

1. Project Data:		Date Posted : 04/30/2013	
Country:	Albania		
Project ID:	P082375	Appraisal	Actual
Project Name:	Natural Resources Development Project	Project Costs (US\$M):	19.40
L/C Number:	C4074	Loan/Credit (US\$M):	7.00
Sector Board:	Agriculture and Rural Development	Cofinancing (US\$M):	10.20
Cofinanciers:	GEF, Swedish International Development Cooperation Agency (SIDA)	Board Approval Date :	06/09/2005
		Closing Date :	11/01/2010
Sector(s):	Forestry (49%); General agriculture fishing and forestry sector (23%); Central government administration (18%); Flood protection (8%); Sub-national government administration (2%)		
Theme(s):	Land administration and management (29% - P); Participation and civic engagement (29% - P); Water resource management (14% - S); Climate change (14% - S); Decentralization (14% - S)		
Prepared by :	Reviewed by :	ICR Review Coordinator :	Group:
Hassan Wally	George T. K. Pitman	Soniya Carvalho	IEGPS1

2. Project Objectives and Components:

a. Objectives:

According to the Project Appraisal Document (PAD, p. 4) the Project Development Objectives were:
 "to establish or maintain sustainable, community-based natural resource management in about 218 communes in upland and mountainous erosion-prone lands."

The development objectives as stated in the Development Credit Agreement (p. 17) and the Global Environment Facility Trust Fund Grant Agreement (p.16) were identical.

The Global Environment Objective (PAD, p. 5) was:

"to reverse severe degradation of upland and mountainous erosion-prone lands, and sediment runoff to the Adriatic Sea, through rehabilitating and sustainably managing natural resources, including globally significant biodiversity".

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components:

A: Improved Management and Governance of Forests and Pastures . (Appraisal cost : US\$12.66 million, actual cost: US\$11.92 million). This includes three sub-components:

A.1: Strengthening participatory forest and pasture management in communes that were supported under

Albania Forest Project (AFP). To update existing communal forest and pasture management plans that were prepared under the AFP; document different individual and user group rights over commune forest and pasture lands to better secure users' tenure rights; and support implementation of updated forest and pasture management plans established under the AFP.

A.2: Introducing participatory forest and pasture management. To prepare participatory communal forest and pasture management plans in about 73 communes; and support implementation of the forest and pasture management plans through provision of small scale investments .

A.3: Strengthening governance for forest and pasture management. To strengthen governance for forest and pasture management through training of General Directorate of Forests and Pastures and District Forest Service in participatory provision of extension advice; build the capacity of existing and new Forest and Pasture User Associations, as well as the growing network of non-governmental Associations, with focus on technical effectiveness, financial and social sustainability; and implement priority actions in the National Strategy for the Development of Forests and Pastures .

B: Improved Management and Governance of Watersheds . (Appraisal cost : US\$3.89, actual cost : US\$3.30 million). This includes two sub-components:

B.1: Introducing integrated resource management in micro-catchments. To pilot integrated resource management in 30 micro-catchments selected in a participatory and transparent manner; prepare or update forest and pasture management plans for 30 communes; and provide small-scale investments and/or technical support for activities identified in the planning process.

B.2: Strengthening governance for watershed management. Provide training for regional agricultural directorates, drainage boards, District Forest Service and commune staff, at district, regional and national levels in the provision of extension advice in the context of micro-catchment management. Support ongoing legal developments regarding land administration and tenure through drawing on the project's experience in forest and pasture management.

C: Management and Monitoring . (Appraisal cost : US\$1.95, actual cost : US\$2.29 million).

Provide support at the central level for a small project management team with overall responsibility for procurement and financial management; and for regional coordinators where component B will be implemented . Services would also be contracted to assist with enhanced public awareness of the benefits of sustainable natural resource management, project monitoring and evaluation, implementation of the Environmental Management Framework and carbon sequestration verification and monitoring .

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project Cost . The total appraisal cost was US\$ 19.40 million including US\$0.37 and US\$0.53 million for physical and price contingencies, respectively . Actual cost was US\$ 17.90 million.

Financing . The Bank provided a Credit of US\$7.00 million of which US\$6.93 million was disbursed . At closing US\$0.16 million was canceled. In addition it received a GEF Grant of US\$5.05 million that, because of appreciation of Special Drawing Rights, increased to US\$5.53 million equivalent. At completion, US\$1.02 million was cancelled and net disbursement of the Grant was US\$4.51 million.

The Swedish International Development Cooperation Agency cofinanced the project by contributing US\$ 4.53 million compared to an appraisal target of US\$ 5.23 million. The ICR (p. 23) highlighted that the disbursement of SIDA funds were affected by the depreciation of US dollar which led to a higher dollar equivalent amount that could not be absorbed. In addition, there was an unspecified amount of financing from the Netherlands Development Organization that implemented component A3.1 (PAD, p. 9).

It was expected at appraisal also that the International Fund for Agricultural Development was likely to provide parallel financing of US\$20 million over the period 2006-2011.

Borrower Contribution . At appraisal the borrower agreed to provide US\$2.20 million of counterpart funding . The borrower actually provided US\$1.74 million representing 79% of the appraisal estimate .

Dates . The project was expected to close by 11/01/2010, however, the closing date was extended by 8 months to 06/30/2011. The extension was necessary to help local governments finalize the preparation of forest and pasture management plans and implement ensuing forest and pasture improvement investments; and assist the Government of Albania in implementing the institutional forestry reform through staff training, institutional and legal advice at central, regional and local levels .

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Substantial .

The objectives were relevant at the beginning of the project and remained so at completion . Sustainable management of Albania's natural resources in upland areas is key to improving the productivity and incomes of the population living in these areas (58% of the total), to broader landscape and ecosystems conservation, and also to ensure more reliable delivery of hydro-electric power, erosion control and flood management in lower lying areas where the population is increasing rapidly . Objectives are relevant to Albania's National Strategy for Development and Integration (2007-13) which, among other things, calls for a clear vision for protecting natural resources from pollution and degradation through natural conservation, maintenance of biodiversity, rehabilitation of degraded forests and continuation of the transfer of forests and pastures to local government units .

Project objectives are relevant to the current Country Partnership Strategy (FY11-FY14) whose third strategic objective is to reduce Albania's vulnerability to climate change, including safeguarding watersheds, reducing erosion and ensuring and sustaining other environmental services .

The Global Environmental objective is in line with the GEF Operational Program 15 - Sustainable Land Management (PAD, p. 4) and it would also contribute tangential results for GEF's Operational Program 12 (Integrated Ecosystem Management) and Operational Program 3 (Forest Ecosystems). The project would also be expected to contribute to the GEF's International Waterway focal area through activities aimed at reducing sediment flow to the Adriatic Sea .

b. Relevance of Design:

Substantial .

Design included a clear statement of objectives which described the expected outputs and outcomes and the target area for project activities . The activities and inputs - the preparation and implementation of forest, pasture and water shed management plans, supported by institutional policy reforms - to achieve the desired outcomes were logical and relevant, as was the inclusion of capacity -building activities to improve the ability of local communes to manage natural resources. A recent IEG study found that participatory forest management "has delivered livelihood enhancing benefits as well as positive environmental outcomes ." However, the objective to achieve sustainable participatory and community-based natural resource management is challenging given that sustainability relies on multiple variables, including institutional, legal, and capacity adjustments, some of which could be beyond project control. For example, the project design included no institutional mechanisms to ensure that 70% of commune collected fees would be reinvestment for forestry and pasture management (ICR, p. 26). It also provided insufficient institutional support, for example, for mapping services related to land registration and land tenure .

While the GEO's objective to rehabilitate and manage natural resources sustainably was covered by specific project activities, there was nothing specific to ensure that this included globally significant biodiversity . In a subsequent communication, the region explained that funding for the GEO came from the land degradation focal area not global biodiversity. The region also explained that the introduction of carbon sequestration was innovative putting Albania as the first country globally to design and use the methodology for assisted natural regeneration, recognized and validated by the United Nations Framework Convention on Climate Change (UNFCCC) under the Clean Development Mechanism (CDM).

4. Achievement of Objectives (Efficacy):

The project has two PDOs: (a) to establish community-based natural resource management in about 218 communes in upland and mountainous erosion-prone lands; (b) to maintain sustainable, community-based natural resource management in about 218 communes in upland and mountainous erosion-prone lands. The GEO was to reverse severe degradation of upland and mountainous erosion-prone lands, and sediment runoff to the Adriatic Sea, through rehabilitating and sustainably managing natural resources, including globally significant biodiversity . The achievement of these objectives is described below .

Not all the achievement described below can be attributed to the project because of several parallel -financed activities funded by IFAD . In addition, the parallel-financed Program for Forestry Multi Donor Trust Fund is funding a small project on innovative financing schemes for sustainable forestry management for Albania and Kosovo .

In a subsequent communication, the region explained that no significant project achievements in communal forestry management can be attributed to either the IFAD or the PROFOR activities . IFAD support (from December 1999 to March 31, 2008) of \$ 23.1 million to communal forestry and pasture management has been marginal . IFAD support relevant to this project was a sub-activity among the IFAD program and was provided to 4 communes only . Nonetheless, Bank team reached an agreement with the Mountainous Area Development Agency that the same guidelines and process developed under the project for the preparation of communal forest and pasture management

plans would be used for the implementation of IFAD funded sub-activity. As for the PROFOR grant on Innovative Financing for Sustainable Forest Management in Southwest Balkans, the grant started to be implemented in September 2011, 1 month before the closure of the project.

(a) establish community-based natural resource management in about 218 communes in upland and mountainous erosion-prone lands: Substantial

Outputs:

- The project trained the targeted number of 2,000 members of Forest and Pasture User Associations at regional and local levels covering a wide range of topics.
- The project trained 19 national and regional forest extension advisors (exceeding the target of 15), who subsequently served as trainers for other staff of the Forests and Pastures and Forest Service. In addition 196 district and commune level forest extension officers (target: 120) were trained on sustainable forest management.
- The project also supported provision of training to 45 staff members (target 60) of agricultural directorates and drainage boards on topics related to integrated resource management.
- About 62,000 commune members were trained in watershed management planning approaches.
- 111 Communal Forest and Pasture Management Plans (that were initially prepared under Albania Forestry Project covering an area of 373,368 ha) were updated and approved. In addition, 110 new Plans were prepared covering an area of 307,665 ha.

Outcomes:

- The ICR (p. 20) notes that the fate of extension service was not clear until late in the project. The Bank's Task Team explained that the extension service was established and organized in central, local and regional levels by Ministerial Decree No. 496, dated 25/07/2011.
- 209 Plans were implemented through small-scale investment grants for community-based natural resource management activities.
- 30 micro-catchment plans (target: 30) covering an area of 161,478 ha were prepared, approved and implemented (ICR, p.41).
- By project completion, the total area of land being managed by local communities in accordance with sustainable natural resource management plans supporting rehabilitation of natural resources, habitats and indigenous species was 775,511 ha compared to a target of 660,000 ha and a baseline of 450,000 ha (ICR, pp. 4,5).

(b) maintain sustainable, community-based natural resource management in about 218 communes in upland and mountainous erosion-prone lands: Modest

Outputs:

- The project attempted to improve the legal and regulatory framework for forest and pasture management through supporting a review of the legal status of Forest and Pasture User Associations; drafting of necessary decisions for the forestry and pasture law; and guidelines on working volumes. However, a new forest and pasture law was still in the drafting stage at completion (ICR, p. 20). The project team emphasized that a draft of the law was being prepared through a consultative process by the Ministry of Environment, Forestry and Water Administration and is expected to be submitted for governmental approval by December 2012.
- The Project supported small-scale investments in 24 communes for assisted natural regeneration of forests including 1,866 hectares of afforested land; 1,200 hectares of forest improvements; and 86 kilometers of fencing. This is only about half the target area of 6,000 ha.
- Usufruct rights were defined, agreed, documented, mapped and demarcated in 251 communes (target: 218).

Outcomes:

- According to the beneficiary survey 92% of the families included in the survey sample showed improved income (ICR, Annex 5). The average annual household income in communities in which forestry and pasture management plans were implemented increased by 8% and by 28% respectively in communities where micro-catchment plans were implemented compared to a target of 10%.
- However, the ICR reported that there was no progress on the reinvestment of collected fees due to failure of local authorities to levy user fees (target: 70%). Further communication with the Bank's Task Team revealed that in a pilot program, financed by SIDA and implemented by the Dutch Development Organization, 10 out of 13 project-supported communes managed to collect fees ranging from US\$ 380 to US\$16,000. The team also explained that pilot activities created a functional fee and tariff collection system linked to resource planning and use, along with reinvestment and service provision in each pilot commune.
- Only 5 of the targeted 218 communes have registered tenure rights over forest and pasture land. In a subsequent communication the region explained that another 40 communes are currently undergoing the registration process. The ICR (p. 7) notes that high registration fees and incompatibility of maps contained in the

management plans with maps at the Immovable Property Registration Office were the main reasons behind the failure to achieve better results in this area . The registration fee was waived through a decree by the Council of Ministers issued on September 29, 2010, but the maps incompatibility persisted till the closing of the project (ICR, p. 20). The project team explained that on May, 2, 2012 a national seminar was held in Tirana on forest and pasture registration with the participation of Ministers of Environment, Forest and Justice where the maps issue was widely discussed . The Bank's Task Team told IEG it is optimistic that this issue would be resolved given that Albania is just finishing the first registration of properties and would soon apply an electronic cadaster system.

The Global Environment Objective was to reverse severe degradation of upland and mountainous erosion -prone lands, and sediment runoff to the Adriatic Sea :

- Erosion reduction measures were established on 31,116 ha (target: 12,000 ha), causing an estimated erosion reduction of about 223,000 tons (target: 200,000) (ICR, p. 5).
- The amount of CO₂ sequestered from 2004 to 2010 was estimated to be 63,759 tons, or 40% of the appraisal target of 160,000 tons. According to the ICR (p. 6) the project fell short of achieving its target due to implementation delays, smaller implementation area than initially planned and uncertainty surrounding initial carbon sequestration estimates . It is expected that the project will lead to sequestration of CO₂ in the range of 140,000 to 160,000 tons by 2018.

5. Efficiency:

The PAD (Annex 9) provided a thorough economic analysis that incorporates both qualitative and quantitative impacts. A sensitivity analysis assessed the potential risk to the project achieving a positive and significant rate of return. The economic analysis estimated that the overall Economic Rate of Return (ERR) for the project, including both upstream and downstream benefits, would be 21%. Economic benefits included direct benefits such as increased agricultural yield and increased sustainable harvests of fuel wood, timber, non -timber forest products and fodder, as well as indirect benefits such as the reduced damage from downstream floods and sedimentation, soil stabilization, resource regeneration and biodiversity enhancement .

The ICR (Annex 3) included an economic analysis that assessed the quantifiable incremental project benefits over 45-year period from 2005 to 2049. The extended time was to allow for some benefits such as increased timber harvest to accrue. The analysis estimated that the ERR would be 21% and a Net Present Value of US\$9.2 million at a 12% discount rate. The ICR's ERR was slightly lower than in the PAD because it did not include an estimate for flood damage repair costs which according to the ICR (p. 44) were "highly speculative".

Administrative efficiency was modest. Administrative weaknesses were acute in the first two years of implementation when some procurement activities almost stalled (ICR, p. 22). This also led to delays and a backlog of procurement activities. Procurement arrangement for the community participation proved to be of marginal value due to the complexity of the contracts. Finally, the ICR (p.34) pointed out that, according to the Swedish embassy, the project management poorly managed currency fluctuations of the US dollar against the Swedish Krona . This resulted in under-spending of grant funds and eventually 13% of SIDA's trust fund had to be transferred back to Sweden at the time of the Grant closing.

Overall Efficiency is rated **substantial**, with minor weaknesses.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	21.2%	100%
ICR estimate	Yes	20.6%	100%

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

Relevance of objectives and design are both rated **substantial** . The project managed to implement sustainable natural resource management plans supporting rehabilitation of natural resources, habitats and indigenous species on 775,511 ha. However, there were doubts regarding the sustainability of community resource management given that the majority of communes did not secure tenure rights over forests and pasture lands and failed to levy user

fees. Efficacy of the first objective is rated **substantial** and rated **modest** for the second objective. Efficiency is rated **substantial**.

a. Outcome Rating : Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating:

Risk to Development Outcome is rated **significant**. The delay in drafting a forestry law that clearly describes the roles and responsibilities of involved parties could undermine the project outcomes. In a subsequent communication the region clarified that a new forestry law is expected to be submitted to the Council of Ministers and then Parliament for approval following the recommendations from the Working Group established in 2012, and the inputs from legal advice and stakeholder consultations financed under a Swedish Grant expected to be completed by March 2013. There are also doubts regarding the financial stability of the Forest and Pasture User Associations in a post-project environment. The failure of the majority of communes under the project to register tenure rights may jeopardize community-based resource management.

a. Risk to Development Outcome Rating : Significant

8. Assessment of Bank Performance:

a. Quality at entry:

The Bank identified an operation that was relevant to the Albanian environment and rural livelihood. The operation was regionally and globally relevant since it addressed sustainable land management and climate change mitigation, and project activities were geared towards priority areas identified by the country's strategic documents. However, the Bank underestimated the weak technical capacity in the country as well as the time needed for revising the forestry law. Design also failed to anticipate the lack of political will by local leaders to levy fees for grazing and fuel wood. Design of M&E arrangements for the GEO was weak, and the only indicator used for it was a poor match that did not fully capture the impact of the proposed activities.

Quality-at-Entry Rating : Moderately Unsatisfactory

b. Quality of supervision:

The Bank supervision team provided timely guidance and closely supervised implementation. The team maintained a constructive dialogue with the project's major stakeholders and established good rapport with other donors. However, a notable shortcoming throughout supervision was the way the team dealt with the revised structure of the Results Framework - in some cases there was lack of proper recorded justification, and lack of formal amendment of the legal agreements to reflect changes in outcome and intermediate outcome indicators (ICR, p. 29).

Quality of Supervision Rating : Moderately Satisfactory

Overall Bank Performance Rating : Moderately Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

The Government demonstrated highly variable commitment with strong support during project preparation, and uneven commitment during implementation. Such wavering commitment was a function of shifting political priorities, reorganization of government entities and lack of adequate coordination among government bodies. Counterpart funds were received with delays. The project implementation oversight committee was inactive for about two years and failed to provide strategic guidance to the project and the project technical committee proved to be a largely non-functional entity. Although Government commitment improved towards the end of the project, some activities still suffered from delays: the establishment of the forestry extension service; and addressing the incompatibility in the scale of management plan maps with that required by the country's Immovable Property Registration Office.

In a subsequent communication, the region highlighted that the Government transferred 60% of state owned forests to communes and noted that the Government remains committed to improving institutional and legal framework and further supporting the forest decentralization process.

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance:

The project was implemented under the forest directorate of the Ministry of Environment, Forests and Water Administration through a dedicated project management team that under-performed. Implementation suffered from weak capacity which resulted in poor decision-making and lack of coordination among stakeholders. Management team performance was variable and faced significant challenges with M&E and other management issues, but their performance improved towards the final years of the project. The project benefited from solid and effective performance by the regional coordinators.

Implementing Agency Performance Rating :

Moderately Unsatisfactory

Overall Borrower Performance Rating :

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization:**a. M&E Design:**

The PAD (Annex 3) included three outcome indicators geared towards measuring the achievement of the objectives and one outcome indicator gauging the achievement of GEO. The indicators seemed relevant as they were focused on the area of land under management plans, the increase in household incomes, the level of re-investment of collected user fees, and more secure usufruct rights. However, gauging the sustainability of community management of forests and pastures would require a longer time of monitoring than the project could provide. The GEO outcome indicator did not fully capture the achievement the full range of expected outcomes. M&E activities were to be handled by the Project Management Team and activities were to include the preparation of a baseline survey, regular updates on indicators and an impact assessment measuring the social, environmental and economic benefits of the project activities (PAD, p. 47).

b. M&E Implementation:

Efforts to set up an M&E system suffered from delays and setbacks and eventually M&E was outsourced to a consulting company (ICR, p. 21); even then M&E still suffered from delays and an overly complex software design. To meet stringent requirements of carbon monitoring the project provided training for 70 professionals representing Regional Coordinators, District Forest Service, Forest and Pasture User Associations and community foresters to track and monitor carbon sequestration activities. At mid-term review (MTR), a better outcome indicator was introduced to gauge soil erosion, but it was not clear why it was introduced as a development objective rather than a GEO indicator. The reasons the team opted to change the outcome indicator gauging usufruct rights to become an intermediate indicator is unclear.

c. M&E Utilization:

Delays in establishing a functional M&E system negatively impacted the ability of the project management to comply with reporting requirements during the early years of the project. Data reported to the Bank was mostly on procurement and financial management with little information on the project output /outcome indicators (ICR, p. 21). M&E activities improved after MTR, and project management began producing progress reports and impact assessments despite constantly struggling to update the Results Framework. Overall, M&E data was not utilized in the best way to serve project evaluation and inform decision-making during project implementation (ICR, p. 21).

In a subsequent communication, the region explained that the project indicators were fully measured and by project closure, the project monitoring team prepared a thorough analysis of the effectiveness and efficiency of all project interventions.

M&E Quality Rating : Modest**11. Other Issues****a. Safeguards:**

Environmental Assessment. The project was rated a Category 'B' under OP 4.01 Environmental Assessment. In

general, the project was viewed as having a positive impact on the environment and natural resources in upland areas of Albania, as well as downstream resources in the watersheds where the project activities would be implemented. According to the ICR (p. 23) potential environmental impacts arising from commune-level activities were addressed through the implementation of an Environmental Management Framework. Two environmental audits in 2010 and 2011 confirmed compliance with requirements of the Framework and provided evidence on the positive impact of the project on the environment (ICR, p. 23).

b. Fiduciary Compliance:

Financial management . The project maintained a moderately satisfactory financial management system through the project life as confirmed by financial management reviews . Project annual audits were clear, or with minor issues that were addressed. The project suffered from slow disbursements due to implementation delays combined with overly optimistic disbursement estimates (ICR, p. 23). The 2009 financial management review highlighted two concerns regarding disbursement monitoring and forecasting; and compliance with financial management requirement at commune level. The latter concern was resolved; however, disbursement monitoring and forecasting continued to be problematic till the end of the project (ICR, p. 22).

Procurement . Procurement post-reviews found that procurement processes were of generally of moderately satisfactory quality, reliability, timeliness, and transparency with some corrective actions requested by the Bank . Procurement activities and contract management suffered from weak capacity at Project Management team level . Weakness was acute in the first two years of implementation when procurement activities for complex assignments almost stalled (ICR, p. 22). This also led to delays and a backlog of procurement activities . Procurement arrangement for the community participation method proved to be of marginal value due to the complexity of the contracts . This contributed to implementation delays due to the time spent by the project management team on this activity for 251 communes covered by the project (ICR, p. 23).

c. Unintended Impacts (positive or negative):

Positive impacts . The project set the stage for expanding the possibilities of derived incomes to chargeable environmental services. The project experience revealed that natural assets could bring potential economic benefits to communities through the provision of environmental services .

d. Other:

12. Ratings :	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Moderately Satisfactory	Efficacy of the second objective was modest due to failure to achieve target on natural regeneration and to reinvest collected fees as well as limited number of communities who registered tenure rights over forest and pasture lands.
Risk to Development Outcome:	Significant	Significant	
Bank Performance :	Satisfactory	Moderately Satisfactory	The Bank under estimated the time needed for revising the forestry law as well as client's weak technical capacity . There were design shortcomings and M&E weaknesses.
Borrower Performance :	Moderately Satisfactory	Moderately Satisfactory	
Quality of ICR :		Satisfactory	

NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column

could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

The following lessons are emphasized from the ICR with some rearrangement by IEG :

- **Flexible design and adaptation to local conditions is critical to the success of the participatory approach** . Community participatory processes, including communal natural resource management are highly specific activities that need to be developed in a localized contextual setting . Design of such projects should be flexible and accommodate underlying factors such as landscape, climate, tradition, wealth, communal social capital, and absorption capacity . There should be a realization that exogenous approaches to community activities should be based on a reasonable degree of flexibility derived from the factors above . A standardized approach to all participating communities may therefore be a less preferred option . Furthermore, the application of top-down approaches is quite questionable in settings with a high degree of variance in local readiness for implementation .
- **Local stakeholder involvement remains a key determinant for success** . Local stakeholder involvement was necessary for receiving feedback on local site conditions and other commune -specific issues. Raising awareness, communication and confidence building measures are required for local buy -in, and must be a staple of any community based projects .
- **Project design should be realistic and compatible with the political environment of a country** . Projects in countries that lack key pieces of legislation or embark on reforms that are not covered by existing regulations should set realistic objectives for such reforms and /or plan accordingly . Projects that span electoral dates should take this into consideration . Attention should be given also to projects with interdependent components or sub-components and whether the failure of one will jeopardize others .

14. Assessment Recommended? Yes No

Why? To assess the sustainability of community -based forest and pasture management .

15. Comments on Quality of ICR:

The ICR provided a thorough and concise account of project activities and a candid view of shortcomings . The lessons drawn are based on the project experience and evidence . Outputs and outcomes are evidence -based. However, the economic analysis should have included non -project controls in order to avoid doubts on the project's contribution to observed benefits .

a. Quality of ICR Rating : Satisfactory