management of MPAs through capacity building programs; to establish global networks and partnerships for transboundary MPAs such as, tri-national turtle reserve within the Sulu Sulawesi Marine Ecoregion; and by 2010, to gazette 10 million ha of Indonesian waters as MPAs.

31. The Philippines ratified the UNCBD in October 1993. It completed its National Biodiversity Strategy and

Action Plan (NBSAP) in 1997 to take stock of its biodiversity resources, identify threats, and formulate strategies and action plan for its conservation, sustainable use, and benefit-sharing mechanisms. According to the Third Philippines National Report, approximately 1.6 million hectares of protected areas (or 50 percent of total declared PAs) that have been declared under the NIPAS are marine and coastal areas. The establishment of marine sanctuaries - as provided for in Section 81 of the Republic Act 8550 (Fisheries Code) - has also contributed significantly to the protection of marine and coastal ecosystems. RA 8550 states that at least twenty-five percent (25 %) but not more than forty percent (40%) of bays, foreshore lands, continental shelf or any fishing ground shall be set aside for the cultivation of mangroves to strengthen the habitat and the spawning grounds of fish. The 2005 Philippine Report of the Biodiversity Indicators for National Use indicated that on the whole, there is a declining trend in the state of most coral and marine ecosystems in the Philippines. It also identified the lack of comprehensive data and information to better understand the state of the resources and habitats as the most glaring gap in the effective conservation and management of coastal and marine biodiversity.

32. However, it is significant to note that the project has only limited linkages with the provincial and national governments. The “reef to retail” strategy to be implemented throughout the chain of custody was seen as the winning strategy to succeed in transforming the industry. According to most interviews in the Philippines and Indonesia, the project management team resisted, from the start, the need to involve the local governments; which has been creating sustainability issues (*see Section 4.5*).

#### **4.1.3. IFC Sector Objectives**

33. The project is highly relevant to the objectives of IFC in the sector of biodiversity. IFC's work in biodiversity aims to enhance the achievement of the triple bottom line of financial profitability, environmental sustainability, and social responsibility of private companies that are interested in contributing to sustainable utilization of biodiversity resources. It focuses on market transformation for commodities whose production or harvesting bare known consequences to the biodiversity/environment. IFC looks to make changes at system level, chain of custody networks; it looks also to participate in commodity roundtables, define market-based instruments and help to initiate and develop multi-stakeholder efforts.

34. IFC has four models of engagement: improving business performance, tapping new revenue streams, joining forces to transform markets and biodiversity offsets. IFC recognizes that biological diversity is the live support mechanism upon which we all depend for survival and development. As the basis for many development sectors (agriculture, forestry, fisheries, ecological tourism, water resources, etc.), biodiversity yields many sustainable development benefits such as food products, clean air, medicine and many more. Involvement in the proactive protection of biodiversity is a growing trend in many industries. This trend is making a positive contribution to the corporate image of many companies and organizations and improve the bottom line of companies which chose to conserve biodiversity and natural ecosystem services.

35. However, despite that the project is highly relevant to IFC purpose - that is to promote open and competitive markets in developing countries, to support companies and other private sector partners, to generate productive jobs and deliver basic services and to create opportunity for people to escape poverty and improve their lives - this project is intervening in a market where – according to the exporters met during this interview - the demand for tropical fish is decreasing. If this fact was confirmed by hard data, it could modify the legitimacy of IFC mandate to transform this industry over the long term.

#### **4.1.4. Needs of End-Users Beneficiaries**

36. The project is also highly relevant for the end-user beneficiaries, particularly the collectors and the traders. The community of marine aquarium fishermen and traders represents communities, which are not in the government “books”. They are known to be the “poor of the poor”; they are quasi non-assisted by the local governments and they are the community groups which are the least integrated into the formal economy. Their livelihood is based on a survival mode (day-to-day) and they have a low capacity to set up small businesses to

improve their lives. The project - by improving the marine aquarium trade - is an opportunity to help these neglected communities as well. Based on meetings with some fishermen, the use of better fishing techniques are improving the efficiency of their small businesses and are impacting positively on the livelihoods of these communities.

37. This sector is characterized by a complex organizational structure between the exporters, the traders and the collectors. It varies from community to community and some degree of vertical integration can be observed in these communities. In some cases, traders (or exporters in some cases) are providing the collectors with boat, fuel, food and the necessary equipment; the collectors are compensated for their labour only. In other cases, collectors are small owners running small businesses to collect tropical fish and sell them to traders. Generally, the collectors are getting a small percentage of the retail price of a fish. It is estimated that in both countries the collectors get an average of 12 cents per fish, which is then sold in the USA or EU at about \$20; that is about ½ percent of the retail price. Based on discussions with fishermen, no price premium for certified fish were noted despite a high expectation from this sector. The only recognized gain of the project intervention is through business process improvement: better fishing techniques and methods: masks, fins, nets, “fish to order”, fish handling; which result in less fish to be fished (less fish mortality).

38. In order to become more sustainable, this industry has multiple needs in the “producing” countries. At the collection level, it includes better practices to collect, handle and transport the fish; improvement of the management of the resource through the establishment of no-take-zones and a fish monitoring system to monitor the fish stock; and, the establishment of micro-credit facilities to provide the necessary financing for the small operators. At the exporter level it includes better handling and shipping techniques until it is loaded onto a plane to be exported. However, these needs are not well articulated; they are not present in any government strategies or programmes. The MAMTI project provides an approach and a methodology to address these needs but the project is responding to a weak non-organized demand for help in this area; which is limiting the national ownership of the implementation of the project and adding pressure on the long term sustainability of the project achievements (see Section 4.5).

No one in the Philippines treat the fish as a live thing! Exporter Representative - Philippines
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#### **4.1.5. Synergies with Donor Programs/Projects in Countries and in Region**

39. Within the context of other donor supported programmes and projects in this area, the MAMTI project is a key pilot project and is relevant to improve the sustainability of this industry/resource. There are a few initiatives, which were/are complementary to this project:

- *The Transforming the Marine Aquarium Trade (TMAT) project* - funded by USAID (\$816k grant and \$816k co-financing) - was implemented in the Philippines from October 2003 to June 2007 by MAC. The TMAT project selected sites are now going through the MAC certification process supported by the MAMTI project;
- *USAID Strategy*: Following the execution of TMAT – which took a longer time to assess/identify the industry, the stakeholders and the supply-demand chain - USAID is now looking at the management of the overall fishery industry: sustainable harvest, trade in live grouper and develop commercial/municipal fisheries;
- *EU and Dutch cooperation*: MAC is also getting EU funds to implement similar work in the Pacific and funds from the Dutch cooperation for similar work in other part of the Philippines, Indonesia and Vietnam;
- *The Coral Reef Rehabilitation and Management Programme (COREMAP)* in Indonesia is a project funded by the GEF, World Bank and the Asian Development Bank. It is a 17-year programme, which has 3 phases: I-1996-2001, II-2004-2010 and III-to 2013. The current phase II has a budget of about \$120M;
- *The Coral Triangle Initiative (CTI) project* to be funded by GEF for about \$200M, will be implemented by the WWF and TNC and was endorsed by 21 world leaders at the APEC summit of September 2007. Defined by areas containing 500 or more species of coral, the Coral Triangle, sometimes referred to as the "Amazon of the Seas", is the epicenter of marine life abundance and diversity on the planet. It has more than 600 coral species in some areas (more than 75% of all known coral species), 53% of the world's coral

reefs, 3,000 fish species, and the greatest extent of mangrove forests of any region in the world. The regionally-driven CTI is slated to be a comprehensive plan addressing two major threats to this biologically diverse marine region: resource exploitation and climate change effects. The Coral Triangle Initiative will focus on three primary areas: 1) protecting coral reefs from man-made and natural disturbances, 2) developing sustainable fisheries, and 3) ensuring food security for the region's inhabitants. The Coral Triangle Initiative affects Indonesia (Central and Eastern), Timor-Leste, the Philippines, Malaysia (Sabah), Papua New Guinea, and the Solomon Islands.

40. Some of these initiatives are marine aquarium specific such as the TMAT project and the EU and Dutch funding. As for the COREMAP and CTI projects they are multi-million dollar projects focussing on coral reef protection and rehabilitation. The marine aquarium industry is included in these projects but not as specific targets such as MAMTI. Due to its focus, the MAMTI project has a pioneer role, exploring an industry that is not on the “radar screen” of local governments and also of most donor agencies. The first three years of implementation produced significant results in these local communities and the approach and methodology developed should be disseminated to local governments, NGOs and other donor agencies for maximizing the replicability of these results (*see Section 4.5.6*) and impacting the transformation of this industry.

#### **4.1.6. Internal Project Concept/Design**

41. The review of the project document/design is rated as marginally unsatisfactory. Overall the project document is well structured and it seems to reflect well the intention of the project partners (not stakeholders) at the concept stage. However, the review of the design elements of the project (internal logic: components, partners, structure, delivery mechanisms, scope and budget) indicates some weaknesses and some incorrect assumptions, which impacted – so far - the performance of the project and may affect its long-term impact:

- *Focus on MAC certification*: There is a strong assumption throughout the document that the industry will get better through the MAC certification process from “reef to retail”. However, the three-year experience indicates that what is needed at the “producing” country level is mostly broad capacity development of actors involved in this industry; covering areas such as better fishing practices, business skills to run a small business, community-based micro-financing facility, and government involvement for the replicability and long-term sustainability;
- *No government involvement expected*: The project design did not focus on government involvement. It was assumed that the industry can be sustainably transformed through the certification process; outside of any government intervention. This assumption was particularly short-sighted if we consider, for instance, that one MAC standard requires the definition of a CAMP which – as a natural resource management plan - will need to find a custodian institution either within the local government/municipality system or within a local NGO to implement it, to update it and to monitor it. The project needs to partner with local governments where appropriate;
- *Price increase for certified fish*: Through the certification process, it was anticipated that the price of fish would increase at all levels of the chain of custody; particularly for the collectors through the selling of fish directly to certified exporters. However, no price increase has been observed so far and, currently, the concept of a price increase for MAC certified fish may not be feasible; particularly when considering that the differentiation of certified fish and non-certified fish is physically and genetically impossible;
- *High number of sites*: The number of sites to be targeted by the project in both countries was 78 sites by year 5. According to interviews, this number was already reduced drastically from a few hundreds to 78 during the development of the project. Nevertheless, the 3-year implementation experience indicates that this number (78) was much too ambitious; considering the level of resources planned to be allocated to this set of activities.
- *Weak baseline from PDF-B phase*: Despite the PDF grant, the baseline for this industry remains weak. Some general information is provided in the project document but limited baseline information on the industry in the Philippines and Indonesia is provided in the project document. A review of the barriers, project rationale and proposed project activities indicates a top-down approach to apply a project concept to an

The PDF-B was done way too much “in office” in the USA and was not enough grounded in the field.

*Project Staff - Philippines*

industry – as opposed to a project approach based on a response to local needs identified through studies and assessment of the local industry. After three years, the review found that it is still difficult to obtain a strong overview of this industry in both countries; in term of total number of collection areas, number of people involved in this industry, economic value of the industry, biodiversity issues, study of the value chain, etc.

- *The roving collector issue:* These roving collectors<sup>1</sup> are mentioned in the project document but the real issue was somehow missing. It is estimated that 80% of the marine ornamentals collection is undertaken by roving collectors<sup>2</sup>. The MAC standards - as they are - cannot target roving collectors; the standards cannot be applied to roving collectors the way the standards are drawn. Therefore, only 20% of the total collection in the two countries can potentially be MAC certified. Despite this new finding, no real strategy were changed or adapted to address this important strategic aspect. This missing element in the project strategy will affect negatively the assumed rate of penetration of the MAC certification and also the potential for transforming the overall industry. Considering that the project is to transform 21% of the industry in both countries; it is 1% more than the total collection that is certifiable in the Philippines and Indonesia.
- *Weak Results-Based Management (RBM) approach:* The design of the project is more activity-based than results-based. The current design is made up of one goal, three specific objectives and a series of 9 activities with expected outputs for each activity. One project outcome was identified for each activity. However, they are not really used in the day-to-day management of the project. This is a critical result-layer – between outputs and impact - for an effective RBM implementation of a project. In an RBM approach, the project expected outcomes<sup>3</sup> are used to monitor the project performance and the project progress. It also focuses the project resources toward a common set of results as opposed to multiple activities, which inevitably lead to micro-managing inputs and a limited ability to monitor the “big picture”.
- *Limited participation of stakeholders:* Despite a complex organizational diagram in the project document to represent the project management structure, the participation of Stakeholders has been limited. The project was to be managed by the executive committee (EXCOM), which was made up of the Executive Directors of the three organizations. A Project Steering Committee (PSC) was planned but it has not worked so far and the project decisions in the last three years were mostly made by the project management team; without any stakeholder input through a normal participative process such as a PSC or an advisory committee.
- *Underestimated the complexity to transform an industry:* The PDF phase should have been sufficient to uncover the complexity of this industry and by extension its transformation; including the leakage problem of certified fish being lost along the chain of custody before it reaches the consumers.
- *Project staffing:* a large number of project staff remunerated by the project was anticipated by design to implement this project (see Section 4.3.4). It is not clear what was the staff strategy but with a total number of 288 positions (113 full time and 175 part time positions) it raises issues when it comes to the long-term sustainability of the project achievements.

42. It is also worth to note that the reviews of the project attached to the project document (FSP brief) focused only on technical and scientific aspects. No question was raised concerning some of the assumptions such as the transforming target of 17% of the worldwide market, the proposed number of project sites and the roving collectors. The same is true for the proposed management model such as the participation model, the “top-heavy” management structure and the list of project staff.

## 4.2. Project Effectiveness

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<sup>1</sup> Roving collection is defined as harvesting of marine ornamentals in areas where the collectors are not considered legal residents.

<sup>2</sup> MAC, CCIF, RCF, November 2006, *Report on Roving Collectors – Case Studies from Indonesia and the Philippines*

<sup>3</sup> The intended or achieved short-term and medium-term effects of an intervention’s outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact.

43. Below are the findings on the effectiveness of the project in achieving its expected results. An overview of the key results achieved by the project is presented, followed by the project contribution to capacity development, the review of any unexpected project achievements and the review of the management of risks and the mitigation measures related to the implementation of the project.

#### 4.2.1. Achievements of Project Expected Results

44. The progress of the project to achieve its expected results is marginally satisfactory. The objective is to transform the marine aquarium trade towards ecological and economic sustainability using conservation management and rehabilitation to ensure the health of the coral reef ecosystem and their contribution to poverty alleviation and food security. The MAMTI project is intended to mainstream this transformation by:

1. Building the capacity of community stakeholders to develop certified ecosystem management;
2. Ensuring there is scientific assessment and monitoring of coral reefs and marine ornamentals stocks for management;
3. Establishing no-take zones and reef and stock restoration;
4. Building the capacity of marine ornamentals collectors to become certified;
5. Increasing the financial resources and business skills for collectors to participate in a sustainable trade;
6. Increasing the participation of exporters, importers, and retailers in certification;
7. Raising the awareness of, and demand for, certified marine ornamentals among consumers.

45. As described in section 4.1.6, the project set of results is made up of one expected goal, three specific objectives and a series of 9 activities with the expected outputs for each activity. For each activity, the project has an expected outcome (9 in total); however, they are not really used in the day-to-day management of the project as it is usually done to monitor the project performance and the project progress within an RBM approach. Nevertheless, the project has a comprehensive set of targets to monitor the achievements of the project (revised to 45 key indicators in 2007). A summary of these targets and their related status as of end of June 2007 is presented in the table below; there are from the last narrative report to end of June 2007.

**Table 3: Status of Project Summary Targets (as of End of June 2007)**

Expected Targets	Actual Value <sup>4</sup>
<b>Project Goal</b>	
500,000ha of waters with CAMPs in 14 to 19 collection areas (10 to 12 in the Philippines and 4 to 7 in Indonesia)	372,723ha in 15 collection areas (10 in the Philippines and 5 in Indonesia)
28,000 to 32,000ha of coral reefs under improved management	15,085ha
Statistical increase in density, diversity of fish stocks and percentage (%) hard coral cover within MAMTI-assisted No Take Zones (NTZs)	Not available
700 collector households with improved quality of life	Not available
<b>Project Purpose</b>	
At least 50% of the volume of marine ornamental trade from MAMTI-assisted collection areas are sold to MAC Certified exporters	7 MAC certified collection areas in the Philippines shipped 70,125 organisms to MAC Certified exporters for the period January to June 2007. 3 MAC Certified collection areas in Indonesia shipped 97,874 marine ornamental organisms to MAC Certified exporters in Indonesia; for a total of 168,089 marine ornamental organisms shipped to MAC Certified exporters in both countries.
At least 1% of the volume of marine ornamentals from	Not available

<sup>4</sup> MAC, CCIF, RCF, July 2007, *Narrative Report – 31 July 2007 -Y3P1 - Year 3 Period 1 – Annex 1: M&E Results Summary Y3P1*

Expected Targets	Actual Value <sup>4</sup>
MAMTI-assisted areas retain MAC Certified status to the retailer level	
<b>Key Supply-side Project Outputs</b>	
1,500 hectares (700 has in Indonesia and 800 in the Philippines) of NTZ established (at least 1 functional in each collection area)	7 collection areas have received technical assistance in the management of NTZ; the NTZ in these areas recorded increases in ratings when the management of the NTZs were assessed. The NTZs in the 7 areas comprise a total area of 1,006 hectares. A consolidated MPA report for each of the 7 collection areas has been completed.
1 consolidated NTZ report in each area on historical and current status of local resources as basis for planning and management	
<b>MAC Certified Collection Areas and Collectors Groups</b>	
800 collectors (400 in Indonesia and 400 in the Philippines) trained	777 collectors/traders have been trained in non-destructive methods of collection, proper handling and shipment documentation
600 collectors (300 in Indonesia and 300 in the Philippines) are MAC Certified	A total of 463 collectors/traders (452 males, 11 females) have passed certification assessments for the MAC CFH Standards, in eleven (11) MAC EFM Certified collection areas. This number represents 77% of the target. However, only 381 collectors/traders (370 males, 11 females) remain active in the trade; 82 collectors from Tawi-tawi Province, Philippines have become inactive
<b>Business and Financial Management Skills</b>	
900 households trained in business skills	572 collectors/traders (153, or 27% of which were women) have been trained in business and financial management.
Business financial needs of collector households and business units determined and addressed	Business-related financial needs of collectors/traders in 14 collection areas have been assessed.
At least 1 partnership entered into with MFIs/other fund providers in each area	In the 14 out of 15 collection areas where the project works, collectors and traders have been linked with MFIs.
Microfinance mechanisms established in each MAMTI-assisted area	The total amount of loans accessed by collectors and traders from these MFIs have reached US\$19,014
Increased number of collectors with savings	Not available
<b>MAC Certification Status</b>	
HHT Certified Exporters	19 exporters
EFM/HHT Collection Areas and Collectors Groups	11 collection areas 12 collectors groups
MAC Certified Importers	15 importers
HHT Certified Retailers	8 retailers

46. Table 3 above indicates progress in reaching expected project targets. However, it is difficult to measure the real progress of this project due to a complex and unclear monitoring system. Additionally, monitoring progress was made even more difficult when the set of targets presented above were changed in 2007<sup>5</sup>. From an ambitious project approved with the target of transforming 21% of the marine aquarium trade in the Philippines

<sup>5</sup> MAC, CCIF, RCF, April 2007, *Proposal for Modifications – 1 April 2007*

and Indonesia (17% of the worldwide market), the revised target is now that at least 50% of the volume of marine ornamental trade from MAMTI assisted areas to exporters to be MAC certified and that at least 1% of the volume of marine ornamentals coming from MAMTI-assisted areas will retain MAC Certified status through the entire chain of custody - to the retailer level. This is a major change of target and it affects greatly the future potential impact of the project. Contrary to the original target, which was linked to the national markets, the new targets (50% and 1%) are linked to the MAMTI assisted areas without indicating how much these MAMTI assisted areas represent in the respective national markets in both Indonesia and the Philippines.

47. In itself, this change of targets reflects the results of the implementation of the project for the last 3 years. From the recent (2006-07) internal initiative to revise the project targets, two key principles emerged:

- It is essential to understand the roles of all the actors and stakeholders in the global value chain, including local communities, local governments, industry, service providers, and international institutions
- Market transformation essentially means effecting behavioural change towards a more responsible and sustainable marine aquarium trade among the key stakeholders at each stage in the global value chain

48. This change of targets is also an indication that transforming the industry is more complex than anticipated in the project document; and compounded by the fact that some initial assumptions were either too ambitious or wrong (*see section 4.1.6*). The review indicates that from the goal of transforming the industry worldwide (demand and supply sides), the reality check after this first three years of implementation indicates that the project will only achieve the piloting of an approach for transforming the industry at the local level in selected sites in the two main exporter countries: Philippines and Indonesia (supply side only). In other words, instead of transforming this trade, the project is learning how to change this marine aquarium trade through pilot activities. It accumulated some information about the chain of custody - from the supply side starting at the community of collectors level to the demand side with the importers and retailers in the demand countries - which should be used by any potential strategy replicating this project.

49. However, in parallel to the progress in piloting a project to transform this trade, implementation is also raising key questions/issues related to this transformation; including<sup>6</sup>:

- *Fish stock*: despite some initial work to measure the stock (MAQTRAC), it is still difficult to know if the fish stock is over-fished or not. According to most interviews from the industry representatives (collectors, traders and exporters), the stock of fish is said to be stable or to even be better in the MAMTI assisted areas. More work is needed in this area;
- *Roving collectors*: the estimate is that 80% of the collection is made by roving collectors (*see Section 4.1.6*). This reality needs to be integrated into the project strategy if the objective is to transform this industry;
- *Lack of incentives*: there is a lack of incentives to participate in the MAC certification program. What is in it for them?
- *Incorrect assumption that certification = higher quality fish and higher prices*: this assumption had a negative impact on the progress of the project. Most stakeholders met during the evaluation mission are still expecting a premium on their sales of tropical fish. These collectors are trained; they get certified; and they obtained an official card. It provides them with a certain status in their communities; however, they do not obtain any direct compensation as compared with other non-certified collectors.
- *Lack of demand for MAC certified fish - Lack of consumer education*: Based on the interviews with exporters and few importers, there is not really a demand for MAC certified fish. Moreover, importers have already their good quality chains of supply and the awareness of consumers about the MAC

Since the start of the project, 10 species of tropical fish came back in the area.  
Provincial Government Representative - Indonesia

A fish is sold 5 pesos (\$0.12) by a collector to an exporter and the same fish is sold the average equivalent of 800 pesos (\$20) by a retailer to a consumer in the USA or Europe.  
Project Staff – Philippines and Indonesia

<sup>6</sup> Adapted list from “Confidential Assessment of the MAMTI Project”, Dr. Gregor Hodgson, December 2007,

certification is low<sup>7</sup>. As a result, the limited demand for MAC certified fish is not conducive for good project progress in the community of collectors.

- *Lack of understanding the Governments' key role*: There was a resistance from MAC to focus on the linkages with local governments. They were seen as stumbling blocks for project progress. The experience shows that local governments are important partners for this project; however, questions remain as to how to involve them.

50. Finally, the interviews during the evaluation mission collected the following views on some local results due to the intervention of the project:

- Law enforcers were trained and got a certificate. They now enforce local laws;
- The trained collectors now use different fishing techniques, which are less destructive and provide them with better working equipment (fishing net, fin and mask) to increase their productivity and ultimately their revenue;
- The project helps the municipality to better exploit the marine resources: to monitor fish stocks, sustain the resource, eliminate bad practices, improve the collection, handling and transport and increase the municipal tax base through more fishing permits/licences;
- The MAMTI-assisted communities now have access to government sponsored revolving fund through Land Bank in the Philippines and through DINARI in Indonesia when they use better fishing practices;
- 6 European marine ornamental import companies were certified during the period April to August 2005;
- MAMTI (CCIF) developed 4 excellent training modules for training in business skills;
- The MAMTI project - despite its shortcomings - is still viewed by some interviewees as the best example to improve the marine aquarium fish trade in Indonesia and in the Philippines.

MAMTI is an eye opener for LGU to realize how to better manage our resources.  
Municipal Councillor - Philippines

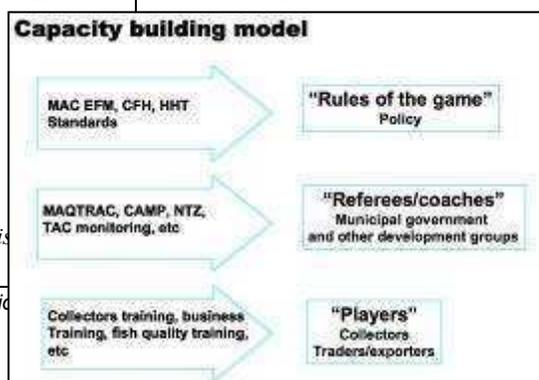
51. In conclusion, the MAMTI project is making progress; mostly in its selected sites. However, the data provided by the project makes it difficult to assess the real progress toward the achievements of the project outcomes and its objectives. Additionally, the major change of targets in 2007 renders the measurement of project progress more difficult. If the project was measured against its original set of targets, it is evident that its performance would be poor; however, against the new set of targets - approved by IFC/GEF in April 2007 – the progress is better. For instance, the fact that the project may intervene and succeed in 15 selected sites as opposed to the original plan of 78 sites is difficult to assess; particularly considering the other project weaknesses. The downscaling of targets was an adaptive management intervention, which recognized the nature, scale and difficulty in qualitative interventions at 78 sites. The reduction from 78 sites to 15 was an effort to obtain quality results upon which at least supply-side interventions could be eventually scaled up. Nevertheless, the two national project teams are coordinating project activities and learning as they progress locally through project implementation. The presence of MAMTI in the 15 selected sites allows the project to develop, learn, test and refine methods and tools. The challenge will be to ensure that these results/findings will be scaled-up to other areas in the respective countries and also in other countries as well.

#### 4.2.2. Contribution to Capacity Development

52. The project is clearly developing local capacities to better manage the marine aquarium resource; it is rated as satisfactory. In the project document, the transformation of the marine aquarium industry was to be done through a series of 7 main activities (see Section 4.2.1), which include a strong capacity building module. It was recognized from the outset that to reach the expected results, the MAMTI project needed to develop and implement capacity development activities. For

It is not rocket-science, it is these people [collectors and traders] that the project should help

Figure 1: MAMTI Capacity Development Approach



<sup>7</sup> Alencastro Liliano, Degner Robert, Larkin Sherry, December 2005, *Hobbyists Choice Analysis of Ecolabeling and Selected Product Attributes*.

instance, a *Site Capacity Building Module Flow Chart* (annex 6 of the project document) had been developed during the project development phase to anticipate the capacity development need in the selected sites. It includes an approach to scope and assess the capacity needs, to train the stakeholders to prepare them for the certification assessment.

53. A model was even developed to structure the capacity building approach of the MAMTI project (see diagram). The interviews during the evaluation mission indicated that one of the main results that the project will leave behind, will be the capacity built at the local level. Some interviewees also discussed the need for a greater focus on this aspect by the MAMTI project.

54. This model includes the typical capacity development levels of intervention: the stakeholder level (called here “Players”) focusing on the change in behaviour and acquisition of skills and knowledge, the organisational level (called here “Referees/coaches”) with the development of procedures and mechanisms and the enabling environment (called here “Rules of the game”) with the development of adequate policies, legislation and other national standards.

55. However, the review of the capacity development approach also indicates that the focus is mainly on the training of people: on improving the skills, the fishing methods, the business skills, etc. The anticipated transformation was seen mostly as a change of skills, knowledge and attitude; which would lead to a change in behaviour of individuals and practices of organizations; and, finally a change in lives and of the conditions of the reef. Little emphasis is put on the necessity to strengthen the relevant institutions such as the local government structures, the micro-credit institutions, the associations of exporters and other relevant professional associations and possibly the local schools. Strengthening the institutions and the enabling environment are also part of any capacity development process; they will play a major role in ensuring the long-term sustainability of any project achievements.

Building capacity is what the project is all about. <i>Project staff in the Philippines</i>
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#### **4.2.3. Unexpected Project Achievements**

56. So far, no unexpected project achievements – neither positive nor negative - can be noted. The implementation strategy and the expected set of results in the project document to transform the marine aquarium industry were well detailed and coherent; and, despite some design shortcomings (see Section 4.1.6), no fundamental differences in the actual project achievements so far can be ascertained against the set of expected project achievements at this point in time. However, that being said, questions are being raised regarding elements of the project implementation strategy and the possibility exists that some unexpected project achievements may happen in the future.

#### **4.2.4. Risk/Assumptions and Risk Mitigation Management**

57. The management of risks and their mitigation measures is rated as marginally satisfactory. The project document lists a comprehensive series of risks divided into six categories: regulatory/legal; ecological/scientific; financing/economics; staffing; market/industry; community/collectors. Each risk is rated (low, medium or high) and mitigation strategies were developed for each listed risk. However, this list of risks did not focus on the right set of risk factors and moreover, these risks were never reviewed in the semi-annual progress reports. Based on the review, risk management was/is not part of the overall management of the project.

58. The review of this original list indicates that none of them was addressing the shortcomings of the project design described in Section 4.1.6. The model implied by the project design was not questioned and no related risk was identified; no precautionary “do not harm” principle were mentioned. For instance, the strategy was to certify the chain of custody of this industry and ultimately a price increase (price premium) would result from the certification process. The risk that this price increase would not materialize should have been identified at the design stage and then monitored to adapt the management strategy of the project. As we now know, this price increase has not materialized so far and is hampering project progress and the value of the MAC standards,

which are now perceived locally as a no-value added process. The focus on the MAC certification model, low government involvement and community self-regulation were also attached with certain risks. The same is true with the question of the roving collectors. The PDF-B phase should have highlighted this issue and the related risk identified and monitored since the start. Finally the constituents of the MAMTI project were not much involved in the support of the project and its implementation. MAMTI has been managed by 3 international organizations and implemented in both countries through their local networks with limited support/involvement of national organizations (both government and NGOs) in both Indonesia and the Philippines. The impact of the project will – by extension - be limited with this low involvement. The replicability of any project achievements throughout the countries will be mostly limited to what the national teams (2) can do respectively with a limited ability to use a network of national partners to replicate the findings throughout their respective networks.

59. An additional risk is also the fact that these 3 organisations did not have strong record in managing multi-million dollar projects overseas. There was a risk to face international management issues related to the implementation of this complex project in two countries in Asia. The project set up is complex including its performance monitoring and the ability of the project management team to adapt and react to any management issues raised in the field. Finally, as MAMTI provided so far vital resources to these 3 organisations, their own survival may be in question after the end of the project resources. This particular aspect is to be considered when the decision is to be made on how to move forward from this point on to avoid any negative ripple effects on the international standard community.

### **4.3. Project Efficiency**

#### ***4.3.1. Project Management Approach / Adaptive Management***

60. The review indicates that since the beginning of the project, the implementation has been facing management issues; particularly human resources issues (including a few court cases) and a top-down management approach that is not sufficiently flexible to deal with day-to-day local management matters. Most people interviewed in the Philippines and Indonesia recognized that the lack of an adaptive management approach prevented the project to adapt to local realities in both countries. It created management conflicts early on during the implementation, which prevented the project to respond better to local needs and perform effectively. The project management approach and the use of adaptive management on this project are unsatisfactory.

61. As described in section 4.3.4 below, the MAMTI project has a “top-heavy” management set up (12 positions with the title of manager or director), a complex line of authority and a limited participation of stakeholders to the project decision-making process. This complex situation doubled with a non-flexible management approach created management difficulties very early; including weakening of the project management authority process and creation of management conflicts among the three implementing organizations. It resulted in, on one side, the formal project management structure and its line of authority and, on the other side, three parallel lines of authority within each organization’s team: MAC, RCF and CCIF. This situation was also reinforced by a clear distribution of activities among the three partner organizations; which contributed to the break-up of the project management structure into three distinct sub-project structures - each one using their organization’s respective logo.

62. The management problems were already analyzed in 2006 when an organizational review of MAC was conducted to develop targeted and actionable recommendations to help MAC work more effectively towards achieving its mission and its long-term objectives<sup>8</sup>. From that review’s report, the following paragraphs illustrate the situation:

*“In a period where MAMTI activities have taken center stage for both MAC and its two partners from a strategy, funding, and human resources standpoint, the partnership has experienced significant performance blockages in the form of delays in ramping up a prioritized project work*

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<sup>8</sup> Mr. Edwin Y. Ou, September 2006, *Marine Aquarium Council Organizational Review*.

*plan; deliverables that were agreed upon but not completed; and disagreements over project elements, ranging from site selection to staffing. For example, meetings in February 2006 were held to develop a prioritized work plan of approximately 50 activities; by the Bali meetings in late June, very few tasks had been completed. Furthermore, the partnership was still in confusion over the approval status of the February work plan. Major distractions, including Philippines office turnover and wrongful termination lawsuits, contributed to the partnership challenges during that timeframe, and activities in the Philippines appear to finally be headed in the right direction. However, these blockages have come at the expense of time and significant funding, especially given the challenges in securing co-financing for the MAMTI partnership. Furthermore, much more in start-up activity must be undertaken in Bali, without the financial runway afforded the Philippines efforts”.*

.....

*“However, the revitalized efforts come at tremendous opportunity cost. The recent efforts undertaken by the Executive Director are task-based, with the intent of producing specific deliverables. While meaningful, such efforts are ultimately not scaleable. Systemic inefficiencies within the organization, or the MAMTI partnership, are left unaddressed. For example, strategic management plans to set and monitor staff performance objectives are not being designed. Systems and processes are not being developed to train staff on entering data into centralized project management tools or online personnel schedules, to allow teammates with dependencies on their work to keep informed on task progress. An intranet has not yet been implemented, to enable online file-sharing and backup to facilitate decentralized activities and bolster institutional memory for the global network of MAC staff members. Furthermore, a comprehensive, detailed, agreed upon, prioritized work plan for overall organizational activities – complete with timelines and dependencies mapped – has yet to be designed and owned by someone with the authority and the ability to escalate and address issues, should a task slip”.*

63. Moreover, these management issues were also reported in the narrative reports under the section 8.1 *Establish Project Management Infrastructure and Process*. For instance, in the narrative report Jan. to July 2006 (Y2P1), that section reports that MAC was the subject of three legal actions and that ..... *“the implementation of MAMTI has been subject to continuous attempts at destabilization by former consultants and employees since mid-March 2006. On March 10 it was discovered that there was an organized plan to subvert MAC and the MAMTI. Essentially the plan sought to discredit and cause stress to certain individuals directly engaged by the project and undermine MAC’s activities in the Philippines, in the USA, and indirectly in Indonesia. Proposed was a campaign of disinformation and harassment combined with solicitation of support and lobbying at various levels, from collector communities to the Congress in the Philippines and the USA. The disclosure of this information and follow-up consultations with the Executive Directors of MAC, and its partner organizations, led to internal investigations that resulted in the termination of two key MAC employees based in the Philippines”.*

64. Finally, a confidential assessment of the MAMTI project by RCF<sup>9</sup> listed the problems with MAC and the [MAMTI] partnership such as lack of openness to criticism and lack of flexibility of the former MAC Executive Director to adjust based on feedback; lack of technical expertise but overly loyal to unproductive staff; lack of transparency; overly complex certification; lack of understanding of government’s key role; poor financial and project management of the project; and, lack of involvement and buy-in by MAC Board

65. The internal management issues culminated at the end of 2006 and early 2007 with the decision of the project management team to ask each team (3 – MAC, RCF and CCIF) to propose modifications to the project. Facing the increasing pressure of not meeting the project targets, the main objective of this process was to revise these targets and re-align MAMTI results, outcomes and indicators with the current reality. A proposal for modifications was sent to IFC in December 2006 and it was discussed and endorsed by IFC at a meeting in March 2007. However, any major changes to the project were also put on hold until the completion of this MTE.

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<sup>9</sup> Dr. Gregor Hodgson, December 2007, *Confidential Assessment of the MAMTI Project*.

66. By the end of 2007, the RCF and CCIF staff contracts are all terminated and the project is operating on a low level of expenditures for a period of three months until the completion of the MTE and the agreement among the project partners (IFC and MAC) for a way forward.

#### 4.3.2. Financial Planning and Management

67. The accounting and financial system used by the project management team is rated as marginally satisfactory. The project is funded by an IFC/GEF grant of USD 6,620,000 and co-financing commitments of USD 6,924,137. As of the end of June 2007, the non-audited financial statements of MAMTI indicate that the project disbursed 65% of the grant money and only 37% of the co-financing versus 50% of time elapsed (see table below).

**Table 4: IFC/GEF Fund Disbursement Status<sup>10</sup>**

Item	Budget	Actual(*)	Remaining	Percent Expended
IFC/GEF Grant	6,620,000	4,288,249	2,331,751	65%

68. The project financial system includes cost centers operating at each project base – Indonesia office, Philippines office, RCF office, CCIF office and MAC office - which are consolidated regularly by the MAC office in Hawaii. Consolidated financial reports are produced semi-annually for IFC; they contain financial tables presenting the disbursement by activity and by line item, but do not contain any narrative analysis of the financial figures such as variances, rate of disbursement, etc.

69. During this first financial period of 2.5 years, the project expended grant money faster than the timeline (65% versus 50%). Additionally, a review of the table 5 below indicates that the rate of spending varies greatly from activity to activity. If we take the 50% time elapsed as a basis to compare the various rate of disbursement, it is important to note that a few activities have spent a greater percentage of their total budget for the same period. It is the case of activity #2 (110%), #6 (85%), #7 (113%) and #8 (92%). On the contrary, the activity #3 spent only 26% of the allocated budget.

**Table 5: IFC/GEF Financial Status per Activity<sup>(\*)</sup>**

Activity	Budget	Actual	%
1. Building the capacity of community stakeholders to develop certified ecosystem management	893,898	506,799	57%
2. Ensuring there is scientific assessment and monitoring of coral reefs and marine ornamentals stocks for management	364,087	401,668	110%
3. Establishing no-take zones and reef and stock restoration	874,936	230,815	26%
4. Building the capacity of marine ornamentals collectors to become certified	860,570	498,263	58%
5. Increasing the financial resources and business skills for collectors to participate in a sustainable trade	794,372	451,371	57%
6. Increasing the participation of exporters, importers, and retailers in certification	121,895	103,073	85%
7. Raising the awareness of, and demand for, certified marine ornamentals among consumers	91,421	102,897	113%
8. Project Administration	2,063,820	1,901,988	92%
9. Performance & Evaluation	554,767	91,378	16%

<sup>10</sup> All Financial figures are presented in US dollars and as of the end of June 2007

Activity	Budget	Actual	%
Total	6,619,767	4,288,249	65%

(\*) All financial figures are presented in US dollars and as of the end of June 2007.

70. The actual expenditures – as of the end of June 2007 - for project administration represents 44% of the total actual expenditures; compared to a budget of 31% initially allocated to the project administration (activity #8). As a consequence, 92% of the administration budget is already expended. This is a particularly high level of administration cost to manage a project of this nature.

71. No management discussions were found by the review on the high administration costs and on the activities, which are under or over budget; however, it is an area of concern to carry out the implementation of the project in the future. **The rate of disbursement of the project cannot continue at the same level if the project is to carry out implementation activities until its end in 2009.**

72. A brief review of the financial status per line item was conducted. The figures presented in table 6 below include both budgets – the IFC/GEF grant and the co-financing. One major variance seems to be the contractual services.

**Table 6: IFC/GEF Financial Status per Line Item<sup>2</sup>**

Line Item	Budget	Actual	%
1. Personnel & Salary	8,968,065	2,404,198	27%
2. Travel	1,544,521	692,167	45%
3. Training and Capacity Building	866,071	188,186	22%
4. Field Equipment & Supplies	351,510	335,911	96%
5. Offices, Equipment & Communications	1,333,017	722,940	54%
6. Contractual Services	325,237	2,513,457	773%
Total	13,543,904	6,856,859	51%
IFC/GEF Grant	6,619,767	4,288,249	65%
Co-Financing	6,924,137	2,568,610	37%

73. External audits of the project expenses related to the IFC/GEF's grant funds are conducted annually. The last audit covered the year 2006 (Jan. to Dec.) and concluded that *"the schedule of advances, receipts and expenses referred to above presents fairly, in all material respects, the advances, receipts and expenses under the Marine Aquarium Market Transformation initiative program in conformity with accounting principles generally accepted in the United States of America"*. The management letter for the year 2006 signalled a few material weaknesses as significant deficiencies. Among them was the need for MAC to increase its monitoring of the two subcontractors (RCF and CCIF) undertaking work for the MAMTI project: to improve the timing of the subcontractors' submissions, the quality of the reports to decrease the need for adjustments and revisions and the clarity of reports and the supporting documentation.

74. The management of the project finances are satisfactory. However, assessing the cost effectiveness of the project is a difficult task within the context of the MAMTI project; considering that no related management discussions exist on the subject over this first period, the project has been facing constant management difficulties, and the targets for the project were drastically changed in March 2007. The budget of US\$6.6M was

approved on the basis of transforming 17% of the worldwide industry. However, the current target is now only a fraction of this number and despite good achievements in the selected communities, these certification targets may not be reached when we consider the current threats to the MAC standards (see Section 4.4.1). The level of the management difficulties (see Section 4.3.1) surely have impacted the effectiveness of the project.

### 4.3.3. Fund Leveraging / Co-financing

75. The capacity of the project to leverage funds to co-finance project activities is rated as marginally satisfactory. At the development stage – as presented in the table below - the total expected co-financing amount totalled USD 6,924,137 (cash and in-kind) and an additional industry investment of USD 8,073,597 for a total of USD 14,997,734. So far the project financial report as of the end of June 2007, states that 37% of the co-financing amount was actually obtained against 65% of the IFC/GEF grant disbursed (elapsed time is 50%).

**Table 7: Co-financing from Project Partners**

Partner	Initial Budget (US\$)	Actual(*) (US\$)	Percent
Cash Sources	5,858,422	2,568,610	37%
In-Kind Contributions	1,065,715		
Industry Investment	8,073,597		
Total Co-Financing	14,997,734		
GEF Financing	6,619,767	4,288,249	65%
Grand Total	21,617,501		

(\*) As of the end of June 2007.

76. A review of the industry investment assumptions indicates that most of the USD 8M presented in the table above is better defined as “associated financing” as opposed to co-financing. However, no reporting of this information was found during the review.

77. The co-financing amount of USD 6,924,137 presented in the project document was not supported by any endorsement letters in the project document and despite some detailed information presented in annex 7, it was not possible to better evaluate the chances of leveraging this co-financing during the implementation of the project. Currently 37% is reported as being raised (vs. 50% of time elapsed). However, questions remain as to the capacity of the three organisations (MAC, RCF and CCIF) to raise the remaining amounts; particularly considering the current context of the project management (see Section 4.3.1).

78. IFC treats co-financing as an obligation and it is part of all grant agreements. A brief review of the IFC-MAC grant agreement, indicates that the co-financing (USD 6,924,000) is part of the agreement and the leveraging of co-financing is a condition for grant disbursement and grant suspension and cancellation:

- Section 3.02(g) MAC shall have provided to IFC an estimated timetable for raising funds in respect of the Co-Financing, in form and substance satisfactory to IFC
- Section 3.06(viii) if MAC fails to raise funds in respect of the Co-Financing in accordance with the timetable provided to IFC in compliance with Section 3.02(g);

79. Considering the lower than expected level of co-financing so far, the project management team needs to review the co-financing status (hard and soft commitments and timetable) for the MAMTI project and submit it to IFC to update the status of co-financing of the project and avoid future possible disbursement disruptions due to lack of co-financing.

#### **4.3.4. Quality of Technical Assistance / Use of National Capacity**

80. The project is implemented by a good quality team of professionals; the technical assistance used on the project, including the use of national capacity is rated as marginally satisfactory. The project staff based at the international headquarters of the three organizations and in both countries – Philippines and Indonesia - is well qualified to carry day-to-day implementation activities. Over the three years of project implementation, the project went through some staff turnover (including few major issues dealt in court); however, the project has now a well qualified team of professionals covering the three major areas of improving fishing techniques, improving the business skills (including micro-credit) of the targeted communities and improving the conservation of the marine aquarium resource.

81. However, the rather large project team is totally paid by the project funds and it raises major issues to ensure the long-term sustainability of project achievements; how can a project to be implemented with a total staff of 288 (see below) be sustainable in the long term? No project staff is funded by project partners. By design, the project was to hire a large number of staff. No staffing strategy is clearly detailed in the project document but the review indicates that the project document approved by IFC and GEF contains a project staffing list (annex 8 – page 82) totalling 288 full and part time staff and another 78 staff, which were planned to be trained by MAMTI but not paid by MAMTI but by partners. The list of 288 staff contains 113 full-time positions and 175 part-time positions. The total person-years can be estimated at about 1,000 person-years (!) based on an estimate of 50% (2.5 years per part-time position) of the time for part-time positions. The breakdown of this list is as follows:

- International level: 4 full-time and 13 part-time
- Country level – Philippines: 11 full-time
- Multi-site/site support – Philippines: 50 full-time and 100 part-time
- Country level – Indonesia: 11 full-time
- Multi-site/site support – Indonesia: 37 full-time and 62 part-time

82. Related to the overall low efficiency of the project, the staffing plan of the project was – by design – management “heavy” and it certainly contributed so far to the limited value for money of the project achievements. Without being a full assessment of each position, the review indicates that many positions were identified and detailed with limited direct “connections” to the project expected results. A more results-based management approach would have prevented this situation and helped the project management team to focus on specific results to be achieved and allocate the project resources accordingly. From the staffing list in the project document, there are 12 management positions (5 full time and 7 part time) representing about 42 person-years; it includes:

- MAMTI Project Director (FT)
- MAC Executive Director (PT)
- MAC Asia Director (PT)
- MAC Americas and Pacific Director (PT)
- MAC Office Manager (PT)
- Reef Check Executive Director (PT)
- Reef Check Project Manager (PT)
- CCIF Executive Manager (PT)
- Philippines Country Director (FT)
- Philippines Office Manager (FT)
- Indonesia Country Director (FT)
- Indonesia Office Manager (FT)

83. In conclusion, despite issues with staff turnover during the first 2 years of the project, the local project teams in place are well qualified to implement project activities. This is recognized by project partners such as the Land Bank in the Philippines. They appreciate the level of expertise brought by the project at the community level to establish a micro-credit scheme in these fishing communities. The same can be said about the project

partner in Indonesia – the NGO DINARI Foundation. However, despite being qualified and set-up according to the approved project document, the entire project team is top-heavy and, due of the high number of staff, it will face sustainability issues at project end when the staff contracts will be terminated.

#### **4.3.5. Project Delivery Mechanisms / Partnerships**

84. The project delivery mechanisms are marginally unsatisfactory. The project was endorsed by both GEF focal points in Indonesia and the Philippines and the project signed MOUs with the relevant agencies in each country. However, the internal management structure of the project is highly centralized and “top heavy”. As described in section 4.3.4 above, 12 project positions were described as management positions. None of the main decision-makers were based in the field. This delivery model led to a “top-to-bottom” management approach, which found constant resistance at the various position levels in the field and prevented an efficient delivery of the project. Additionally, considering the complex line of authority on the MAMTI organizational diagram presented in the project document, parallel decision-making processes were created within each organizational structure (MAC, RCF and CCIF). As the official grantee, MAC was supposed to be the lead organization to manage the project. However, over time the internal tensions/issues led to the establishment of parallel decision-making processes within each organization (3). As a result, conflicting decisions started to be felt at the field level, egos got in the way and lack of clear leadership to implement the project hampered an efficient implementation of project activities in the field. Nevertheless, it is remarkable that despite these major management structure weaknesses, both national teams (including staffs from the three organizations) were able to pull the project together and achieve some positive developmental results at the field level.

85. The management structure - described in the project document and which has been implemented - is complex and cumbersome. The MAMTI organizational diagram (project document page 24) presents three main management levels: an Executive Committee to oversee the project at the international level, a MAMTI Central Organization to implement the project at the country level and a “Village Cooperatives” concept to implement the model (certification) at the local (selected sites) level.

86. The project decision-making process includes a series of four project committees:

- An executive committee (EXCOM), which includes the Executive Director of each organization (3) and the MAMTI project director (who was based in Manila);
- A joint PMC, which includes the head of both national RPMC and the MAMTI project director;
- Two national RPMC, which includes the country MAC directors (2), the country head of CCIF (2), the country head of RCF (2) and the programme/M&E advisor

Since the departure of the MAMTI Project Director, there is a lack of leadership and nobody knows the available budgets, what to do and how to do it. <i>Project staff in the Philippines</i>
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87. Over time - faced by a top-down management approach with a multiplicity of management conflicts of all sorts, lack of clear leadership and lack of clear line of authority - the national teams used the two national RPMC and the joint PMC as “buffers” between the implementation teams in the field and the upper management structure of the project (EXCOM).

88. This complex organizational set-up is also complicated by the geographical locations of each body: MAC headquarters are in Hawaii and has 2 country offices in the Philippines and in Indonesia; CCIF headquarters is in San Francisco and has been implementing its contribution in Indonesia through its affiliated NGO – WASAN; and Reef Check Foundation headquarters is in California and implemented its contribution through its affiliated NGOs in both countries. In conclusion, the partnership among the three implementing organizations does not exist anymore and the chance for repairing the relationship at headquarters level is very unlikely in the short term despite the change of the MAC-ED. However, the local teams of professionals in Indonesia and in the Philippines worked together and could continue to work together in the future under one project management unit.

### **4.3.6. Stakeholder Participation**

89. The participation of Stakeholders is rated as marginally unsatisfactory. At the development/design stage of the project, the management team instituted a good consultation process with a broad range of stakeholders. The project document (annex 11 – page 95) lists all the stakeholders with whom the MAMTI project management team interacted to develop/design the project; it includes government ministries and agencies in both countries – Indonesia and Philippines – national and international based NGOs, the marine aquarium industry, certification companies, international organizations such as the World Bank, GTZ and UNEP, media organizations and the MAC Board of Directors. The project was endorsed by the GEF focal points in both countries and MOUs were signed with both governments. On the basis of these consultations, a good constituency existed for the MAMTI project at the project start-up point. However, despite this good consultation process during the development of the project, the involvement of stakeholders during the implementation phase - the past 3 years - has been very limited; mostly to their participation in the CAMP committees at the selected sites level. As a result of this low involvement of stakeholders and due to a limited performance to deliver the expected results, the constituency of the project decreased considerably over the last three years to a point where, currently, the project does not have much support from stakeholders, except in the communities where the project is intervening.

90. A steering (advisory) committee was planned in the project document (MAMTI Organizational Diagram – page 24) and the stakeholders are listed in section 3.5 (page 38). However, no stakeholder participation mechanisms were described in the project document. Since the start of the project, one MAMTI Advisory committee were created in each country (2) but only a few meetings were held over the three-year period. As a result, the review indicates that limited stakeholder participation has been happening at the project decision-making level. Project decisions have been made mostly within an internal management structure of a series of management committees: the EXCOM at the international level, two RPMC (Philippines and Indonesia) and one Joint PMC (see Section 4.3.5 above), regrouping most of the managers employed by the project.

91. Despite a low engagement of stakeholders in project implementation, it is to be noted that the three lead organizations (MAC, RCF and CCIF) all have had extensive interactions with a wide range of stakeholders in Indonesia and the Philippines as well as in countries throughout the world related to the marine aquarium trade. Nevertheless, the MAMTI decision-making process is non-participative; it hasn't engaged sufficiently the key stakeholders to keep a good project constituency. The project ownership by the respective two countries is weak due mainly to this lack of engagement and the non-participative decision-making process.

### **4.3.7. Monitoring Approach and Progress Reporting**

92. The monitoring of the project and the progress reporting is rated as marginally satisfactory. The project document presented the monitoring and evaluation (M&E) approach, which has been used by the project management team to monitor project progress. This approach was also budgeted; the monitoring and evaluation costs are presented in section 4.2 – page 44. The total anticipated M&E cost was about USD 505,000 (about 7.5% of the total IFC/GEF grant) for the five years and included an M&E Director and several part time accountants to monitor the project finances. The planned M&E approach was mostly based on monitoring the financial performance of the project: “.... is fundamentally based on a highly detailed, bottom-up budget/pro forma. This budget has been designed to provide a detailed framework for budgeting, planning and performance tracking. .... It will also be used to develop key monthly, quarterly and yearly performance milestones for key functions within the MAMTI organization”. However, this is a complex monitoring approach with many targets/indicators to monitor and a difficulty to grasp the “big picture” of how the project is progressing. It is a case where “the trees are monitored but not the forest”. Additionally, the M&E system is mostly focused on the supply side of the project and almost no monitoring information is provided on the demand side. In its current approach the M&E function does not monitor the transformation of the entire chain of custody of the marine aquarium trade.

93. In the project design log-frame (annex 1 of the project document) the project outputs are presented with their related targets, their related monitoring mechanisms and related key assumptions. It includes a list of 26

outputs and a total number of 57 targets. In addition to these targets presented in the project log frame, there are also the following specific targets to reach the project objectives (project document page 8):

- Transform at least 17% of the worldwide marine aquarium industry (21% of the Philippines and Indonesian markets combined) by achieving MAC Certification through the complete supply chain.
- Establish more than two dozen marine management areas (that include no-take marine protected areas and reef enhancement zones) that are managed by the local community and harvesting groups to their own benefit, approved and regulated by the local and national government.

94. The project monitoring process includes an M&E Plan, very detailed semi-annual narrative [progress] reports, and annual M&E reports. The M&E plan sets the monitoring function of the MAMTI project, describes the roles and responsibilities of the M&E team, details the process flow and the timeline and reviews the indicators to measure the performance of the project. A list of 69 key indicators was presented in the plan for monitoring the achievement of the project impact, outcomes and outputs. However, this list was revised in 2006-07 through the MAMTI proposal for modifications, which was discussed and endorsed by IFC in March 2007. The new list includes 45 key indicators. The format of the narrative reports is such that these reports are lengthy. They are mostly activity-based describing for each activity and for each country the tasks conducted during the past period against the list of outputs for the related activity and some insights on this particular activity. It is very comprehensive and represents a full narrative description about what happened. For instance, for activity one “*Implementation of Area Selection Process*”, the narrative report for the period January to June 2007 includes a five-page report; including some M&E data. The annual M&E reports are also lengthy and are a summary of the data monitored by the project M&E team. These reports are very detailed, presenting related marine data for each selected site in each country. However, they also present the information in a different format than the narrative reports, which renders the reading difficult – particularly to link the information between the 2 reports.

95. Despite its comprehensiveness, the monitoring function of the MAMTI project is too complex and provides too lengthy reports. **This information is not really conducive to feed an efficient project decision-making process.** The reporting process leads to lengthier and lengthier narrative reports; from 60 pages for the first report, the last narrative report (Jan. to June 2007) was 200 pages without an executive summary. Very few managers would be able to find the time to read these reports; the only value would be a *post-mortem* value keeping track of a description of the implementation of the project. There is need for semi-annual executive summaries of project progress.

#### 4.4. Project Impacts

96. This section discusses progress made so far toward achievement of the project objectives and likelihood that project initiatives will achieve the project expected impact.

##### 4.4.1. Potential to Achieve Long Term Project Goal and Objectives

97. The potential for the project to achieve its long-term goal and objective is rated as marginally satisfactory. The project goal is the conservation management and rehabilitation to ensure the health of coral reef ecosystems and their contribution to poverty alleviation and food security. Its original objective was to transform the marine aquarium trade in Indonesia and the Philippines to ecological and economic sustainability with a target of transforming 21% of this trade in both countries; representing about 17% of the worldwide market. The revised objective (from March 2007) of the project is to transform the marine aquarium trade in areas where there are MAMTI interventions, in Indonesia and the Philippines, to ecological and economic sustainability with a target of transforming (certified) about 50% of the trade within the MAMTI sites. This is a major downsizing of the expected objective and this new target does not provide the percentage of the worldwide market that will be transformed. The question remains to know if the funding partners of this project would have supported it with this far less ambitious target.

If you don't use this resource you loose it! COREMAP Representative - Indonesia
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98. Despite the change of the high level expected results, the MAMTI project has the potential for impacting the marine aquarium trade. Before the development of the MAMTI project, this marine aquarium trade was mostly ignored by local countries and by the major donors. The existence of MAMTI as a project targeting specifically this industry is in itself impacting positively the trade. A significant number of stakeholders are aware of the project, which is addressing barriers to transforming the trade into one that is sustainable, ensuring protection of coral reef ecosystems and providing economic benefits to some coastal communities in the Philippines and Indonesia. **Through its implementation the project is developing and testing a community-based transformation model of the supply side, which should be “franchised” to other areas of the Philippines and Indonesia and other relevant countries.**

99. However, despite the potential positive impacts at the coastal community level, the potential to achieve the specific targets is poor; considering that those are mostly oriented towards the MAC certification of the entire chain of custody: collectors, exporters, importers and retailers. Despite the modifications of the MAMTI set of expected results, the overall revised strategy is still very much focused on the concept of certifying the industry players from “reef to retail”. This strategy that is to be able to trace a fish from its reef to its retail location is good in theory; however, the experience of the MAMTI project in both the Philippines and Indonesia indicates that this approach cannot practically be implemented. For instance, so far the project has had mixed results with transforming the exporters practices in both countries. Furthermore, the review indicated that the MAC certification process - in its current state - is not adapted to the local context in both countries.

100. Based on the review, there are also some threats to this industry such as currently a low demand from tropical fish hobbyists, which is putting pressure on the supply side and the related prices. The governments are not involved enough in the MAMTI project; yet they are the local regulators and they may end up passing new local legislation to regulate the industry locally. The project is facing acceptance problems of the MAC certification process, based on the fact that promises for a price increase for certified fish were made at the beginning of the project and have not materialized so far. The MAC certification process of collectors/traders ends up with the distribution of a card, which represents a certain social status in these communities. It contributed also to raise the expectation of a price increase for the certified fish.

The only way to get a price increase at the collection level is through vertical integration.  
*Importer Representative - USA*

***The MAC certification scheme***

101. The long-term impact of the project is also strongly based on the implementation of the MAC standards and the “buy-in” from the industry players. However, the relevance of the MAC certification scheme is under threat and its long-term sustainability is at risk. The assessment indicates the following key points that need to be addressed:

- The current number of MAC certified stakeholders is not sufficient to create a critical mass and catalyze the market forces to compel other industry players to obtain the MAC certification;
- The MAC certification process is not self-financing yet. It was estimated in the project document that it will be possible when about 30% of the marine aquarium industry will participate; which will not happen under the MAMTI project;
- The lack of product differentiation between a certified fish and a non-certified fish prevents any scheme for price premium paid to the stakeholders in the chain of custody; particularly the collectors;
- The large reduction of the project targets in the proposal for modifications discussed and endorsed by IFC in March 2007, will affect the overall impact of the project on the industry. From the objective of transforming 17% of the worldwide industry through the MAC certification process, the revised project purpose is to certify 50% of the volume of the marine aquarium trade in the MAMTI assisted collection areas (currently 15 collection areas are assisted by MAMTI); a much smaller target, which is not even linked with a percentage of the worldwide market;
- The interviews during the evaluation mission indicated that the MAC standards - as they are currently - are not adapted to the local context of the Philippines and Indonesia. The main criticisms were too much

There is no real problem with importing tropical fish (no diseases, low mortality, no virus, etc.); in fact the fish that we get are in good condition.  
*Importer Representative - USA*

paper work, too bureaucratic and too complex for local communities (and also for most exporters) to obtain and maintain their MAC certification;

- The MAC standards are too much driven from the USA and not enough “ownership” exists in the “producing” countries. No local institutions are involved in the MAC certification process and it is limiting the support of relevant organizations in the NGO, association and government sectors;
- The requirements to obtain the MAC certification are too high. In their current state, the standards are said to be too complex and too paper-based; particularly for the local communities of collectors, traders and even some exporters;
- Roving fishermen cannot be certified under the current MAC standards; however they represent an estimated 80% of the collectors community in the Philippines and Indonesia – that is about 65% of the worldwide market;
- As a third party certification scheme, the MAC certified stakeholders need to be monitored and regularly controlled by external certifying auditors; these sustainable mechanisms are not in place yet. There is a cost associated with these tasks and it is not clear yet how it will work in the future;

102. In conclusion, the potential long-term positive impact of the project exists but it is much lower than anticipated at the development stage. The change of the high level expected results is an indication of this lower potential impact; though, one may say that these expected results were too ambitious at the first place. However, the original justification of the project is not valid anymore and the question remains to know if the funding partners of this project would have supported it with this far less ambitious targets. The potential positive impact resides mostly at the community level in the selected sites. However, the impact of the project strategy that is to transform the industry through the MAC certification is limited in the long run. It depends a lot on the ability of MAC and its standards to impose itself as a credible certification scheme recognized and adhered to by most industry players.

#### **4.4.2. Potential to Achieve Global Environmental Benefits**

103. The potential for the MAMTI project to contribute to global environmental benefits exists; it is rated as satisfactory. The project document describes well the potential of global environmental benefits through the implementation of the MAMTI project, which was to transform the aquarium fish industry in order to preserve healthy and sustainable use of vital reef ecosystems; by eliminating the unsustainable collecting practices and poor husbandry of aquarium organisms, which are damaging the reefs. However, despite a strong strategy presented in the project document, the problems face by the implementation raise the question of the capacity of the project to achieve these benefits.

This resource is renewable; it is a kind of blessing/mercy from God!  
COREMAP Representative - Indonesia

104. The project document lists eight barriers to the transformation of the marine aquarium market:

1. Lack of community-level stakeholder capacity and experience to develop certified ecosystem management for collection areas, including for “open access” situations;
2. Insufficient no-take zones, marine protected areas and reef enhancement or restoration areas to ensure sustainable resources are available;
3. Absence of scientific baseline assessment and monitoring of collection areas;
4. Limited opportunity and capacity for collectors to become certified;
5. Lack of access to funding and business skills to enable collectors to transform to sustainable certified practices;
6. Need for industry awareness about the benefits of certification for responsible best practices and becoming certified;
7. Need for consumer awareness about the benefits of harvesting marine ornamentals using non-destructive methods from sustainably managed reefs;
8. Need for sufficient effort and capacity to implement certification at a sufficient scale and for a sufficient time period to achieve a critical mass of certified areas and collectors.

105. As per the project document and the review of the implementation, the project is addressing these barriers

and contributes to global environmental benefits through measures to:

- Enhance equitable sharing of the benefits of genetic resources by enhancing capacity of local stakeholders in implementing sustainable livelihoods, developing business skills and access to capital and providing employment and other economic opportunities;
- Create a process for capacity building of marine ornamentals collectors for using best practices in the fishery that can be used in areas around the world wherever marine ornamentals are collected;
- Establish a process for community stakeholder capacity building to create participative ecosystem management that can be used in areas around the world wherever marine ornamentals are collected;
- Directly conserve biodiversity by supporting expanded conservation activities at coral reef areas that are used for harvesting marine ornamentals;
- Result in scientific assessment and monitoring of these biodiversity collection areas using methods that are developed to be globally applicable;
- Creation of a franchise model approach to complex and scattered biodiversity conservation challenges that can be replicated in similar areas around the world;
- Implement global certification that codifies, requires and rewards responsible fishing and best practices;
- Establish a market transformation model that can be replicated in conjunction with other fishing-related industries (such as the live food fish trade or the artisanal tuna fisheries) to make them as compatible as possible with sustainable development.

106. Despite its difficulty, the project is positively impacting the global environment. It provides a solution to a neglected industry and the existence of MAC and its standards contribute to profiling the industry worldwide. There is a greater awareness among the industry players (collectors, traders, exporters, importers and retailers) to improve the collecting practices and the husbandry of these aquarium organisms. The project is also developing an intervention model to improve the trade in “producing” countries; which ultimately should be replicated throughout the Philippines and Indonesia and in similar countries.

#### **4.4.3. Potential Impacts on Local Environment, Poverty and Other Socio-Economic Issues**

107. As it is described in the project document, there is a high potential for the project - in the selected sites - to impact positively on the local environment and particularly on poverty and other socio-economic issues. This is confirmed by the interviews and observations conducted during this MTE and it is rated as highly satisfactory. The implementation of better practices at the community level is increasing the productivity of the collectors and fish handlers and makes it a more economically viable model. The working conditions of the fishing communities are improved through the use of fishing nets instead of cyanide, better knowledge about diving and its associated dangers and the use of better diving gears. In addition, community-based micro-credit schemes are implemented and provide a financial capacity to these communities to borrow and save money. For instance, they are now in a position to borrow money to invest in the necessary fishing net(s) for their fishing activities and replace the costly daily expense of using cyanide. The impact of these changes is a productivity increase for these fishing communities, which by extension results in improving their livelihoods.

108. From a longer-term perspective, the capacity development of these communities should contribute to the overall poverty reduction targets of both countries and provide a better basis on which additional community development activities can take place.

109. In conclusion, the potential impact of the project is satisfactory. As per the project document, the interviews during this MTE and some research on the subject, this marine aquarium trade was mostly ignored prior to this project. The existence of MAMTI (and also of the USAID TMAT project also implemented by MAC) targeting specifically this industry is in itself impacting positively the trade. The project has also the potential to impact the global environment and the local environment; particularly on poverty and other local socio-economic issues. It provides a solution to a neglected industry and the existence of MAC and its standards contribute to profiling the industry worldwide. There is a greater awareness among the industry players (collectors, traders, exporters, importers and retailers) to improve the collecting practices and the husbandry of

these aquarium organisms. However, despite the potential positive impacts at the coastal community level, the potential to achieve the specific targets is poor; considering that those are mostly oriented towards the MAC certification of the entire chain of custody: collectors, exporters, importers and retailers. The strategy to certify the industry players from “reef to retail” - to be able to trace a fish from its reef to its retail location - is good in theory; however, the experience indicates that this approach cannot practically be implemented and the long-term sustainability of the MAC certification scheme is at risk.

## 4.5. Sustainability and Replicability

### 4.5.1. Sustainability Strategy and Project Exit Strategy

110. The project document contains a sustainability strategy (*Section 3.3 – Sustainability – page 33*); this strategy is rated as marginally satisfactory. The strategy for the sustainable transformation of the marine aquarium industry includes the overall approach on how the MAMTI project will be sustainable. It discusses the social, institutional and financial aspects, which will lead to the sustainability of the project achievements that is the transformation of the industry. However, the review indicates some shortcomings, which may affect the realisation of this strategy. This sustainability strategy is based on a series of target assumptions, which the project must reach during its lifetime to be sustainable. In other words, if the project is achieving the expected targets, the MAMTI model will have transformed sustainably the industry over the long-term; if these targets are not met, the sustainability of the project achievements are not guaranteed.

111. The main assumptions - which can be questioned on the basis of the current project achievements - are:
- *The import and retail portion of the industry is willing to pay for the assurance of quality products and sustainability of supply that MAC Certification provides:* An assumption which somehow has not materialized yet and which would need to be confirmed by strong data. Importers in the USA and Europe have their own supply chains and seem to be satisfied with them. No particular import quality problems seem to be noted from their end. The question remains as to how much would they be willing to pay within this context (good supply chains) and also based on the project results so far?
  - *The project will catalyze sufficient market forces so that additional industry players will be compelled to adopt ecologically and socially responsible practices even after the GEF funds have been fully utilized.* It is a valid statement but also an enormous goal for the MAMTI project to catalyze sufficient market forces of this highly fragmented world market. What is the chance for the project to achieve this goal?
  - *A business plan has been developed that projects the fact that the MAC Certification system will become self-financing when 30% of the marine aquarium trade is participating. This is based on an industry (importer and retailer) willingness and ability to pay fees and/or 2% of wholesale purchase value to MAC for the goods and services that certification provided.* Based on the results so far (*see Section 4.2.1*), this assumption is too ambitious to happen under the MAMTI project. It could be a valid assumption for MAC as an institution but it will require much more resources that are available under the MAMTI project. Additionally, it is not clear in the project document what the MAC certification process will bring to the actors in this industry; what’s in it for each of them?

112. Overall, despite a coherent sustainability strategy, it is based on overly ambitious assumptions, which will not be reached during the lifetime of the project. In addition there is a certain ambiguity about the role of the various levels of governments in both countries. The project (*see Section 4.1.6*) was to be implemented without governments interventions; however when it comes to discussing long-term sustainability, the strategy speaks about establishment of important partnerships with governments in the Philippines and Indonesia. Therefore, the goal to sustainably transform this industry is questionable within the context of the MAMTI project.

### 4.5.2. Sustainability of Results Achieved by the Project

113. The potential for the long-term sustainability of the project achievements varies; it is rated as marginally

satisfactory. The project achievements in the selected sites (coastal communities) will be sustained over the long term. The emphasis on building capacity of community stakeholders is enabling communities to have more sustainable livelihoods. The fishermen are using better fishing techniques, which are increasing their productivity and, ultimately, their business performance. These same stakeholders now have access to micro-credit facilities to invest in some equipment such as fishing nets and to save money for those who want to build up their savings. Finally, these communities developed marine management plans with no-take-zones (NTZ); the marine equivalent of protected areas.

114. All these achievements were developed within the context of these local communities using partnerships with local micro-credit banks or micro-credit NGOs. For instance the development of micro-credit schemes were done in partnership with the Land Bank in the Philippines and with DINARI, an NGO in Indonesia specialized in micro-credit. The project provided some support for developing the model and for training the local leaders; the micro-credit structure was implemented by the respective partners themselves. The result is that when the micro-credit scheme is in place and the local community has minimum capacity, the project should be able to end its support and the initiative should be sustainable over the long-term. The same is true with the fishing equipment. The project did not provide better equipment procured through its channel but made sure to procure this equipment through the regular commercial channels existing in both countries.

The use of fishing net is much cheaper than the use of cyanide and less dangerous. We spend daily 5-10,000 Rupiah or about 1.4M Rupiah for 2 years. A fishing net cost 300,000 Rupiah and last 2 years.  
*North Bali Certified Collector Group Representative - Indonesia*

115. Regarding the collection area management plans (CAMP), despite resistance from the project headquarters to work with local governments, the project implementation teams in both countries worked with the local governments (LGU in the Philippines and municipalities in Indonesia) to develop these CAMPs. The communities have also been involved in the development of these resource management plans. There are now under implementation. However, the long-term sustainability of these plans and their implementation to better manage this marine resource may face some difficulties after the project end. These plans and their implementation are not yet institutionalized with a relevant local organization (as the custodian) and the necessary resources to implement these plans over the medium and long-term have not been identified yet.

116. However, the prospect for the long-term sustainability of the MAC certification of stakeholders involved in the marine aquarium chain of custody is currently at risk of becoming irrelevant. The last narrative report (as of end of June 2007) indicates that there are 11 certified collection areas, 12 certified collectors groups, 19 certified exporters, 15 certified importers and 8 certified retailers. These certifications were supported by the MAMTI project. However, as a third party certification scheme, the certified stakeholders need to be monitored and regularly controlled by external certifying auditors; these sustainable mechanisms are not in place yet. There is a cost associated with these tasks and it is not clear yet how it will work in the future; given that we already know it cannot be the local communities and most of the exporters in the Philippines and Indonesia to pay these costs – they just do not have the financial means.

A certification body should not be in the business of capacity building.  
*MAC Project Staff - Indonesia*

117. In conclusion, the long-term sustainability of the project achievements is marginally satisfactory; it is facing critical issues to ensure the long-term sustainability of some project achievements. The overall strategy of transforming the industry through the MAC certification is not working and the three-year implementation experience demonstrated the need for the MAC standards and their implementation to be reviewed. However, capacity development activities implemented at the community level is good but it also depends on the project to exit properly from these selected sites. The project is currently engaged in 15 sites in both countries and does not have a clear exit strategy from each of these sites. Regardless of internal issues, the project needs to identify an exit strategy from these sites; maximizing the long-term sustainability of the project achievements in these communities.

#### **4.5.3. Financial and Human Resources Sustainability**

118. The potential for financial and human resources long-term sustainability after the project end is rated as satisfactory due mostly to the nature of the project activities focusing mostly on capacity development of stakeholders. There are no particular risks associated with financial and human resources sustainability matters; no project recurrent costs can be noted. On the contrary, the project contributed to the development of the capacity of stakeholders related to the marine aquarium trade.

119. These communities of collectors and traders are now better equipped for sustainable livelihood. They now have the foundation to ensure sustainable use of the marine aquarium resource. They were trained to use better fishing techniques to avoid damaging coral reefs with use of cyanide, to use better equipment to fish, to fish what is needed (“fish to order”) and to handle and transport them properly. These communities have now the financial capacity to provide micro-credit to their members using a community-based system to provide the necessary collateral for borrowing members. This community financial capacity can now provide the cash flow necessary for collectors to invest into better equipment such as nets and other fishing gears. The experience so far indicates that these micro-credit mechanisms are sustainable in the long term.

#### **4.5.4. Enabling Environment – Policy, Legislation and Institutions**

120. The project contributed modestly to an enabling environment; it is rated as marginally satisfactory. The main strategy of the project is to transform the marine aquarium trade towards ecological and economic sustainability using conservation management and rehabilitation to ensure the health of the coral reef ecosystem and their contribution to poverty alleviation and food security. This objective was to be achieved through the MAC certification process of all industry actors from “reef to retail” (complete supply chain). The project was designed with a limited focus on developing an enabling environment (hence the limited focus on partnering with the local governments) in both countries; the project strategy is more focussed on the implementation of the third party certification system run by MAC – a not-for-profit organization supported by the industry.

121. Nevertheless, if this approach can work at the import/retail end of this supply chain, the 3 year experience of the project in the selected sites indicates that this approach will not be sufficient to ensure the long term sustainable transformation of the marine aquarium trade in the two “producing” countries: Indonesia and the Philippines. The capacity developed in the selected communities will be sustained over the long term; however, to ensure that these changes will be replicated throughout the two countries, it will require enabling policy, legislation and institutional environments. The review indicates that in order to transform sustainably this industry in these two countries the project must establish partnership with the different levels of government in both countries as well as with local relevant NGOs.

122. Locally the project intervenes in three areas: improving techniques, access to micro-credit and improving the management of the marine aquarium resource. If technique improvement can be achieved strictly through the private sector and community work, implementation of any sustainable micro-credit schemes and management of the marine aquarium resource must be done in close collaboration with local governments (including municipalities) and relevant NGOs. Both sets of actions necessitate proper policy and legislation frameworks. For instance, developing the CAMP – a MAC standard requirement - cannot be done in isolation and may be done preferably through an existing plan such as the CZMP in Indonesia that is a government supported process through the ministry of marine affairs and fisheries. The same can be said for any micro-credit schemes, which would require some related legislation for any partner involvement.

123. Both countries have a relevant policy and legislation environment as well as sophisticated institutional environment; including local government systems. For example in Indonesia, the local government and the local communities formed community based systems to ensure surveillance and conduct patrols of marine areas with the power to arrest people. In each province there is a Sea partnership programme, a consortium mostly composed of university personnel. From a legislation point of view, the recent law #27/2007-coastal

management, states that CZMP needs to be done under the supervision of the ministry of marine affairs and fisheries. The law #32/2003 gives the authority for the coastline as follows: 0 to 4 miles authority is with district level government, 4 to 12 miles authority is with provincial level government and over 12 miles authority is with national level. In the Philippines, municipalities have to develop Coastal Resource Management Plans (CRMP) to manage marine protected areas. There is a strong system of local government units (LGUs); and performance of each LGU is rated on a scale of 1 to 4. However despite existence of enabling environments in both countries, there are capacity gaps when it comes to implementation, enforcement and sometimes equipment; more capacity development is needed.

#### **4.5.5. Ecological Sustainability**

124. The ecological sustainability of project achievements is rated as highly satisfactory; particularly achievements at the site level. There are no environmental risks, which can undermine the future flow of project environmental benefits; no project activities pose a threat to the environment. On the contrary, most project achievements should contribute to improving the ecological sustainability of the marine aquarium resource in the selected areas. Capacity development of community stakeholders gives a framework to better manage and conserve marine biodiversity in these areas. Project activities have had (and will continue to have in the future) positive impact on local biodiversity through ecological awareness-raising and improvement of the livelihood of local communities through socio-economic development. They include:

- Use of better fishing practices - such as using fishing nets instead of cyanide, better handling of fish between collection points and consolidation points and better transport to the exporter – which decrease the fish mortality rate. The result is that collectors need to fish a smaller number of fish to fulfill the same orders; therefore, decreasing pressure on the marine aquarium resource;
- More sustainable livelihood in these communities of collectors with financial resources and business skills. They can now borrow money to invest in fishing nets instead of buying daily cyanide;
- Management of marine areas with no-take-zones (sanctuaries) and monitoring of the fish stock helping the management decision-making process for each area.

125. However, there is a “carrying capacity” for these marine areas when the resource is used/exploited; which is still not well known. The initial work carried out by MAMTI (the RCF team) is providing initial findings in this area but more efforts in the scientific assessment area are needed to provide a user-friendly tool to monitor the fish stock and the state of the coral reefs over the long term (*see Section 4.2.1*).

#### **4.5.6. Replication and Scaling-Up**

126. A replication strategy is part of the project document; it is rated as marginally satisfactory. It is based mostly on “franchising” the model through other communities in Indonesia and the Philippines, other countries involved in the marine aquarium trade and possibly other kinds of fisheries and wildlife trade. The replicability strategy was to happen mostly by market forces alone such as other villages interested to use these new fishing practices to make more money. It was based on the assumptions that MAC certification would lead to higher profits for all stakeholders involved and that a critical mass of MAC certifications would be reached along the full chain of custody.

127. However, these assumptions are now no longer valid. The purpose of the project was changed this year from “*to transform the marine aquarium trade in Indonesia and the Philippines to ecological and economic sustainability*” to “*to transform the marine aquarium trade in areas where there are MAMTI interventions, in Indonesia and the Philippines, to ecological and economic sustainability*”. It is also to say that a critical mass of the industry being transformed (21% of the trade in the Philippines and Indonesia that is 17% of the worldwide trade) will not be achieved and that the expected market forces will not be strong enough to replicate the transformation of the industry on its own. As discussed in section 4.2.1, the focus now is more on piloting a project to transform this industry – to learn, develop and test a model to transform the industry.

The Governor of Bohah is to make a

128. Therefore, the replicability strategy developed initially is no longer valid. It needs to be reviewed and adapted to the current project strategy that is to focus on the MAMTI selected interventions in Indonesia and the Philippines. An intervention model is emerging from these three years of implementation; it needs to be “packaged” and disseminated to relevant actors in Indonesia and the Philippines and also to other countries involved in the marine aquarium trade. However, a major challenge still exists that is how to replicate the model. The MAMTI intervention in the selected sites is being done with some level of government interventions; but not systematically. There is still a weak link with the national and regional policies related to the marine aquarium trade such as coastal zone management, national quality standards, etc. The project should now focus more on these aspects.

presentation on the marine ornamental industry to the Provincial Governors regular monthly meeting  
MAC Project Staff - Philippines

129. In conclusion, long-term sustainability of the project is marginally satisfactory. A sustainability strategy was part of the project document but mostly based on assumptions that are no longer valid. The long-term sustainability of the capacity development activities implemented at the community level is good but it also depends on the project to exit properly from these selected sites. However, the overall strategy of transforming the industry through the MAC certification is facing issues to survive in the long run; including the own survival of MAC as the custodian of the standards. As a principle, the project resisted to work closer with local governments institutions. However, the review indicates that the project needs to establish stronger linkages with the relevant governmental institutions, NGOs and other local associations. This is essentially through them that the replication of the project achievements will happen and not only through the market forces as it was anticipated. Nevertheless, the project is developing and testing a community-based transformation model of the supply side, which should be “franchised” to other areas of the Philippines and Indonesia and other relevant countries.

## 5. CONCLUSION / RATINGS SUMMARY

130. In conclusion, a summary of the ratings is given in Table 8 for each evaluation criterion.

**Table 8: Ratings Summary**

Evaluation Criterion	Summary Comments	Rating
Relevance	The project – as it was designed - is highly relevant in meeting the objectives of the UNCBD, IFC and the needs of the beneficiaries. It responds well to the development objectives of both the Philippines and Indonesia and plays a critical role among other related initiatives in pioneering an approach to transform this industry. In addition to its goal and objective, the MAMTI project is profiling this industry that has been ignored in the past. However, the project concept/design is marginally unsatisfactory. The review found that some of the assumptions made to justify the project were proven incorrect over time; which is affecting negatively the entire project rationale and its potential to achieve its objective and goal. The model to transform this industry is not working and as a consequence, it decreases the legitimacy of IFC mandate to transform this industry over the long term.	Highly Relevant
Effectiveness	The MAMTI project is making marginally satisfactory progress. The major change of targets in 2007 renders the measurement of project progress difficult. If the project was to be measured against its original set of targets, it is evident that its performance would be rated as unsatisfactory. However, against the new set of targets - approved by IFC in March 2007 - the performance is marginally satisfactory. For instance, assessing the effectiveness of the project against an expected intervention in 15 selected sites (new target) as	Marginally Satisfactory

Evaluation Criterion	Summary Comments	Rating
	<p>opposed to 78 sites (old target) is difficult and to some extent meaningless. Additionally, the ability to evaluate effectiveness in achieving project area-management and conservation targets is limited by a complex monitoring approach, which does not provide a clear “big picture” of how the project is progressing. Nevertheless, the two national project teams are coordinating project activities (mostly on the supply side) and learning as they progress through implementation. The presence of MAMTI in the 15 selected sites allows the project to develop, learn, test and refine methods and tools. Collectors and traders are using better fishing techniques, have access to micro-credit facilities and are managing their resource in a more sustainable way. The project is developing capacities in the supply side to better manage the marine aquarium resource in these selected sites; though not enough emphasis is put on the strengthening of the relevant institutions such as the micro-credit institutions, the associations of exporters and the local government structures.</p>	
Efficiency	<p>The utilization of the project resources is rated as marginally unsatisfactory. Implementation has been facing management issues such as staff turn-over issues (including a few court cases), a top-down management approach, a non-flexible management approach, which prevented the project to adapt to local realities and address the incorrect assumptions made in the project document. Assessing the cost effectiveness of the project is a difficult task; considering that (a) no related management discussions exist on the subject over this first period, (b) the project has been facing constant management difficulties, and (c) the targets for the project were drastically changed in March 2007. However, the rate of disbursement cannot continue at the same level if the project is to carry out implementation activities until its end in 2009. From a total of US\$6.9M in co-financing, only 37% is reported as being raised; there is a need to review this aspect and discuss the new figures with IFC. The partnership between the three organizations (MAC, RCF and CCIF) is dysfunctional and the project delivery mechanisms failed to provide good support to the national teams. It is highly centralized and “top-heavy”; 12 project positions are either director or manager positions. The decision-making process is mostly an internal process with limited participation of stakeholders. Finally, the project developed a comprehensive M&amp;E system; but it does not provide adequate information to show the real progress of the project in meeting its objectives.</p>	Marginally Unsatisfactory
Impact	<p>The potential impact of the project is marginally satisfactory. As per the project document, the interviews during this MTE and some research on the subject, this marine aquarium trade was mostly ignored prior to this project. The existence of MAMTI (and also of the USAID funded TMAT project executed also by MAC) targeting specifically this industry is in itself impacting positively the trade; but this potential long-term impact is being affected by the lack of project progress. The project has also the potential to impact the global environment and the local environment; particularly on poverty and other local socio-economic issues. It provides a solution to a neglected industry and the existence of MAC and its standards contribute to profiling the industry worldwide. There is a greater</p>	Marginally Satisfactory

Evaluation Criterion	Summary Comments	Rating
	<p>awareness among the industry players (collectors, traders, exporters, importers and retailers) to improve the collecting practices and the husbandry of these aquarium organisms. However, despite the potential positive impacts at the coastal community level, the potential to achieve the specific targets is poor; considering that those are mostly oriented towards the MAC certification of the entire chain of custody: collectors, exporters, importers and retailers. The strategy to certify the industry players from “reef to retail” - to be able to trace a fish from its reef to its retail location - is good in theory; however, the experience indicates that this approach cannot practically be implemented and the long-term sustainability of the MAC certification scheme is at risk.</p>	
Sustainability	<p>The long-term sustainability of the project achievements is marginally satisfactory. The project is facing critical issues to ensure the long-term sustainability of some project achievements. The overall strategy of transforming the industry through the MAC certification is not working and the three-year implementation experience demonstrated that the MAC standards and their implementation are not adapted well enough to the context and they need to be reviewed. However, the sustainability of capacity development activities implemented at the community level (supply side) is good but it also depends on the project to exit properly from these selected sites. The project is currently engaged in 15 sites in both countries and does not have a clear exit strategy from each of these sites. Regardless of internal issues, the project needs to identify an exit strategy from these sites; maximizing the long-term sustainability of these project achievements in these communities. As a principle, the project resisted to work with local government institutions; however, the review indicates that the project needs to establish stronger linkages with the relevant governmental institutions, NGOs and other local associations. This is through these organizations that the replication of the project achievements at the local level will happen. Finally, from the intervention in these selected sites, an emerging transformation model is being developed and tested for the supply side, which could be “franchised” to other areas of the Philippines and Indonesia and other relevant countries.</p>	Marginally Satisfactory
Specific Evaluation Criterion to be Rated (from TORs)		
Implementation Approach	See Section 4.3.1	Unsatisfactory
Country ownership	See Section 4.3.6	Marginally Unsatisfactory
Outcome/achievement of objectives	See Section 4.2.1 and 4.4.1	Marginally Satisfactory
Stakeholder participation/ public involvement	See Section 4.3.6	Marginally Unsatisfactory
Sustainability	See above and Section 4.5	Marginally Satisfactory

Evaluation Criterion	Summary Comments	Rating
Replication Approach	See Section 4.5.6	Marginally Satisfactory
Cost Effectiveness	Assessing the cost effectiveness of the project is a difficult task within the context of the MAMTI project; considering that no related management discussions exist on the subject over this first period, the project has been facing constant management difficulties, which surely must have impacted the effectiveness of the project, and the project targets were drastically reduced in March 2007. Nevertheless, the project expended grant money faster than the timeline (67% versus 50%). A few activities have spent a greater percentage of their total budget: activity #2 (110%), #6 (85%), #7 (113%) and #8 (92%). On the contrary, the activity #3 spent only 26% of the allocated budget.	Marginally Satisfactory
Monitoring & Evaluation	See Section 4.3.7	Marginally Satisfactory
Overall Rating	The overall progress of the project is marginally satisfactory. Progress has been constrained primarily by management conflicts, an inefficient mobilization of project resources and an implementation strategy based on incorrect assumptions. Nevertheless, the MAMTI project is making some progress – mostly on the supply side - in its selected sites (15). The capacity of collectors and traders has been increased; they are now using better fishing techniques, have access to micro-credit facilities and are managing their marine resource in a more sustainable way. However, the project is not emphasizing enough the strengthening of the relevant institutions such as the micro-credit institutions, the associations of exporters and the local government structures. The project concept/design has now become weak; it was based on several assumptions that are no longer valid. Project implementation has been facing major management issues such as staff turnover (including a few court cases), a top-down management approach and a non-flexible management approach. The partnership between the three organizations (MAC, RCF and CCIF) is dysfunctional and the project delivery mechanisms failed to provide good support to the national teams. The decision-making process is mostly an internal process with very limited participation of stakeholders. Nevertheless, the implementation of MAMTI with a specific focus on marine aquarium trade is still impacting positively the trade (particularly the supply side), the global environment and the local environment; particularly on poverty and other local socio-economic issues. It provides a solution to a neglected supply side of this industry. The long-term sustainability of the activities implemented at the community level is good. However, the potential to achieve the project targets is poor; considering that those are mostly oriented towards the MAC certification of the entire chain of custody. The overall strategy of transforming the industry through the MAC certification and the market forces is not working. The long-term sustainability of the MAC certification scheme is at risk. Regardless, the project is developing and testing a transformation model for the supply side, which could be “franchised” to other areas of the Philippines and Indonesia and other relevant countries.	Marginally Satisfactory

## 6. LESSONS LEARNED

131. Based on the review of project documents, interviews with key informants, and analysis of the information collected, the Evaluation Team collated the following lessons learned:

- The MAC standards are too much driven from the USA and not enough “ownership” exists in the “producing” countries. No local institutions are involved in the MAC certification process; it limits the support to the project of relevant local organizations in the NGO, association and government sectors.
- Implementation of a certification scheme needs to be fully supported by the relevant industry and its many players. It also needs to be field-tested and its implementation strategy fully demonstrated such as second or third party certification scheme. In case of the marine aquarium trade, the certification process should provide a step approach (or a multi-level approach) before moving toward full certification; particularly for the supply side.
- Transforming the marine aquarium trade in countries such as Indonesia and the Philippines requires considerable governance in place before a certification scheme can be implemented to transform the supply side of this industry. Before the communities of collectors can be certified, initiatives need to be implemented to improve the local livelihoods through the use of better fishing techniques, development of sustainable micro-credit schemes and development of alternative economic activities such as seaweed production and other marine related activities. Once these communities are using a more viable business model, they can undertake a certification process.
- Implementation of multi-million dollar projects located in a vast geographical area and including operations in multiple countries requires an implementing organization with the experience and track record in managing/implementing similar projects. The track record should not only be in technical/scientific matters but also in administering and managing project resources in an international context including financial, human resources and logistic matters. Project reviews should include a review of the management aspects of a project and not only the technical and scientific aspects.
- The marine aquarium trade needs to use better practices to ensure its long-term sustainability. This industry needs standards for its own self-regulation and a professional organization to manage/administer these standards and the certification process. Based on these 3 years of implementation the MAC model is not working as it stands. However, despite the current difficulties, the MAC model could be revamped (including the standards themselves); using the knowledge accumulated during the last three years on the MAMTI and TMAT projects and based on a strong support from the industry itself.
- Local governments (particularly the municipal level) need to be full partners of initiatives such as MAMTI. They need to be part of its development and its implementation to provide the necessary context and linkages, to provide an enabling environment for a healthy industry and also potentially to become the custodian of some initiatives such as local marine management plans. They also could be the major partners for replication throughout the country. In some cases, they could be used to provide pressure on local industry players to voluntarily apply these standards.
- Transforming the supply side necessitates a strong emphasis on capacity development of local industry players such as collectors, traders and exporters. Focusing on training only to increase the skills and knowledge of these industry players is not enough. A full capacity development approach is needed to increase the skills and knowledge of market players, but also to improve the procedures and mechanisms of related institutions such as government institutions, NGOs and professional associations and the provision of an adequate enabling environment such as relevant legislation.
- Implementation of one project to transform 17% of a worldwide industry is not realistic; regardless of the size of the industry. Additionally, the strategy “reef to retail” was too simplistic and did not take into account the multiplicity of industry players in many countries with many different cultures and

practices. Consequently, even if the project made good progress on all implementation activities it is unlikely that it could have accomplished its goal.

- The need to improve the supply chain particularly the demand side is not obvious. Attempt to improve the supply chain must consider the fact that most importers (and most exporters) have their own network of suppliers/collectors/traders, which in fact are already using good practices to provide good quality tropical fish. This is an industry that relies on “good looking” tropical fish. Retailers will want and sell tropical fish that are attractive to consumers. The product (fish) needs to be of a good quality to be sellable. Demand from the industry does not seem to be based on asking for better quality fish but to comply with some recognized international standards.
- After three years of MAMTI implementation – including the PDF-B phase focusing on feasibility and market studies – we seem to know little about this industry. Some key indicators are now known such as 80% of this world market is supply by the Philippines and Indonesia and that a further 80% of the collection in these two countries are roving collectors. However, the multiplicity of countries (Australia, Fiji, other Pacific Islands and the Caribbean to name a few), their own practices, and their own policy and legislation environment are not reflected much in the literature on the subject. It was an “ignored” trade/industry and it may be the reason why it is not well studied. However, more knowledge on the industry is needed to maximize the effectiveness of project such as MAMTI.

## 7. RECOMMENDATIONS

132. Based on the findings of this mid-term evaluation and the lessons learned, a set of recommendations is presented below. It includes a brief SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, some critical points to consider in moving forward and recommendations:

1. **Brief SWOT Analysis based on the Findings of this Review.** The table below includes the key findings, which form the basis to identify the way forward.

**Table 9: SWOT Analysis**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• A good model is emerging to transform the supply side of the marine aquarium trade. It could be finalized and “packaged” in the next phase;</li> <li>• Field staff from the 3 organizations are competent and can work together;</li> <li>• A project structure is in place in both countries working in 15 selected sites and making good progress (supply side only) with collectors and traders;</li> <li>• The 2 field implementation teams learnt a great deal about the supply side of this industry; they learn from their mistakes;</li> </ul>	<ul style="list-style-type: none"> <li>• Disastrous project management record;</li> <li>• The partnership among the 3 organisations is “dead” and cannot be repaired in the current context;</li> <li>• A MAC Team with limited international project management experience and a complex project management structure;</li> <li>• IFC with limited time and resource to dedicate to this project (observation during the MTE);</li> <li>• Poor value for money so far and expensive project management/administration set-up;</li> <li>• Limited participation of stakeholders in project implementation;</li> <li>• An inefficient complex project monitoring system that is not providing information to measure progress performance;</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• The industry recognized the need for the implementation of international standards for this industry to be coordinated by an international</li> </ul>	<ul style="list-style-type: none"> <li>• The MAC certification model (“reef to retail”) is not working as it is. The standards are too complex for the targeted stakeholders in the supply side of the</li> </ul>

<p>organization;</p> <ul style="list-style-type: none"> <li>• The good field results present an opportunity for the development of an emerging model to transform the supply side of this industry, which could be replicated throughout both countries and worldwide;</li> <li>• A supply side model implemented in targeted communities, which has not only an impact on the resource (mostly sanctuaries, less mortality and fish to order) but also on the collectors (less risks) and their businesses (better return) and consequently on their communities (livelihoods);</li> <li>• Good potential for long-term sustainability of the project interventions (model) in these communities;</li> </ul>	<p>industry;</p> <ul style="list-style-type: none"> <li>• The strategy to transform the chain of custody of this industry is no longer valid; hence weakening the project rationale;</li> <li>• Considering the incorrect assumptions and the change of targets in 2007, the original design of the project has now become weak in supporting any way forward;</li> <li>• Co-financing is low and due to current project status, future co-financing may be difficult to be raised;</li> <li>• We still don't know much about the industry. The business case is still weakly supported by hard data; yet it is a complex industry;</li> <li>• So far, there is a limited involvement of key organizations in project implementation in both countries;</li> <li>• Current approach is targeting only the "resident" collectors that represent about 20% of the total collection in both countries; The roving collectors collecting 80% of the total supply are not currently targeted;</li> </ul>
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**2. *Some Principles to Consider for the Way Forward:*** Considering the findings of this review, any way forward should consider the following principles:

- a. Precautionary principle: The precautionary principle applies where scientific evidence is insufficient, inconclusive or uncertain and preliminary scientific evaluation indicates that there are reasonable grounds for concern that the potentially dangerous effects on the environment, human, animal or plant health may be inconsistent with the high level of protection chosen<sup>11</sup>. Any new project initiative should go ahead after considering the above: *absolutely do no harm! And if you can't guarantee it, don't do it!*
- b. The project staff from the three organizations (MAC, RCF and CCIF) should participate in the planning of any next phase. Despite partnership problems at HQs, the field staffs can work together; moreover collectively they have the required experience to continue the project; they cover the set of skills and knowledge required to plan and implement the next phase of this project. To succeed in the future, the project needs to tap into this experience, skills and knowledge;
- c. The project should have a small project implementation team on permanent contracts for the entire remaining period. The others should be hired on a results-based contract basis to limit the financial exposure of the project and facilitate the day-to-day management. These contracts could be with individuals or through partner-organizations such as the local partner-organizations of RCF and CCIF (which they would agree). However, all contracts should be drawn with clear results-based terms of reference and terms of payment linked to specific project deliverables;
- d. Any work plans to go forward should allocate the maximum amount of financial resources in Indonesia and the Philippines; maximizing the activities to be conducted at the selected sites level (the current strength of MAMTI). The amount allocated to project management and administration should be monitored carefully. A target of up to 25% of the total budget for this budget line should be set and monitored;

**3. *Select the Option to Go Forward:*** Currently, the project is at a "cross-road"; the management issues have

<sup>11</sup> As per the European Commission Communication, February 2000.

almost brought the project to a halt and most major decisions are postponed until this mid-term evaluation exercise is completed. The two partner organizations (RCF and CCIF) are withdrawing from the partnership with MAC and the respective project staffs from these two organizations had their contracts terminated by the end of 2007. In the meantime, the project needs to exit properly from its selected sites to maximize the long-term sustainability of its achievements and the potential for the replication of these achievements. This is a typical case where the project has spent a large percentage of its resources but has not yet maximized its achievements. At this point the project decision-makers are faced with four main options to go forward:

- a. Status quo - Continue the project on the same basis;
- b. Stop the project now;
- c. Terminate adequately all project initiatives in the 15 selected sites and close the project in the next few months;
- d. Refocus the project on the supply side of the industry in Indonesia and the Philippines.

Option (a) is not recommended and not feasible. The project would run out of money before the end and yet would not meet its objectives. Option (b) is not recommended. The project is engaged in 15 selected sites (communities) and it needs to close these activities properly before closing the project.

Option (c) and (d) are two viable options to be implemented. The first one provides the opportunity for the project to close the sites adequately and close the project with a timeframe of about six months to do that; however, it would prevent the project to develop its supply side transformation model further and seek its replication. The second option (d) seeks to build on the current strengths of the project that is to develop the emerging viable community-based model, which seek to transform the supply side of the industry.

***This review recommends option (d) that is to downsize the project and refocus it on its strengths in both countries Indonesia and the Philippines.***

**4. *Refocus the Project on the Supply Side of the Industry:*** The review found that the MAC certification model (“reef to retail”) is not working as it is. The standards are too complex for the targeted stakeholders of the supply side of the industry. The initial strategy to transform the chain of custody of this industry is no longer valid. However, the progress made in the selected sites (supply side) indicates that there is an emerging model to transform the supply side of this industry in countries such as Indonesia and the Philippines. It is proposed to refocus the project on its strengths that is the supply side of this industry; particularly in transforming the trade at the collector and trader level in the 15 selected sites. This new phase would include two components:

- a. *Selected sites:* A project exit strategy should be prepared for each of them. The main objectives of activities in these sites would be to pursue the existing momentum with emphasis on the use of better fishing techniques, business training with micro-finance capacity and management of the resource with development of CAMPs and NTZs and close the project intervention in these selected sites as per the project exist strategy. The project should also refine the community-based model to transform the industry in the “producing” countries and emphasize the long-term sustainability and the replication in the neighbourhood communities and possibly in the region through local governments and other NGOs.
- b. *Exporters in both Indonesia and the Philippines:* The project should launch a dialogue with the exporters in both countries: Philippines and Indonesia – emphasizing the use of their professional associations - to raise their awareness about the industry and the need to set some internationally recognized standards such as the MAC standards, identify internal champions and support any initiatives to move towards better standards for their industry; including codes of practice, ISO-9000 and other voluntary mechanisms.

## **5. *The Way Forward:***

To implement this recommendation (#4), it is necessary to conduct a planning phase including the

following elements:

- a. The strategy to be used as a guidance but also as a “benchmark” to monitor the future project progress;
- b. The expected results (outputs) and their related activities to be implemented and covering the above two components (collectors-traders and exporters); including the critical performance targets to be monitored;
- c. The long-term sustainability plan for the expected project achievements; including exit strategies from the selected sites;
- d. A replication strategy to maximize the replication of project achievements in the sites’ neighbourhood areas, in other areas in Indonesia and the Philippines and possibly in other “producing” countries. The replication strategy should include how to “package” the transformation model developed by the project at the site level and how to “franchise” it to other areas and countries;
- e. The budget including both the IFC/GEF funds and the co-financing funds (including commitment letters); given that a drastic change of project expenditures is expected from the current situation;
- f. Building on the advisory committee set in each country (2) revive these committees, emphasizing participation of stakeholders to review and endorse the work plan and to monitor its implementation. These committees should be part of the project decision-making process.

The process to conduct this planning phase would include identification of the timeframe for this option based on the actual progress in each selected site, what is left to do in these sites and the available resources. A rough estimate of 9 to 12 months is envisioned at this stage. This planning phase would also include the identification of the best management arrangement to implement this option, including the potential role of the current partners and their partner NGOs in both Indonesia and the Philippines, the potential role of the local IFC/PENSA offices in both countries and any other potential management arrangements.

It is also recommended that this step be done by an external project developer/manager specialist. An external consultant would bring some neutrality in the current context and impose – through a short-term contract based on deliverables - a tighter schedule to draft and finalize this planning phase.

6. ***Give access of all project information to the public:*** As many projects, MAMTI has already accumulated a large body of knowledge. This information should be made public as soon as possible through a web site. It will contribute to profile this [neglected] industry but also MAC and the standards. The dissemination of this knowledge will help NGO’s and governments to allocate more resources to this sector and introduce this trade into related local policies and programmes; including potential solutions to transform the trade.

### **Recommendations for Future Projects**

7. The design of projects should include a gradual/phase implementation approach during their first two years; particularly when a project is in an unknown area such as the marine aquarium trade industry. The project resources should be allocated gradually to allow time for project management teams to establish themselves and set-up project structures, partnerships, stakeholders committees, identification of champions, and so on. This approach would enable more prudent use of project funds during the initial phases and allow the implementation to be at full capacity with the required resources once all project elements are in place hence maximizing their effectiveness and efficiency.
8. IFC should carefully reviewed the institutional capacity and maturity of any executing agency to implement a project of this nature; including the relationships between organizations if there is more than one organization involved in the execution of the project. As the experience with this project demonstrates, the lack of project management capacity – including international project management capacity - can affect drastically the implementation of a project and its achievements.
9. MAC needs to review the MAC standards: As project implementation has demonstrated, these standards need now to be reviewed; their review would benefit greatly from the MAMTI experience. These

standards seem to be accepted as international standards but their comprehensiveness and their implementation (a one time certification process with no steps) is said to gear towards big industry players with the required resources to finance the certification process; the smaller players are at a disadvantage. In addition, the review process should also explore the feasibility of monitoring and controlling the certified players; raising the question of a third party or second party certification process. Finally, this review should also maximize the participation of the industry stakeholders and look into the possibility to link-up/partner with national-based standard organizations to rationalize the certification cost. A major overhaul of these standards integrating the findings from the MAMTI experience would strengthen them and confirm their position as the international standards for the marine aquarium trade.

## Annex 1: Terms of Reference

### TERMS OF REFERENCE FOR THE MID-TERM REVIEW OF THE MARINE AQUARIUM MARKET TRANSFORMATION INITIATIVE (MAMTI) Project NO. 506049

The Marine Aquarium Market Transformation Initiative (MAMTI) is a five-year (2005 to 2009) initiative that aims to transform the marine aquarium trade towards ecological and economic sustainability using conservation management and rehabilitation to ensure the health of the coral reef ecosystem and their contribution to poverty alleviation and food security. The program provides incentives for actors in the marine aquarium industry to exploit marine resources in a manner that enhances conservation, sustainable use and sustainable livelihoods

MAMTI is funded by the Global Environment Facility (GEF) through the International Finance Corporation (IFC) of the World Bank and executed by the Marine Aquarium Council (MAC) in collaboration with Reef Check (RC) and the Conservation and Community Investment Forum (CCIF). The IFC/GEF grant is for USD 6.6 million, with USD6.9 co-financing commitments from both public and private sources.

Pursuant to Global Environment Facility (“GEF”) guidelines, we will be completing a mid-term review for the above project. This term of reference will establish the purpose, scope and methodology for completing this work. Additionally, it will list the qualifications of prospective consultants who may wish to bid on this assignment. The Environmental and Social Development Department of the International Finance Corporation supervises the implementation of this project.

**Purpose:** This evaluation seeks to determine whether the mechanism/ processes for accomplishing the project’s objectives are efficient and effective and whether they will lead to the attainment of the stated project objectives. It seeks to identify early signs of the project results and sustainability of these results (increased capacity of stakeholders to develop and manage certification process, collector’s capacity to obtain certification, access to finance for collectors, awareness and interest of importer and exporters in the certification process). Additionally, it will identify/document lessons learned and make recommendations that might improve design and implementation of the project. Furthermore, the evaluation shall examine the prospects for transforming the marine aquarium market, the level of stakeholder acceptance of the project and its goals and evidence of any physical changes in the coral reefs. In this regard, the evaluators, will, in so far as possible, also be expected to opine on the counter-factual, i.e., what would have happened had the project not been established. With the project log frame as a guide, the consultant shall analyze the project’s environmental objective, delivery and completion of outputs/ activities against appropriate indicators. As much as possible the consultant will evaluate not only the program management and progress, but also the MAC certification scheme used by the Marine Aquarium Council and whether a certification approach continues to be appropriate for reforming this particular industry.

The report will play a critical role in future implementation of the project by providing advice on how to strengthen the adaptive management and monitoring function of the project – as well as how to enable informed decision making.

The evaluation should assess:

Project Concept/ Design: The evaluators will assess the design from the perspective of determining if it is the most efficient/ appropriate vehicle for completing the planned activities and achieving outputs. This will also include a review of the project managerial structure. They should also examine the efficacy of alternative designs.

Project Implementation: The activities necessary for generating project outputs are implemented by third party

non governmental organizations operating under IFC supervision. The evaluators will assess whether the project's implementers are completing planned activities in a timely manner and to the appropriate quality. The evaluation will also examine the implementation team's use of adaptive management

**Project outputs, outcomes and impact:** The evaluators will also assess the outputs, outcomes and early impacts generated by this project and especially whether these are likely to be sustainable. Where possible this will include developing evidence to show that the project was a major contributory factor to the observed outcome. Furthermore, the evaluation will determine if the project has had positive or negative non intended benefits.

The MTR will also cover the following aspects:

a) Progress towards results

**Changes in marine aquarium market conditions:** The evaluators should ascertain changes in market for marine aquarium products through ascertaining the perspectives of relevant stakeholders. The following questions may be useful in obtaining those views.

- changes in the practices of collectors, transporters, exporters and others in the value chain
- has awareness of biodiversity conservation and subsequent public participation in biodiversity monitoring and management increased as a result of the project?
- are there observable changes in the density of endangered species in the relevant areas?
- are traders compensated for selling certified or sustainably harvested species?

**Measurement of change:** Comparison of aquarium market conditions before and after the MAMTI project was started.

**Sustainability:** Are there signs that the benefits of the project persist after the intervention is complete? Are there financial, economic or structural mechanisms that will ensure this sustainability?

b) Underlying Factors

- Assess the underlying factors beyond the project's control which will influence outcome and results. Are the project's management and strategies for these factors effective?
- Retest the assumptions made by project management and identify new assumptions that should be made

c) Risk Management

-document whether the risks identified in the project documents and PIR are the most important and whether the risk ratings applied are appropriate. Describe any additional risks identified and suggest risk ratings and possible risk management strategies to be adopted

**Scope of work & Experience of Prospective Consultant**

This evaluation will include a review of the activities associated with all components of this project. These components range from, capacity building for community stakeholders to establishing "no-take zones" with the coral reefs of the Philippines and Indonesia. The review will cover implementation activities performed between September 2004 and June 2007.

The review team should have members who have experience and knowledge of (a) marine biodiversity conservation and (b) certification schemes (c) monitoring & evaluation of biodiversity interventions. The evaluations will involve travel to the Philippines and Indonesia.

The expected product from this evaluation will be a final completion report. The report may not exceed 50 pages including any appendixes. The report should be structured along the following lines:

- Executive Summary

- Introduction
- Findings and Conclusions
  - Project Formulation
  - Implementation
  - Results
- Recommendations
- Lessons Learned

## Methodology

The approach to be employed in this study will be a mix of document reviews, telephone/face to face interviews and site visits. To ascertain if the project is on course to achieving its trade transformation objectives, the evaluators shall review progress reports, interview importers/exporters of aquarium products, conduct focus groups or deploy other data collection methods to learn the views of relevant stakeholders. The methodology will also include (a) interviews of collectors who sell certified products to determine if they are able to earn a premium on their products and (b) a review of any available scientific assessments on the condition of the coral reef over the period 2004 to date. To determine the effectiveness and efficiency of the process/mechanisms for pursuing the project objectives, the evaluators shall see if activities have been implemented or modified where appropriate. Specifically, the evaluators shall examine the outputs MAMTI has generated with respect to (a) building the capacity of stakeholders (b) monitoring coral reefs (c) establishment of “no take zones” and restoration of the aquarium stock (d) increasing financial resources and skills of collectors (e) awareness raising activities for people along the value chain within the industry (d) acceptance and adoption of MAC certification . The evaluations should also comment on the appropriateness of MAMTI’s approach and component activities to achieving the project’s objectives. The consultant will provide project ratings on the accomplishment of project objectives using the GEF rating criteria in annex xx. The consultants will be expected to rate each of the following dimensions of the project:

- (i) Implementation Approach
- (ii) Country ownership
- (iii) Outcome/achievement of objectives
- (iv) Stakeholder participation/ public involvement
- (v) Sustainability
- (vi) Replication Approach
- (vii) Cost Effectiveness
- (viii) Monitoring & Evaluation

The above aspects of the project will be rated highly satisfactory, satisfactory, marginal satisfactory, unsatisfactory, and not applicable.

Bidders on this request for proposal should feel free to suggest alternative approaches for ascertaining the progress of this initiative and the efficacy of the implementation process. Please also see suggested elements of the evaluation methodology in annex 5.

The evaluation shall complete an assessment of the following items.

- **Sustainability** (e.g., the extent to which project benefits persist after GEF assistance has come to an end--including financial resources available to project when GEF assistance ends, stakeholder perception of continuing benefits and legal frameworks, governance or public administration structure that will support the project objectives post GEF intervention)
- **Monitoring and evaluation** (e.g. Did the project establish an appropriate M&E system for tracking progress towards program objectives? Was the M&E system used for project management?)

- Stakeholder Participation/Public Involvement (To what degree are the local people knowledgeable about the project and its goals. Do they believe that the project is generating meaningful benefits for them?)

### **Duration of Assignment**

The total duration for the MAMTI evaluation is expected to be about 10-12 weeks.. The location of the assignment will be Philippines (start in Manila and visit project sites in Cebu and other areas). The consultant will also need to visit project sites (and project office) in Bali, Indonesia.

### **Findings/ conclusions**

The evaluation report will include ratings on (1) sustainability, (2) financial planning and (3) outcome/ achievement of objectives (the extent to which the project's development objectives are being achieved). The ratings will be: Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory (MU),Unsatisfactory (U) and Highly Unsatisfactory (HU).

**Deliverable:** The mission will produce an initial draft report which will be commented upon by IFC and the project sponsors. A final report will be expected once the necessary comments have been incorporated..

### **Contracting, Invoicing & Payment**

The contract shall be governed by the World Bank/IFC General terms and Conditions for the Purchase of Services.

#### **Payment shall be scheduled as follows:**

- 10%, upon signing of the contract
- 40% upon IFC's receipt of the first draft report
- 50% upon IFC's receipt of final report
- IFC shall reimburse for travel to the site, accommodation etc ( actuals only )

## Annex 1. Explanation on Terminology Provided in the GEF Guidelines to Evaluations

**Sustainability** measures the extent to which benefits continue, within or outside the project domain, from a particular project or program after GEF assistance/external assistance has come to an end. Relevant factors to improve the sustainability of project outcomes include:

- Development and implementation of a sustainability strategy.
- Establishment of the financial and economic instruments and mechanisms to ensure the ongoing flow of benefits once the GEF assistance ends (from the public and private sectors, income generating activities, and market transformations to promote the project's objectives).
- Development of suitable organizational arrangements by public and/or private sector.
- Development of policy and regulatory frameworks that further the project objectives.
- Incorporation of environmental and ecological factors affecting future flow of benefits.
- Development of appropriate institutional capacity (systems, structures, staff, expertise, etc.).
- Identification and involvement of champions (i.e. individuals in government and civil society).
- Achieving social sustainability, for example, by mainstreaming project activities into the economy or community production activities.
- Achieving stakeholder consensus regarding courses of action on project activities.

**Monitoring & Evaluation.** Monitoring is the periodic oversight of a process, or the implementation of an activity, which seeks to establish the extent to which inputs, work schedules, other required actions and outputs are proceeding according to plan, so that timely action can be taken to correct the deficiencies detected. Evaluation is a process by which program inputs, activities and results are analyzed and judged explicitly against benchmarks or baseline conditions using performance indicators. This will allow project managers and planners to make decisions based on the evidence of information on the project implementation stage, performance indicators, level of funding still available, etc, building on the project's logical framework.

Monitoring and Evaluation includes activities to measure the project's achievements such as identification of performance indicators, measurement procedures, and determination of baseline conditions. Projects are required to implement plans for monitoring and evaluation with adequate funding and appropriate staff and include activities such as description of data sources and methods for data collection, collection of baseline data, and stakeholder participation. Given the long-term nature of many GEF projects, projects are also encouraged to include long-term monitoring plans that are sustainable after project completion.

**Stakeholder Participation/Public Involvement** consist of three related, and often overlapping processes: information dissemination, consultation, and "stakeholder" participation. Stakeholders are the individuals, groups, institutions, or other bodies that have an interest or stake in the outcome of the GEF-financed project. The term also applies to those potentially adversely affected by a project.

Examples of effective public involvement include:

### Information dissemination

- Implementation of appropriate outreach/public awareness campaigns
- Consultation and stakeholder participation
- Consulting and making use of the skills, experiences and knowledge of NGOs, community and local groups, the private and public sectors, and academic institutions in the design, implementation, and evaluation of project activities
- Stakeholder participation
- Project institutional networks well placed within the overall national or community organizational structures, for example, by building on the local decision making structures, incorporating local knowledge, and devolving project management responsibilities to the local organizations or communities as the project approaches closure
- Building partnerships among different project stakeholders
- Fulfillment of commitments to local stakeholders and stakeholders considered to be adequately involved.

**Annex 2. Financial Planning**  
**Cofinancing**

Co financing (Type/Source)	IA own Financing (mill US\$)		Government (mill US\$)		Other* (mill US\$)		Total (mill US\$)		Total Disbursement (mill US\$)	
	Plan	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
- Grants										
- Loans/Concessional (compared to market rate)										
- Credits										
- Equity investments										
- In-kind support										
- Other (*)										
Totals										

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

***Leveraged Resources***

Leveraged resources are additional resources—beyond those committed to the project itself at the time of approval—that are mobilized later as a direct result of the project. Leveraged resources can be financial or in-kind and they may be from other donors, NGO’s, foundations, governments, communities or the private sector. Please briefly describe the resources the project has leveraged since inception and indicate how these resources are contributing to the project’s ultimate objective

### **Annex 3. Frequently expected outcomes in selected GEF focal areas**

The following questions are based on the focal area program indicators and may be used to guide the assessment of project outcomes and objectives in the biodiversity focal area. All questions of a specific focal area may not apply to a single one project.

#### **Biodiversity<sup>12</sup>**

1. How has the project contributed to establish and extend protected areas, and improve their management?
2. Has the project contributed to improve the enabling environment through effective policies, institutional capacity building, increased public awareness, appropriate stakeholder involvement, promoting conservation and sustainable use research, leveraging resources and providing incentives for conservation? Explain.
3. How has the project facilitated fair and equitable sharing of the benefits arising from the use of genetic resources?
4. What is the project contribution to replication or scaling up of innovative practices or mechanisms that support the project objectives?

#### **Annex 4: Provisional List of Documents for MAMTI Mid-Term Review**

MAMTI Project Document (original)

MAMTI Semi-Annual Narrative Reports (January to June 2005, July to December 2005, January to June 2006, and July to December 2006)

MAMTI Monitoring and Evaluation Report (2005 and 2006)

MAMTI Report on Roving Collectors

TMAT Evaluation Report (USAID)

MAC Response to the TMAT Evaluation

MAMTI Area Profiles (as available)

MPA Reports

MAQTRAC Surveys

Minutes of MAMTI-related management meetings (including MAMTI Executive and Senior Management, Joint Project Management Committee and Project Management Committees)

Proceedings and reports from various other MAMTI-assisted meetings (including

MAMTI Advisory Committee Meetings, Certified Industry Group, Management-Field Technical Workshops, other technical workshops etc)

#### **Annex 5**

##### **Suggested elements of the methodology may include:**

- Study all relevant documents related to the MAMTI (a provisional list of the documents are provided in Annex 4)
- Develop a workplan to guide the evaluation process through interactions with the MAMTI Executive Committee and senior management team
- Conduct interviews with key members of the MAMTI project team (management and technical personnel) in the Philippines, Indonesia and other locations as appropriate
- Formulate a set of questions and protocol for the conduct of interviews and focus group discussions with MAMTI-assisted stakeholder communities
- Engage in consultations with representatives of other relevant donor and funding organizations, including USAID and the Academy for Education Development

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<sup>12</sup> Based on indicators of “Measuring results of the GEF biodiversity program. Monitoring and Evaluation Working Paper 12.” August 2003

- Conduct interviews with selected MAC Certified exporters, members of the MAMTI Advisory Committee(s), local and national government officials, representatives of MAC accredited certifying bodies, and representatives of other related projects and initiatives
- Design process flow for and conduct focus group discussions (FGD) and individual interviews with principal MAMTI stakeholders and beneficiaries (collectors, traders, CAMP Committee members, local government officials)
- Conduct area / site visits to observe activities related to the supply side of value chain, including collection, holding, packing, transport, screening, acclimatization in exporter facilities, packing for export, transport etc
- Design and conduct meetings with the MAMTI project personnel to review and discuss preliminary findings from evaluation activities

## Annex 2: Evaluation Matrix

The evaluation matrix below served as a general guide for the evaluation. It provided directions for the evaluation; particularly for the collect of relevant data. It was used as a basis for interviewing people and reviewing project documents. It also provided a basis for structuring the evaluation report as a whole.

Evaluated component	Sub-Question	Indicators	Sources	Data Collection Method
<b>Evaluation criteria: Relevance</b> - How does the Project relate to the main objectives of the UNCBD, IFC/GEF and to the development challenges faced by the Government of the Philippines and Indonesia for the conservation of globally and nationally significant biodiversity?				
<i>Is the Project relevant to UNCBD and GEF objectives?</i>	<ul style="list-style-type: none"> <li>▪ How does the Project support the objectives of the UNCBD</li> <li>▪ How does the Project support the objectives of the GEF in this focal area?</li> <li>▪ Does the Project participate in the implementation of the UNCBD in the Philippines and Indonesia?</li> <li>▪ Is the GEF incremental cost principle being respected?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Level of coherence between project objectives and those of the UNCBD Convention</li> <li>▪ Degree of coherence between the project and national priorities, policies and strategies in the area of protected areas</li> <li>▪ UNCBD Convention status in the Philippines and Indonesia</li> <li>▪ Extent to which the project is actually implemented in line with incremental cost argument</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents</li> <li>▪ National policies and strategies to implement the UNCBD Convention or related to environment more generally</li> <li>▪ Key government officials and other partners</li> <li>▪ UNCBD web site</li> </ul>	<ul style="list-style-type: none"> <li>▪ Documents analyses</li> <li>▪ Interviews with government officials and other partners</li> </ul>
<i>Is the Project relevant to IFC objectives?</i>	<ul style="list-style-type: none"> <li>▪ How does the Project support the objectives of IFC in this sector?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Existence of a clear relationship between the project objectives and sustainable development objectives of IFC</li> <li>▪ Existence of a clear relationship between the project objectives and IFC objectives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents</li> <li>▪ IFC strategies and programmes</li> <li>▪ National policies and strategies to implement the UNCBD Convention or related to environment more generally</li> <li>▪ Key government officials and other partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Documents analyses</li> <li>▪ Interviews with government officials and other partners</li> </ul>
<i>Is the Project relevant to the Philippines and Indonesia development objectives?</i>	<ul style="list-style-type: none"> <li>▪ How does the Project support the objectives of the development of the Philippines and Indonesia?</li> <li>▪ How country-driven is the Project?</li> <li>▪ Does the Project adequately take into account the national realities, both in terms of institutional framework and programming, in its design and its implementation?</li> <li>▪ To what extent were national partners involved in the design of the Project?</li> <li>▪ Were the GEF criteria for Project identification adequate in view of actual needs?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Degree to which the project support national environmental objectives</li> <li>▪ Degree of coherence between the project and national priorities, policies and strategies</li> <li>▪ Appreciation from national stakeholders with respect to adequacy of project design and implementation to national realities and existing capacities?</li> <li>▪ Level of involvement of Government officials and other partners into the project</li> <li>▪ Coherence between needs expressed by national stakeholders and IFC/GEF criteria</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents</li> <li>▪ National policies and strategies (PRSP and NEP)</li> <li>▪ Key government officials and other partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Documents analyses</li> <li>▪ Interviews with government officials and other partners</li> </ul>

Evaluated component	Sub-Question	Indicators	Sources	Data Collection Method
<i>Is the Project addressing the needs of target beneficiaries?</i>	<ul style="list-style-type: none"> <li>▪ How does the Project support the needs of the main target beneficiaries?</li> <li>▪ Is the implementation of the Project been inclusive of all relevant Stakeholders?</li> <li>▪ Are local beneficiaries and stakeholders adequately involved in Project design and implementation?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strength of the link between expected results from the Project and the needs of target beneficiaries</li> <li>▪ Degree of involvement and inclusiveness of beneficiaries and stakeholders in Project design and implementation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Beneficiaries and stakeholders</li> <li>▪ Needs assessment studies</li> <li>▪ Project documents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews with beneficiaries and stakeholders</li> </ul>
<i>How is the Project relevant in light of other donors?</i>	<ul style="list-style-type: none"> <li>▪ Does the Project remain relevant in terms of areas of focus and targeting of key activities?</li> <li>▪ How do GEF-funds help to fill gaps (or give additional stimulus) that are crucial but are not covered by other donors or partners?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Degree to which program was coherent and complementary to other donor programming in the Philippines and Indonesia and Regionally</li> <li>▪ List of Programs and funds in which the future developments, ideas and partnerships of the project are eligible?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Other Donors' policies and programming documents</li> <li>▪ Other Donor and Partner representatives</li> <li>▪ Project documents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Documents analyses</li> <li>▪ Interviews with other Donors and Partners</li> </ul>
<b>Future directions for the Project</b>	<ul style="list-style-type: none"> <li>▪ What lessons have been learnt and what changes should be made to the Project in order to strengthen the alignment between the Project and the Partners' priorities and areas of focus?</li> <li>▪ How could the Project better target and address the priorities and development challenges of targeted beneficiaries?</li> </ul>		<ul style="list-style-type: none"> <li>▪ Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data analysis</li> </ul>
<b>Evaluation criteria: Effectiveness – To what extent are the expected outcomes of the Project being achieved?</b>				
<i>How is the Project effective in achieving its expected outcomes?</i>	<ul style="list-style-type: none"> <li>▪ Is the Project being effective in achieving its expected results? <ul style="list-style-type: none"> <li>○ The capacity of community stakeholders to develop and implement certified ecosystem management plans is built.</li> <li>○ Scientific assessment and monitoring of coral reefs and marine ornamentals stocks is ensured, with results contributing to management.</li> <li>○ The health of certified coral reef harvest areas is ensured through no-take zones, marine protected areas and reef enhancement and/or restoration.</li> <li>○ The capacity of marine ornamentals collectors to become certified is built.</li> <li>○ Sufficient financial resources and business skills for collectors to participate in a sustainable trade are provided, and fisherfolk livelihoods are enhanced through the application of a business model that shortens the aquarium fish value chain.</li> <li>○ The awareness of, and demand for, MAC Certified marine aquarium organisms among exporters, importers, and retailers is raised.</li> <li>○ The awareness of, and demand for, MAC Certified marine aquarium organisms among consumers is raised.</li> <li>○ Sufficient capacity for market transformation is built, including for project management, coordination and implementation.</li> <li>○ Rigorous evaluation of MAMTI's programmatic, financial</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Change in biodiversity conservation through certification process</li> <li>▪ Change in marine biodiversity habitats</li> <li>▪ Change in capacity for information management <ul style="list-style-type: none"> <li>○ Knowledge acquisition and sharing</li> <li>○ Effective data gathering, methods and procedures for reporting on biodiversity</li> </ul> </li> <li>▪ Change in capacity for awareness raising <ul style="list-style-type: none"> <li>○ Stakeholder involvement and government awareness</li> <li>○ Change in local stakeholder behavior</li> </ul> </li> <li>▪ Change in capacity in policy making and planning <ul style="list-style-type: none"> <li>○ Policy reform to preserve and improve marine biodiversity conservation</li> <li>○ Legislation/regulation change to improve marine biodiversity conservation</li> <li>○ Development of national and local strategies and plans supporting biodiversity</li> </ul> </li> <li>▪ Change in capacity in implementation and enforcement <ul style="list-style-type: none"> <li>○ Design and implementation of risk</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents</li> <li>▪ Key stakeholders</li> <li>▪ Research findings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Documents analysis</li> <li>▪ Meetings with main Project Partners including IFC, Gov. of Philippines and Indonesia and other Partners</li> <li>▪ Interviews with Project Beneficiaries</li> </ul>

Evaluated component	Sub-Question	Indicators	Sources	Data Collection Method
<i>Are Project activities designed to achieve Project outcomes?</i>	and operational performance is undertaken regularly.	<ul style="list-style-type: none"> <li>assessments               <ul style="list-style-type: none"> <li>○ Implementation of national and local strategies and action plans through adequate institutional frameworks and their maintenance</li> <li>○ Monitoring, evaluation and promotion of pilots</li> </ul> </li> <li>▪ Change in capacity in mobilizing resources               <ul style="list-style-type: none"> <li>○ Leverage of resources</li> <li>○ Human resources</li> <li>○ Appropriate practices</li> <li>○ Mobilization of advisory services</li> </ul> </li> <li>▪ Existence, quality and use of M&amp;E, feedback and dissemination mechanism to share findings, lessons learned and recommendation on effectiveness of project design</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Is there a direct and strong link between expected results of the Project (log-frame) and the Project design (in terms of Project components, choice of partners, structure, delivery mechanism, scope, budget, use of resources etc)?</li> <li>▪ Is actual Project implementation coherent with Project design?</li> <li>▪ Is the length of the Project conducting to achieve Project outcomes?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Level of coherence between Project expected results and Project design internal logic</li> <li>▪ Level of coherence between Project implementation approach and Project design</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project document</li> <li>▪ Key Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Key Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>▪ How well are risks and assumptions being managed?</li> <li>▪ What was the quality of risk mitigation strategies developed during the design phase? Were these sufficient?</li> <li>▪ Are there clear strategies for risk mitigation related with long term sustainability of the project?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Completeness of risk identification and assumptions during Project planning</li> <li>▪ Quality of existing information systems in place to identify emerging risks and other issues?</li> <li>▪ Quality of risk mitigations strategies developed and followed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ IFC staff and Project Partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>▪ What lessons have been learnt for the Project to achieve its outcomes?</li> <li>▪ What changes should be made (if any) to the design of the Project in order to improve the achievement of the Project' expected results?</li> <li>▪ How can the Project be more effective in achieving its results?</li> </ul>		<ul style="list-style-type: none"> <li>▪ Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data analysis</li> </ul>
<b>Evaluation criteria: <i>Efficiency - How efficiently is the Project implemented?</i></b>				
<i>Is Project support channeled in an efficient way?</i>	<ul style="list-style-type: none"> <li>▪ Is adaptive management used or needed to ensure efficient resource use?</li> <li>▪ Do the Project logical framework and work plans and any changes made to them use as management tools during implementation?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Availability and quality of financial and progress reports</li> <li>▪ Timeliness and adequacy of reporting provided</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ IFC, Gov. of Philippines and Indonesia and Project personnel</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Key Interviews</li> </ul>

Evaluated component	Sub-Question	Indicators	Sources	Data Collection Method
<i>How efficient are partnership arrangements for the Project?</i>	<ul style="list-style-type: none"> <li>Are the accounting and financial systems in place adequate for Project management and producing accurate and timely financial information?</li> <li>Are progress reports produced accurately, timely and respond to reporting requirements including adaptive management changes?</li> <li>Is Project implementation as cost effective as originally proposed (planned vs. actual)</li> <li>Is the leveraging of funds (co-financing) happening as planned?</li> <li>Are financial resources utilized efficiently? Could financial resources have been used more efficiently?</li> <li>How is RBM used during program and Project implementation?</li> <li>Are there an institutionalized or informal feedback or dissemination mechanism to ensure that findings, lessons learned and recommendations pertaining to Project design and implementation effectiveness are shared among Project stakeholders, IFC and GEF Staff and other relevant organizations for ongoing Project adjustment and improvement?</li> <li>Does the Project mainstream gender considerations into its implementation?</li> </ul>	<ul style="list-style-type: none"> <li>Level of discrepancy between planned and utilized financial expenditures</li> <li>Planned vs. Actual funds leveraged</li> <li>Cost in view of results achieved compared to costs of similar Projects from other organizations</li> <li>Adequacy of Project choices in view of existing context, infrastructure and cost</li> <li>Quality of RBM reporting (progress reporting, monitoring and evaluation)</li> <li>Occurrence of change in Project design/ implementation approach (i.e. restructuring) when needed to improve Project efficiency</li> <li>Existence, quality and use of M&amp;E, feedback and dissemination mechanism to share findings, lessons learned and recommendation on effectiveness of Project design.</li> <li>Cost associated with delivery mechanism and management structure compare to alternatives</li> <li>Gender disaggregated data in Project documents</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries and Project partners</li> </ul>	
	<ul style="list-style-type: none"> <li>To what extent are partnerships/ linkages between institutions/ organizations being encouraged and supported?</li> <li>Which partnerships/linkages are facilitated? Which one can be considered sustainable?</li> <li>What is the level of efficiency of cooperation and collaboration arrangements? (between local actors, IFC/GEF and the Government of the Philippines and Indonesia)</li> <li>Which methods were successful or not and why?</li> </ul>	<ul style="list-style-type: none"> <li>Specific activities conducted to support the development of cooperative arrangements between partners,</li> <li>Examples of supported partnerships</li> <li>Evidence that particular partnerships/linkages will be sustained</li> <li>Types/quality of partnership cooperation methods utilized</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>Project Partners</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<i>Does the Project efficiently utilize local capacity in implementation?</i>	<ul style="list-style-type: none"> <li>Was an appropriate balance struck between utilization of international expertise as well as local capacity?</li> <li>Did the Project take into account local capacity in design and implementation of the Project?</li> <li>Is there an effective collaboration with scientific institutions with competence in biodiversity, sustainable development in ecological sensitive areas etc?</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of total expertise utilized taken from the Philippines and Indonesia</li> <li>Number/quality of analyses done to assess local capacity potential and absorptive capacity</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>IFC and Project partners</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<b>Future directions for the Project</b>	<ul style="list-style-type: none"> <li>What lessons can be learnt from the Project on efficiency?</li> <li>How could the Project more efficiently address its key priorities (in terms of management structures and procedures, partnerships arrangements etc...)?</li> <li>What changes should be made (if any) to the Project in order to improve its efficiency?</li> </ul>		<ul style="list-style-type: none"> <li>Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Data analysis</li> </ul>

Evaluated component	Sub-Question	Indicators	Sources	Data Collection Method
<b>Evaluation criteria: <i>Impacts</i> - What are the potential and realized impacts of activities carried out in the context of the Project?</b>				
<i>How is the Project effective in achieving its long term objective?</i>	<ul style="list-style-type: none"> <li>■ Is the Project achieving its long-term objective that is to transform the marine aquarium trade towards ecological and economic sustainability using conservation management and rehabilitation to ensure the health of the coral reef ecosystem and their contribution to poverty alleviation and food security?</li> <li>■ Is the Project effective in addressing the threats to coral reef ecosystems?               <ul style="list-style-type: none"> <li>○ Destruction of coastal and marine habitats and unsustainable and illegal harvesting;</li> <li>○ Coastal water pollution;</li> <li>○ Destructive fishing (blast fishing and Poison fishing) and over-fishing</li> </ul> </li> <li>■ Will the Project achieve its specific objectives which are to:               <ul style="list-style-type: none"> <li>○ Transform at least 17% of the worldwide marine aquarium industry (21% of the Philippines and Indonesian markets combined) by achieving MAC Certification through the complete supply chain;</li> <li>○ Establish more than two dozen marine management areas (that include no-take marine protected areas and reef enhancement zones) that are managed by the local community and harvesting groups to their own benefit, approved and regulated by the local and national government;</li> <li>○ Transform the existing unsustainable market to one that demands sustainably harvested marine ornamentals by increasing global industry and consumer awareness of, and involvement in, certification and the benefits of marine ornamentals that are harvested in a manner that conserves global biodiversity.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Change in management of the Project</li> <li>■ Change to the quantity and strength of barriers such as change in               <ul style="list-style-type: none"> <li>○ Lack of community-level stakeholder capacity and experience to develop certified ecosystem management for collection areas, including for “open access” situations.</li> <li>○ Insufficient no-take zones, marine protected areas and reef enhancement or restoration areas to ensure sustainable resources are available.</li> <li>○ Absence of scientific baseline assessment and monitoring of collection areas.</li> <li>○ Limited opportunity and capacity for collectors to become certified.</li> <li>○ Lack of access to funding and business skills to enable collectors to transform to sustainable certified practices.</li> <li>○ Need for industry awareness about the benefits of certification for responsible best practices and becoming certified.</li> <li>○ Need for consumer awareness about the benefits of harvesting marine ornamentals using non-destructive methods from sustainably managed reefs.</li> <li>○ Need for sufficient effort and capacity to implement certification at a sufficient scale and for a sufficient time period to achieve a critical mass of certified areas and collectors.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Project documents</li> <li>■ Key Stakeholders</li> <li>■ Research findings; if available</li> </ul>	<ul style="list-style-type: none"> <li>■ Documents analysis</li> <li>■ Meetings with IFC and Project Partners</li> <li>■ Interviews with Project beneficiaries and other stakeholders</li> </ul>
<i>How is the Project effective in achieving the objectives of the UNCBD?</i>	<ul style="list-style-type: none"> <li>■ What are the impacts or likely impacts of the Project?               <ul style="list-style-type: none"> <li>○ On the local environment; particularly protecting the marine biodiversity;</li> <li>○ On poverty; and,</li> <li>○ On other socio-economic issues</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Provide specific examples of impacts at those three levels, as relevant</li> </ul>	<ul style="list-style-type: none"> <li>■ Project documents</li> <li>■ UNCBD Convention’s documents</li> <li>■ Key Stakeholders</li> <li>■ Research findings</li> </ul>	<ul style="list-style-type: none"> <li>■ Data analysis</li> <li>■ Interviews with key stakeholders</li> </ul>
<b>Future directions for the Project</b>	<ul style="list-style-type: none"> <li>■ How could the Project build on its apparent successes and learn from its weaknesses in order to enhance the potential for impact of ongoing and future initiatives?</li> </ul>		<ul style="list-style-type: none"> <li>■ Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>■ Data analysis</li> </ul>
<b>Evaluation criteria: <i>Sustainability</i> - Are the initiatives and results of the Project allowing for continued benefits?</b>				

Evaluated component	Sub-Question	Indicators	Sources	Data Collection Method
<i>Are sustainability issues adequately integrated in Project design?</i>	<ul style="list-style-type: none"> <li>Are sustainability issues integrated into the design and implementation of the Project?</li> </ul>	<ul style="list-style-type: none"> <li>Evidence/Quality of sustainability strategy</li> <li>Evidence/Quality of steps taken to address sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>IFC personnel and Project Partners</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<i>Are there any financial sustainability issues?</i>	<ul style="list-style-type: none"> <li>Does the Project adequately address financial and economic sustainability issues?</li> <li>Are the recurrent costs after Project completion sustainable?</li> </ul>	<ul style="list-style-type: none"> <li>Level and source of future financial support to be provided to relevant sectors and activities in the Philippines and Indonesia after Project end?</li> <li>Evidence of commitments from government or other stakeholder to financially support relevant sectors of activities after project end</li> <li>Level of recurrent costs after completion of Project and funding sources for those recurrent costs</li> <li>Existence of a strategy for financial sustainability of the project actions and activities</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>IFC personnel and Project Partners</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<i>Organizations arrangements and continuation of activities</i>	<ul style="list-style-type: none"> <li>Are the results of efforts made during the Project implementation period well assimilated by organizations and their internal systems and procedures?</li> <li>Is there evidence that Project partners will continue their activities beyond Project support?</li> <li>What degree is there of local ownership of initiatives and results?</li> <li>Are appropriate 'champions' being identified and/or supported?</li> </ul>	<ul style="list-style-type: none"> <li>Degree to which Project activities and results have been taken over by local counterparts or institutions/ organizations</li> <li>Level of financial support to be provided to relevant sectors and activities by in-country actors after Project end</li> <li>Number/quality of champions identified</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>IFC personnel and Project Partners</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<i>Enabling Environment</i>	<ul style="list-style-type: none"> <li>Are laws, policies and frameworks being addressed through the Project, in order to address sustainability of key initiatives and reforms?</li> <li>Are the necessary related capacities for lawmaking and enforcement being built?</li> <li>What is the level of political commitment to build on the results so far?</li> </ul>	<ul style="list-style-type: none"> <li>Efforts to support the development of relevant laws and policies</li> <li>State of enforcement and law making capacity</li> <li>Evidences of commitment by the political class through speeches, enactment of laws and resource allocation to priorities</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>IFC personnel and Project Partners</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<i>Institutional and individual capacity building</i>	<ul style="list-style-type: none"> <li>Is the capacity in place at the national and local levels adequate to ensure sustainability of the results achieved to date?</li> </ul>	<ul style="list-style-type: none"> <li>Elements in place in those different management functions, at the appropriate levels (national, district and municipal) in terms of adequate structures, strategies, systems, skills, incentives and interrelationships with other key actors</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>IFC personnel and Project Partners</li> <li>Beneficiaries</li> <li>Capacity assessments available, if any</li> </ul>	<ul style="list-style-type: none"> <li>Interviews</li> <li>Documentation review</li> </ul>
<i>Social and political sustainability</i>	<ul style="list-style-type: none"> <li>Does the Project contribute to key building blocks for social and political sustainability?</li> <li>Does the Project contribute to consumers' acceptance of the</li> </ul>	<ul style="list-style-type: none"> <li>Example of contributions to sustainable political and social change in support of the convention</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>IFC personnel and Project</li> </ul>	<ul style="list-style-type: none"> <li>Interviews</li> <li>Documentation review</li> </ul>

Evaluated component	Sub-Question	Indicators	Sources	Data Collection Method
<i>Replication</i>	<p>new products or practices?</p> <ul style="list-style-type: none"> <li>What are the possibilities to improve the law system in the Philippines and Indonesia and if the decision makers are really interested in doing this?</li> </ul>		<ul style="list-style-type: none"> <li>Partners</li> <li>Beneficiaries</li> </ul>	
	<ul style="list-style-type: none"> <li>Are Project activities and results being replicated elsewhere and/or scaled up?</li> <li>What is the Project contribution to replication or scaling up of innovative practices or mechanisms that support the UNCBD objectives?</li> <li>Are common good practices and experience with other IFC/GEF projects able to give good examples for other similar projects in the Philippines and Indonesia and other countries?</li> </ul>	<ul style="list-style-type: none"> <li>Number/quality of replicated initiatives</li> <li>Number/quality of replicated innovative initiatives</li> <li>Volume of additional investment leveraged</li> </ul>	<ul style="list-style-type: none"> <li>Other donor programming documents</li> <li>Beneficiaries</li> <li>IFC personnel and Project Partners</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<i>Challenges to sustainability of the Project</i>	<ul style="list-style-type: none"> <li>What are the main challenges that may hinder sustainability of efforts?</li> <li>Have any of these been addressed through Project management?</li> <li>What could be the possible measures to further contribute to the sustainability of efforts achieved with the Project?</li> </ul>	<ul style="list-style-type: none"> <li>Challenges in view of building blocks of sustainability as presented above</li> <li>Recent changes which may present new challenges to the Project</li> <li>Education strategy and partnership with school, education institutions etc.</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>Beneficiaries</li> <li>IFC personnel and Project Partners</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<b>Future directions for the Project</b>	<ul style="list-style-type: none"> <li>Which areas/arrangements under the Project show the strongest potential for lasting long-term results?</li> <li>What are the key challenges and obstacles to the sustainability of results of the Project initiatives that must be directly and quickly addressed?</li> <li>How can the experience and good practices accumulated in the project influence the strategies for other protected areas in the Philippines and Indonesia and neighborhood?</li> <li>Are the Philippines and Indonesian decision-making institutions (Parliament, Government etc.) ready to improve their strategy in function of experience accumulated in the project?</li> </ul>		<ul style="list-style-type: none"> <li>Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Data analysis</li> </ul>

### **Annex 3: List of Documents Reviewed**

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Best B., Volk R., Acosta R., Verzosa F., Tan J., May 2006, *Transforming the Marine Aquarium Trade (TMAT): Mid-Term Evaluation Report*

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Chalias Vincent, Hutagalung Rory Anthony, Adji Farida Lasida, *BIMP-EAGA SME Strengthening Marine Ornamental Fish Project - Value Chain Analysis - Indonesia*

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IFC/GEF, 2006, *IFC/GEF Project Supervisory Rpt FY05 (Confidential)*

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MAC, July 2001, *Core Handling, Husbandry, and Transport – International Performance Standard for the Marine Aquarium Trade – Issue 1 – July 1, 2001*

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MAC, July 2001, *Core Ecosystem and Fishery Management – International Performance Standard for the Marine Aquarium Trade – Issue 1 – July 1, 2001*

MAC, October 2002, *MAC Core Standards Interpretation – 1. Ecosystem and Fishery Management Standard, 2. Collection, Fishing and Holding Standard and 3. Handling, Husbandry and Transport Standards – Issue 1 – October 1, 2002*

MAC, October 2004, *Marine Aquarium Council – Contract for Services MAC-RCF*

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MAC, October 2005, *MAC Certification Advisory Number 1 – MAC-EFM Certification Requirements and CAMP Development during the “Development Phase”*

MAC, June 2005, *Grant Disbursement Request to IFC*

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MAC, December 2005, *MAMTI Financial Expenditure Report – 1 July-31 December 2005*

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Ou Edwin Y., September 2006, *Marine Aquarium Council Organizational Review*

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RCF, *The Role of Reef Check on the MAMTI Project – Component 2 and 3*

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\_\_\_\_\_, *Self-Assessment Checklist for MPA Networks*

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\_\_\_\_\_, *SWOT Analysis per Site (Philippines)*

\_\_\_\_\_, *MAMTI Total Budget and Workplan*

\_\_\_\_\_, *MAMTI Budget*

## Annex 4: Mission Agenda

Date	Time	Activity	Individual	Title	Organization	Location
Sunday, November 25, 2007	9-10am	Evaluation Entrance Confer				
	10-11am	Project Backgrou				
	11-1pm	Project Desi	David Mainenti (DM)	Executive Director (ED)		
	1-2pm	Lunch	Edwin Ou (EO)	Chief Operating Officer (COO)	Marine Aquarium Council (MAC)	Manila TBD
	2-3pm	Project Budget and Fin.	Frank Shivers (FS)	Chief Financial Officer (CEO)		
	3-4pm	Key Successes and Challer				
Monday, November 26, 2007	4-5pm	Project Vis.				
	9-10 am	MAMTI Executive Committee Entra Conference	DM EO John Claussen (JC)	ED COO Acting Project Director	MAC MAC Conservation & Communit Investment Forum (CCIF)	Manila TBD
	10-11am	CCIF Project Director Int	John Clausse	Acting Project Dire	CCIF	Manila Off:
	11-12:30pm	Lunch & Philippines (PHL) Re( Office Introdact	-	-	-	Manila Office
	12:30-3:30pm	PHL Project Presenta	PHL Project St	variou	MAC, CCIF, R	Manila Off:
	3:30-4:30pm	US Government Interview	Rene Acosta	Governance & Coastal Marine Specialist	United States Agency International Develop	Phone Interview
	4:30-5:30pm	PHL Industry Group Interview	Lolita Ty	President and MAC Board Member	Philippine Tropical Fish Ex Associati	Manila Office
	5:30-6:30pm	CCIF PHL Project Manager Inte	Dennis Rapos	Program Manage	CCIF	Manila Off:
6:30-7:00 pm	Debriefi:	DM, EO, F	variou	MAC, CCIF, R	Manila Off:	
Tuesday, November 27, 2007	10-11 am	RCF PHL Project Manager Inte:	Stuart Gre	Program Manage	RCF	Manila Off:
	11-12 nn	Project Monitoring and Evalu Intervi:	Ronet Santos	Senior Program Specialist	MAC	Manila Office
	12-1 pm	PHL Collectors Group Interview	Rosenda Lariosa	Coordinator	Nagkahiusang Pundok sa Manimilyahay Alang sa Malungtarong Panginabuhi (NaPuMaMaPa)-Collectors Group	Manila Office
	1-2 pm	Lunch	-	-	-	Manila Off:
	2-3 pm	PHL Local Government Interview 1	Amormeo Dela Torre	Local Legislative Member/ Action Offic	Municipality of Inabanga Bohol Provin	Manila Office
			Renante Cempron	LGU Community Organizer	Municipality of Inabanga Bohol Provin	Manila Office
	3-4 pm	PHL Microfinancing Interview	Leonardo D. Aurellana, Jr.	Head, Dev't Assistance Center A: A	Land Bank of the Philippines	Manila Office
			German Anaviso	Field Operations Supervisor	First Consolidated Bank Tagbilaran, Bohol Pro	Phone Interview
	4-5 pm	PHL Certified Exporter Interview	Peter Boserio	Proprietor	Cebu Mactan Quality Mar Aquarium Fi:	Manila Office
	5-6 pm	PHL Local Government Intervi	Mae Azas-Bantuca	Environmental Committee Chairpe	Burdeos Legislative !	Manila Off:
			Liza Encomien	Local Legislative Me	Burdeos Legislative !	Manila Off:
			Aldol Mar Avenilla	Fish Warden and Municipal Fisheri Aquatic Resources Management Council Chairpers:	Municipality of Burdeos, Quezon Province	Manila Office
	6-7 pm	MAC PHL Project Manager Inter	Maria Genee Misl.	PHL Country Direc	MAC	Manila Off:
7-7:30pm	Debriefi:	DM, EO, F	variou	MAC, CCIF, R	Manila Off:	
7:30 pm-	PHL Project Team Din	-	-	-	Manila Off:	
Wednesday, November 28,	9-11am	Philippines Wrap	DM, EO, F	variou	MAC, CCIF, R	Manila Off:
	11am-	Flights to	DM, EO, F	variou	MAC, CCIF, R	Manila-B:

Thursday, November 29, 2007	8-9.30 am	IDN National Government Interview 1	Jamal Jompa	Secretary	Coral Reef Rehabilitation and Management Program	Mercure	
	10-02 pm	Indonesia (IDN) Regional C Introductions & Project Preser	IDN project staff	various	MAC, CCIF, RCF	Bali Office	
	2-3 pm	lunch				tbd	
	3-4 pm	RCF IDN Chairwoman Interview	InterviewWaneng Setiasih	Chairwoman	RCF	Bali Office	
	3-4 pm	RCF IDN Project Manager Inte	Kimpul Sudarso	Regional Manag	RCF	Bali Off	
	4-5 pm	CCIF IDN Project Manager Int	Kunto Binawa	Regional Manag	CCIF	Bali Off	
	5-6 pm	Certified Exporter Int	Sianawat	Owner	Blue St	Bali Off	
Friday, November 30, 2007	9-10am	IDN National Government Interview 2	Ir.Lilie Litasari	Head Division of Fisheries and Jakarta Provin	Fisheries and Marine Af Jakarta	Bali office	
	10-11 am	IDN NGO intervi	Silvianita Tim	Adviso	TERANGI Foundati	Bali off	
	11-12 pm	Lunch					
	12-1pm	Lunch					
	1-2 pm	MAC IDN Project Manager Inte	Gayatri Reksodihardjo-	IDN Country Direc	MAC	Bali off	
	2-3 pm	MAC Certrification Systems Int	Christiane Schm	Certification Systems Di	MAC	Bali Off	
	3-4 pm						
5-6 pm	Certified Importer Int	Vincent Chal	Quality Control Man	Amlarc	Hotel		
Saturday, December 1, 2007	7-10 am	Van Trip to North Bali	ton Lilley and Andre M	Certification and outreach offi Bali Field Coordi	MAC	North Bali	
	10 - 11 am	North Bali Local Government Interview	Edi Sutrisno	Head of Natural resources	Regional Government Un Buleleng, North	North Bali	
	11 - 12 pm	North Bali Certified Area Manag Plan (CAMP) Interv:	Sugeng Sukartijo	CAMP Deputy and MPA Manager	Sumber Kima CAMP Committee	North Bali	
	12 - 1 pm	North Bali Certified Collector Interview	Syaiful Anam	Chairman	Laut Lestari Collectors group	North Bali	
	1-2pm	Lunch				North Ba	
	2-3pm	North Bali Certified Collectors group Interview 2	Nengah Artiawan	Secretary	Mina Bhakti Soansari, Villages Certified Collector group	North Bali	
	3-6 pm	Van Trip from North					
7 - 8 p	IDN Micro Financing Inte	Nyoman Irianto Wiba	Direct	Dinari Foundat	Le Villa		
Sunday, December 2,	6am-	Flights to Ma	DM, JJ	variou	Bali-Man		

## Annex 5: Interview Guide

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**I. RELEVANCE** - *How does the Project relate to the main objectives of the UNCBD, IFC/GEF and to the development challenges faced by the Governments of Philippines and Indonesia for the conservation of globally and nationally significant biodiversity?*

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- I.1. Is the Project relevant to United Nations Convention on Biological Diversity (UNCBD) and GEF objectives?
- I.2. Is the Project relevant to IFC objectives?
- I.3. Is the Project relevant to the Philippines and Indonesia's development objectives?
- I.4. Does the Project address the needs of target beneficiaries?
- I.5. How is the Project relevant in light of other donors?

### ***Future directions for the Project***

- I.6. What lessons have been learnt and what changes should be made to the Project in order to strengthen the alignment between the Project and the Partners' priorities and areas of focus?
- I.7. How could the Project better target and address the priorities and development challenges of targeted beneficiaries?

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**II. EFFECTIVENESS** – *To what extent are the expected outcomes of the Project being achieved?*

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- II.1. How is the Project effective in achieving its expected outcomes?
  - The capacity of community stakeholders to develop and implement certified ecosystem management plans is built.
  - Scientific assessment and monitoring of coral reefs and marine ornamentals stocks is ensured, with results contributing to management.
  - The health of certified coral reef harvest areas is ensured through no-take zones, marine protected areas and reef enhancement and/or restoration.
  - The capacity of marine ornamentals collectors to become certified is built.
  - Sufficient financial resources and business skills for collectors to participate in a sustainable trade are provided, and fisherfolk livelihoods are enhanced through the application of a business model that shortens the aquarium fish value chain.
  - The awareness of, and demand for, MAC Certified marine aquarium organisms among exporters, importers, and retailers is raised.
  - The awareness of, and demand for, MAC Certified marine aquarium organisms among consumers is raised.
  - Sufficient capacity for market transformation is built, including for project management, coordination and implementation.
  - Rigorous evaluation of MAMTI's programmatic, financial and operational performance is undertaken regularly.

II.2. Are Project activities designed to achieve Project outcomes?

II.3. How is risk and risk mitigation being managed?

***Future directions for the Project***

II.4. What lessons have been learnt for the Project to achieve its outcomes?

II.5. What changes should be made (if any) to the design of the Project in order to improve the achievement of the Project' expected results?

II.6. How can the Project be more effective in achieving its results?

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**III. EFFICIENCY - *How efficiently is the Project implemented?***

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III.1. Is adaptive management used or needed to ensure efficient resource use?

III.2. Do the Project logical framework and work plans and any changes made to them use as management tools during implementation?

III.3. Are the accounting and financial systems in place adequate for Project management and producing accurate and timely financial information?

III.4. Are progress reports produced accurately, timely and respond to reporting requirements including adaptive management changes?

III.5. Is Project implementation as cost effective as originally proposed (planned vs. actual)?

III.6. Is the leveraging of funds (co-financing) happening as planned?

III.7. Are financial resources utilized efficiently? Could financial resources have been used more efficiently?

III.8. How is RBM used during program and Project implementation?

III.9. Are there an institutionalized or informal feedback or dissemination mechanism to ensure that findings, lessons learned and recommendations pertaining to Project design and implementation effectiveness are shared among Project stakeholders, IFC and GEF Staff and other relevant organizations for ongoing Project adjustment and improvement?

III.10. Does the Project mainstream gender considerations into its implementation?

III.11. How efficient are partnership arrangements for the Project?

III.12. Does the Project efficiently utilize local capacity in implementation?

***Future directions for the Project***

III.13. What lessons can be learnt from the Project on efficiency?

III.14. How could the Project more efficiently address its key priorities (in terms of management structures and procedures, partnerships arrangements etc...)?

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**IV. IMPACTS** - *What are the potential and realized impacts of activities carried out in the context of the Project?*

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IV.1. Will the Project achieve its long-term objective that is to transform the marine aquarium trade towards ecological and economic sustainability using conservation management and rehabilitation to ensure the health of the coral reef ecosystem and their contribution to poverty alleviation and food security?

IV.2. Is the Project effective in addressing the threats to coral reef ecosystems?

- Destruction of coastal and marine habitats and unsustainable and illegal harvesting;
- Coastal water pollution;
- Destructive fishing (blast fishing and Poison fishing) and over-fishing

IV.3. Will the Project achieve its specific objectives which are to:

- Transform at least 17% of the worldwide marine aquarium industry (21% of the Philippines and Indonesian markets combined) by achieving MAC Certification through the complete supply chain;
- Establish more than two dozen marine management areas (that include no-take marine protected areas and reef enhancement zones) that are managed by the local community and harvesting groups to their own benefit, approved and regulated by the local and national government;
- Transform the existing unsustainable market to one that demands sustainably harvested marine ornamentals by increasing global industry and consumer awareness of, and involvement in, certification and the benefits of marine ornamentals that are harvested in a manner that conserves global biodiversity.

IV.4. Is the Project effective in achieving the objectives of the UNCBD?

***Future directions for the Project***

IV.5. How could the Project build on its apparent successes and learn from its weaknesses in order to enhance the potential for impact of ongoing and future initiatives?

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**V. SUSTAINABILITY** - *Are the initiatives and results of the Project allowing for continued benefits?*

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V.1. Are sustainability issues adequately integrated in Project design?

V.2. Does the Project adequately address financial and economic sustainability issues?

V.3. Is there evidence that Project partners will continue their activities beyond Project support?

V.4. Are laws, policies and frameworks being addressed through the Project, in order to address sustainability of key initiatives and reforms?

- V.5. Is the capacity in place at the national and local levels adequate to ensure sustainability of the results achieved to date?
- V.6. Does the Project contribute to key building blocks for social and political sustainability?
- V.7. Are Project activities and results being replicated elsewhere and/or scaled up?
- V.8. What are the main challenges that may hinder sustainability of efforts?

***Future directions for the Project***

- V.9. Which areas/arrangements under the Project show the strongest potential for lasting long-term results?
- V.10. What are the key challenges and obstacles to the sustainability of results of the Project initiatives that must be directly and quickly addressed?

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**VI. ANY OTHER COMMENTS ON THE PROJECT?**

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***Thank you very much for your input.***

## Annex 6: List of People Interviewed

Name	Position	Organization
<b>PHILIPPINES</b>		
Abraham Arun	ex. MAMTI Project Manager	Consultant
Acosta Rene	Governance & Coastal Marine Specialist	United States Agency of International Development
Anaviso German	Field Operations Supervisor	First Consolidated Bank Tagbilaran, Bohol Province
Aurellana, Jr. Leonardo	Head, Dev't Assistance Center Area IV-A	Land Bank of the Philippines
Azas-Bantucan Mae	Environmental Committee Chairperson	Burdeos Legislative Body
Boserio Peter	Proprietor	Cebu Mactan Quality Marine Aquarium Fish
Cempron Renante	LGU Community Organizer	Municipality of Inabanga, Bohol Province
Claussen John	Acting Project Director	CCIF
Dela Torre Amormeo	Local Legislative Member/CRM Action Officer	Municipality of Inabanga, Bohol Province
Encomienda Liza	Local Legislative Member	Burdeos Legislative Body
Green Stuart	Program Manager	RCF
Lariosa Rosenda	Coordinator	Nagkahiusang Pundok sa Manimilyahay Alang sa Malungtarong Panginabuhi (NaPuMaMaPa)-Collectors Group
Mainenti David	Executive Director	MAC
Mar Avenilla Aldol	Fish Warden and Municipal Fisheries and Aquatic Resources Management Council Chairperson	Municipality of Burdeos, Quezon Province
Mislang Maria Genee	PHL Country Director	MAC
Ou Edwin	Chief Operating Officer	MAC
PHL Project Staff	various	MAC, CCIF, RCF
Raposa Dennis	Program Manager	CCIF
Santos Ronet	Senior Program Specialist	MAC
Shivers Frank	Chief Financial Officer	MAC
Ty Lolita	President and MAC Board Member	Philippine Tropical Fish Exporters Association
<b>INDONESIA</b>		
Anam Syaiful	Chairman	Laut Lestari Collectors group
Artiawan Nengah	Secretary	Mina Bhakti Soansari, Les Villages Certified Collectors group
Binawan Kunto	Regional Manager	CCIF
Chalias Vincent	Quality Control Manager	Amlard
IDN project staff	various	MAC, CCIF, RCF
Irianto Wibawa Nyoman	Director	Dinari Foundation

Jompa Jamal	Secretary	Coral Reef Rehabilitation and Management Program
Lilley Ron	Certification and outreach officer and Bali Field Coordinator	MAC
Litasari Ir. Liliek	Head Division of Fisheries and Marine Jakarta Provincial	Fisheries and Marine Affairs Jakarta
Mustain Andre	Certification and outreach officer and Bali Field Coordinator	MAC
Reksodihardjo-Lilley Gayatri	IDN Country Director	MAC
Schmidt Christiane	Certification Systems Director	MAC
Setiasih Naneng	Chairwoman	RCF
Sianawati	Owner	Blue Star
Sudarsono Kimpul	Regional Manager	RCF
Sukartijo Sugeng	CAMP Deputy and MPA Manager	Sumber Kima CAMP Committee
Sutrisno Edi	Head of Natural resources	Regional Government Unit, Buleleng, North Bali
Timotius Silvianita	Advisor	TERANGI Foundation
<b>USA &amp; UK</b>		
Beuner Christopher	President	Quality Marine
Broad Steve	MAC Board Chairman	MAC
Cassagne Catherine	Head of the Biodiversity Team	IFC
Cohen Eric	Co-Owner	Sea Dwelling Creatures Inc.
Gibson David	MAMTI Task Manager (from December 2007)	IFC
Hodgson Greg	Executive Director	RCF
Holtus Paul	Ex. Executive Director	MAC
Kaguamba Richard	MAMTI (ex) Task Manager (left in December 2007)	IFC
Merkel Andreas	Executive Director	CCIF
Obibuaku Eluma	M&E Senior Officer	IFC