



1. Project Data

Project ID P143492	Project Name BR DGM for Indigenous People	
Country Brazil	Practice Area(Lead) Environment, Natural Resources & the Blue Economy	
L/C/TF Number(s) TF-18765	Closing Date (Original) 30-Mar-2020	Total Project Cost (USD) 6,500,000.00
Bank Approval Date 03-Mar-2015	Closing Date (Actual) 31-Jan-2022	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	6,500,000.00	6,500,000.00
Revised Commitment	6,500,000.00	6,500,000.00
Actual	6,500,000.00	6,500,000.00

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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (viii) and the Financing Agreement of April 29, 2015 (p. 6) the objectives of the project were: i) to strengthen the engagement of Cerrado Biome's indigenous peoples and traditional communities in Forest Investment Program (FIP), reducing emissions from deforestation and forest degradation (REDD+) and similar climate change oriented programs at the local, national and global level, and ii) to contribute toward improving livelihoods, land use and sustainable forest management in their territories”.



The PDO will be parsed as follows:

Objective 1: Strengthen the engagement of Cerrado Biome's indigenous peoples and traditional communities in Forest Investment Program (FIP), Reducing Emissions from Deforestation and Forest Degradation (REDD+) and similar climate change-oriented programs at the local, national and global level.

Objective 2: Contribute toward improving livelihoods.

Objective 3: Contribute towards improving land use and sustainable forest management in their territories.

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

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

21-Feb-2019

c. Will a split evaluation be undertaken?

No

d. Components

Three PDO indicators were dropped but since the content of these indicators was covered by other indicators, this ICRR does not conduct a split evaluation.

The project included three components:

Component 1: Sustainable and Adaptive Community Initiatives (appraisal estimate US\$4.0 million, actual US\$4.04 million): This component included two sub-components:

Sub-component 1A: Community Initiatives: This sub-component was to finance the provision of micro- and small grants for eligible community-based Indigenous Peoples and Traditional Communities (IPTC) organizations to conduct on-the-ground community activities that fall under predetermined themes related to forest and land use management, livelihoods and sociocultural survival, and had been proposed and selected by IPTC-led decision making. Taking into consideration the scenarios faced by different IPTCs, community proposals were to be eligible for funding under three grant windows: i) the Natural Resource Management Subproject Window for proposals from IPTCs that were located in environmentally priority and vulnerable areas in which manmade threats and climate-related risks potentially brought major loss or decline in the long-term quality of valued species, habitat and landscape; ii) the Immediate Threat Response Sub-project Window for proposals from IPTCs that were under severe and immediate threat to their forests, natural resources, livelihood needs, physical and cultural survival due to manmade and climate-related challenges; and iii) the Market-Oriented Productive Subproject Window for proposals from IPTCs that had proven organizational capacity in handling external funds and needed support to increase their access to markets for the commercialization of agricultural and/or nontimber forest products.



Sub-component 1B: Training and Technical Assistance: This sub-component was to finance i) training activities to enhance the technical and managerial capacities of beneficiary organizations; and ii) technical assistance to support the preparation of the technical projects for the preselected community proposals and the implementation of the approved community initiatives.

During the project restructuring in 2020 a new sub-component was added in response to the outbreak of COVID-19.

Sub-component 1c: Emergency Assistance: This sub-component was to provide Covid-19 Support Grants (CSG) — to the previously selected beneficiaries and supported community organizations - aimed as an emergency assistance to respond to COVID-19 adverse impacts on Indigenous Peoples, Quilombola and Traditional Communities.

Component 2: Capacity Building and Institutional Strengthening (appraisal estimate US\$1.30 million, actual US\$1.30 million): This component was to finance capacity-building and institutional-strengthening activities for IPTC organizations. The Project was to: i) carry out a communication and dissemination strategy, reach target groups, and mobilize communities and organizations; ii) promote training and informational workshops as well as capacity-building activities; and iii) support the creation and consolidation of representative community-based organizations.

Component 3: Project Management, Monitoring and Evaluation (appraisal estimate US\$1.20 million, actual US\$0.24 million): This component was to finance the project's technical and administrative management, dissemination, monitoring and evaluation. This component was to finance the incremental operational costs incurred by the National Executing Agency for Brazil (NEA) Dedicated Grant Mechanism (DGM) to carry out its responsibilities: i) serving as secretariat to the National Steering Committee of Brazil (NSC); ii) project's technical coordination, monitoring and evaluation; iii) reporting to the World Bank, the BIP Coordination, and the Global Steering Committee; iv) project's financial management, procurement, and auditing; v) operation of the project's Grievance Redress Mechanism; and vi) supervising the implementation of community initiatives and results assessments.

e. **Comments on Project Cost, Financing, Borrower Contribution, and Dates**

Project Cost: The project was estimated to cost US\$6.5 million, which was also the actual cost.

Financing: The project was financed by a World Bank grant in the amount of US\$6.5 million, which completely disbursed.

Borrower Contribution: It was not planned for the Borrower to make any contributions.

Dates: The project was restructured four times:

- On May 18, 2017, the project was restructured to: i) reallocate financing among disbursement categories; and ii) delete four intermediate outcome indicators and replace them by one indicator "share of project beneficiaries that are members of vulnerable or marginalized families".
- On February 21, 2019, the project was restructured to: i) adjust some targets (upwards) to better capture the actual results of the project in terms of sustainable land management practices, capacity building and advocacy as well as drop some indicators; ii) reallocate financing amongst components



and loan proceeds; and iii) extend the closing date from March 30, 2020 by nine months to December 31, 2020 compensating for the time spent after project effectiveness, while the Brazilian Government issued the Inter-Ministerial Ordinance nominating its members in the National Steering Committee – a pre-condition that prevented the project to effectively start.

- On October 6, 2020, the project was restructured to: i) include a new sub-component in response to the outbreak of COVID-19; ii) extend the closing date of the Grant by seven months, from December 31, 2020 to July 31, 2021 to allow for the completion of 49 community sub-projects which implementation was delayed due to the COVID-19 pandemic; iii) include scholarships under Part 2 of the project; and iv) adjust the project disbursement categories and reallocate grant proceeds.
- On June 11, 2020, the project was restructured to: i) extend the project closing date by 6 months to January 31, 2022 to compensate for the delay imposed by the pandemic; ii) reallocate grant proceeds among expenditure categories; and iii) revise component costs.

3. Relevance of Objectives

Rationale

Country and sector context. According to the PAD (p. 1) Brazil territory contained six continental biomes. The original cover of the three forest biomes represented 80 percent of Brazil's territory (8.5 million km²) and constituted 12 percent of the world's forest area. These forests made up a significant portion of global land-based biodiversity and most of these forests were located in indigenous lands and traditional territories.

The Cerrado Biome covered nearly 24 percent of the country and was a strategic biome for economic, food security and environmental reasons. The rapid expansion of agriculture has had high environmental costs including natural vegetation to be converted to cropland and pasture. In the Cerrado, Indigenous Peoples and Traditional Local Communities (IPTCs) have contributed to the conservation of their living habitats. Reduction in the stock of open lands traditionally used by IPTCs as well as resulting habitat change, and fragmentation has increased IPTCs social vulnerability. Internal threats included the overexploitation of some resources due to demographic growth by the local inhabitants, the constraints to translate traditional sustainable forest and land use practices into economic returns, challenge to obtain fair price for products, limited opportunities to diversify livelihoods and to meet economic needs without undermining the forest and natural resource base.

Alignment with the Government Strategy. According to the ICR (p. 7) the project was part of the initial activities of the Forest Investment Program (FIP), which supports developing countries' efforts to reduce deforestation and forest degradation, promotes sustainable forest management that leads to emission reductions and protection of carbon reservoirs (REDD+). In 2010, Brazil was selected as a FIP pilot country with focus on the Cerrado biome. The Global Dedicated Grant Mechanism (DGM) is a special initiative under the FIP which was established at the request of IPLCs to support their participation in the FIP and other REDD+ (a framework to guide activities in the forest sector that reduces emissions from deforestation and forest degradation, as well as the sustainable management of forests and the conservation and enhancement of forest carbon stocks in developing countries strategies and programs). An Investment Plan



for Brazil (BIP) was developed under the FIP, which aims to promote sustainable land use and forest management improvement in the Cerrado to reduce pressure on remaining forests and greenhouse gas (GHG) emissions and to increase CO2 sequestration.

Alignment with the World Bank Strategy. The objectives of the project were in line with the 2021 conference of parties Number 26 of the United Nations Framework Convention on Climate Change (UNFCCC) which recognized in its final decision the important role of indigenous people, local communities and civil society in addressing and responding to climate change. Also, the objectives of the project were in line with the World Bank’s most recent Country Partnership Framework (FY18-23) and its objective “to support the achievement of Brazil’s National Determined Contribution (NDC) with a particular focus on land use”.

The objective of the project was pitched at an appropriate level to address a development problem.

Overall, the relevance of the objective is rated High.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Strengthen the engagement of Cerrado Biome's indigenous peoples and traditional communities in Forest Investment Program (FIP), reducing emissions from deforestation and forest degradation (REDD+) and similar climate change-oriented programs at the local, national and global level

Rationale

Theory of Change: The project’s theory of change envisioned that project activities such as organizing training events for IPTC communities and their participation in regional, national, and international events, providing capacity building support to IPTC associations, as well as funding network strengthening sub-projects were to result in outputs such as IPTC communities trained, IPTC communities capacity strengthened, and network strengthening projects completed. These outputs were to result in the outcome of the engagement of Cerrado Biome’s indigenous peoples and traditional communities in FIP, REDD+ and similar climate change-oriented programs at the local, national, and global level being strengthened. The theory of change was sound and logic.

Outputs

- Capacity building of 190 indigenous people and traditional community representative organizations, exceeding the target of 180 people.



- Current and up-to-date project information was available and made public through social media on a regular basis, achieving the target of information being available.

Additional outputs reported in the ICR which were not covered in the RF:

- The project provided technical assistance to 30 IPC associations through consulting services to support the process of regularizing their legal, fiscal and financial standing.
- At the global level, members of the NSC participated in the Conference of the Parties of the UNFCCC, the meetings of the DGM Global Executing Agency, and the DGM Global Steering Committee.
- Four institutional capacity building sub-projects were implemented (Rede Cerrado Network, the Mobilization of Indigenous People in the Cerrado (MOPIC), the Interstate Movement of Babassu Nut Breaker (MIQCB), and the National Coordination for Articulation of Quilombos (CONAQ).

Outcomes:

- 25 Cerrado biome's IPTC representatives were supported in conservation and other REDD+ related processes at regional, national, and global level, exceeding the target of 24 Cerrado biome's IPTC representatives. This indicator counted the number of representatives who confirmed in surveys that they understood REDD+ and climate change and that their organization participated in some event where REDD+ and climate change were discussed. Also, the number of representatives of IPTCs in the NSC were counted. This indicator was not revised during any of the project's restructurings.
- 83.80 percent of participants in capacity enhancement activities demonstrated increased understanding of REDD+ and climate change, exceeding the target of 80 percent of participants.

The project exceeded the target for the number of Cerrado biome's IPTC representatives who were supported in conservation and other REDD+ related processes at regional, national, and global level. The two output targets were also exceeded. In addition, the project delivered several outputs under this objective, which did not have a target. Overall, the achievement of this objective is rated Substantial.

Rating

Substantial

OBJECTIVE 2

Objective

Contribute toward improving livelihoods

Rationale

Theory of Change: The project's theory of change envisioned that project activities such as providing IPTC communities with grants for implementing sub-projects to improve and diversify livelihoods, revitalize of cultural values and traditional knowledge, market forest and agricultural products as well as conduct governance activities for sub-projects such as supervising, providing oversight, and monitoring were to result in the output of community sub-projects being prepared by communities, funded by DGM, and implemented



by communities. This output was to contribute to the outcome of improved livelihoods. The project's theory of change was logic and adequate.

Outputs:

- 97 community-based sub-projects were completed, exceeding the target of 75 sub-projects.
- 13,930 beneficiaries received COVID-19 support grants, exceeding the target of 6,250 beneficiaries.
- 100 percent of grievances registered with regard to the delivery of project benefits were addressed, achieving the target of 100 percent.

Outputs which did not include a target in the ICR:

- 60 sub-grants were awarded to community sub-projects.
- 58 community sub-projects were completed.
- Three training events for the preparation and management of sub-projects were conducted.

Outcomes:

- 88 percent of the community based sub-projects generated livelihood benefits for the communities, exceeding the target of 50 percent. Through a survey, 53 out of 57 community sub-projects responded and identified the following benefits to their communities: i) recovery of dried-up springs; ii) restoration of degraded areas; iii) access to water; iv) food security; v) protection of community territory; vi) increased income, and vii) acquisition of equipment, vehicles, inputs, buildings, and renovations. This indicator was added during the 2019 restructuring.
- 62.6 percent of community-based beneficiaries were satisfied with the technical assistance provided by the project, exceeding the target of 60 percent. 100 percent of female community based sub-project beneficiaries were satisfied with technical assistance provide by the project, exceeding the target of 30 percent. 60 percent of indigenous community based sub-project beneficiaries were satisfied with technical assistance provided by the project, achieving the target of 60 percent. This indicator was not modified during project restructuring.

The community based sub-projects benefitted 34,780 beneficiaries, exceeding the original target of 6,000 beneficiaries and the revised target of 18,000 beneficiaries. Of those beneficiaries, 55.70 percent were indigenous people, almost achieving the target of 60 percent. Also, 31.70 percent were female, exceeding the target of 30 percent female beneficiaries.

The project exceeded all of its output targets and all outcome targets with the exception of number of indigenous beneficiaries, which was almost achieved. The project did not include targets for key outputs such as number of sub-grants awarded, and number of sub-projects completed.

Rating
Substantial

OBJECTIVE 3



Objective

Contribute towards improving land use and sustainable forest management in their territories

Rationale

Theory of Change: The project's theory of change envisioned that project activities/inputs such as providing IPTC communities with grants for implementing sub-projects aiming at sustainable forest and land management, restoration of degraded native vegetation, as well as implementing governance activities for sub-projects including defining sub-project themes and eligibility, and stimulating submission of proposals were to result in outputs such as implemented sustainable forest and land management sub-projects, restored degraded native vegetation, and implemented governance activities for sub-projects. These outputs were to result in the outcome of improved land use and sustainable forest management.

Outputs:

The ICR stated the same outputs for this objective as for the second objective. According to the World Bank team (April 3, 2023) subprojects followed a holistic approach in which the synergies between the different thematic areas were potentialized. In other words, most subprojects comprised activities that could be classified under more than one objective. All subprojects that contributed to improving land use, as a result, also contributed to improving livelihoods.

- 70 percent of the community sub-projects (42 out of 60) aimed to implement at least one of the following activities of forest management: i) diagnostic studies and management plans for an entire community territory; ii) restoration of degraded land and vegetation, including restoration of water sources; iii) extraction of fruit, seeds, fibers or medicinal plants from native vegetation; iv) seed collection for tree nurseries; v) tree nurseries; and vi) eco-tourism. This output was not included in the Results Framework and lacked a target.
- 13 territorial and environmental management plans were developed, covering an area of more than 570,000 hectares. These plans contain the summary of natural features and resources of a territory including traditional uses of land, water, flora and fauna and identify new opportunities for use. This output was not included in the Results Framework and lacked a target.

Outcomes:

- 831 hectares of land were under sustainable landscape management practices, exceeding the target of 600 hectares.

While the project increased the size of land that was under sustainable landscape management, it did not provide any evidence that sustainable forest management was improved. Also, the Results Framework lacked indicators to measure the achievement of sustainable forest management. As a result, achievement of the objective is Modest.

Rating
Modest



OVERALL EFFICACY

Rationale

Achievement of the first and second objective was Substantial. Achievement of the “improving land use” aspect of the third objective was Substantial while there was no evidence provided that sustainable forest management was improved, resulting in a Modest achievement of the third objective. Taking everything together, the project’s overall efficacy rating is Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic efficiency:

A traditional economic analysis was not conducted at appraisal (PAD p. 13) since project investments were not yet known and it was therefore not possible to conduct any kind of robust analysis prior to implementation. The ICR (p. 22) also stated that a quantitative cost-benefit analysis was not possible due to the diversity of material and non-material benefits.

Instead, the ICR compared costs of restoration of degraded Cerrado areas to the benefits of the areas absorbing Co2, an activity that many sub-projects implemented. Using minimal annual observed values of carbon absorption from planting (7.0kg/tree/year) in addition to shadow prices of carbon (US\$US\$ per 1 metric ton of Co2), and average investment costs per hectare reported by 20 sub-projects for planting of agroforestry systems (US\$ 2,885 costs reported by the subprojects as well as the cost of technical assistance extended to communities by the NEA), recovery of areas around springs, and recovery of other degraded areas (about US\$2,885). Applying a discount rate of 10 percent, the analysis calculated a Net Present Value (NPV) of US\$633, using higher carbon price projection recommended by the World Bank, and a NPV of -1,388US\$ for lower carbon projection.

Operational efficiency:

The project experienced several delays. First, according to the ICR (p. 27) there was a delay to the first call for sub-project proposals since the NDC had not been legally established. Second, there was a delay in completing sub-projects which resulted in higher operational costs for NEA. Also, the sub-projects were highly dispersed over the large Cerrado region, which required extended travel time for NEA staff to travel to and visit sub-projects. Furthermore, there was a small number of suppliers to provide sub-projects with certain goods and services, resulting in an increase in time and cost of procurement. The project’s implementation period was extended three times by a total of 22 months.



Given the low NPV results calculated at closing and significant implementation delays requiring three project extensions, the project’s efficiency is rated Modest.

Efficiency Rating

Modest

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

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

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

6. Outcome

Relevance of the objective was High given its alignment with the World Bank’s most recent Country Partnership Framework (FY18-23) and its objective “to support the achievement of Brazil’s NDC with a particular focus on land use”. Efficacy was rated Substantial, and efficiency was Modest. The project’s overall outcome rating is thus rated Moderately Satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

The risks to development outcomes can be classified into the following categories:

Technical risk: According to the ICR (p. 34) the project built capacity in IPTC communities and associations to engage in FIP, REDD+ and similar climate change-oriented programs at the local, national and global level. There is no apparent risk for the current leaders to lose this capacity. However, similar capacity building efforts will be needed for future leaders to ensure the continuation of these efforts.

Financial risk: The changes sub-projects made to vegetation cover, stream flows, productivity of seeds etc. require continuous maintenance. According to the ICR (p. 34) IPTC communities and families will also require funding for fencing, planting, vehicles, and equipment. Additional funding will be necessary to enforce sustainable resource management and support long-term GHG emission reductions. Also, threats from



agricultural and livestock development outside IPTC territories will not diminish. Support to protect IPTC communities will be important.

8. Assessment of Bank Performance

a. Quality-at-Entry

According to the PAD (p. 9) the project was built on lessons learned from previous Bank projects with IPTCs in Brazil. These lessons included: i) empower IPTCs' grassroots organizations through participatory and inclusive stakeholder approach and promote the devolution of decision making to them; ii) provide culturally adequate technical assistance, timely and on-site training to enhance managerial and technical capacities; iii) diversify livelihoods to improve the wellbeing of socioeconomically disadvantaged groups, increasing their social resilience and fostering sustainable forest/land use management systems; v) build capacity and strengthen institutions to increase the knowledge, skills and participation of IPTC organizations in decision-making processes related to forest/land use management and climate change adaptation; and v) simplify, and streamline flexible implementation arrangements and procedures for grant application and procurement financial reporting, contributing to ensure opportunities of access for the most deprived IPTCs.

According to the PAD (p. 12) the Bank identified the following risks as Substantial: i) Stakeholder: this risk did not materialize, and the project's stakeholders remained committed throughout the project's implementation; ii) Governance: the NEA did not have any experience with the project's governance model.; iii) Design: complex project design that incorporated IPTC's planning and decision-making progress and required additional time and resources; and vi) Delivery, Monitoring and Sustainability: low capacity at IPTC associations to plan and implement community sub-projects. Mitigation measures included providing training and technical assistance for procurement and financial management as well as other capacity building activities. However, mitigation measures were not sufficient and IPTC associations faced challenges in processing many small procurement activities in remote locations, resulting in implementation delays.

The Bank did not identify the risk of a delayed implementation of the SIG/CAA monitoring tool, resulting in the lack of regular monitoring until 2018.

The Results Framework had several shortcomings including the lack of PDO indicators to measure all aspects of the project's objectives (see section 9a for more details).

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

According to the ICR (p. 33) the World Bank team conducted eight supervision mission. Consultants visited sites of sub-projects and reported back on implementation progress and bottlenecks. The World Bank team



was proactive to implementation challenges and restructured the project several times to modify the Results Framework to allow for better implementation progress monitoring, to provide funding for incremental costs of the technical assistance and training role of NEA, and to add a sub-component to provide emergency assistance to sub-project families during the Covid-19 pandemic. However, the project would have benefitted from a more thorough revision of the Results Framework to allow for better monitoring.

According to the ICR (p. 33) the World Bank obtained a follow-up grant from FIP for a second phase of the DGM project in Brazil. The objective of the grant is to support the adoption and dissemination of sustainable and resilient natural resource management knowledge and livelihood practices among Indigenous Peoples, Quilombolas, and Traditional Communities in the Cerrado Biome.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The project's Results Framework had to follow the M&E framework of the global DGM program and also use core World Bank indicators.

The project's objectives were clearly specified and the theory of change and how key activities and outputs were to lead to the intended outcome were appropriate. However, the project's original Results Framework had several shortcomings. First, the Results Framework did not include a PDO indicator to measure "improving sustainable forest management", a key aspect of the PDO. Second, the original Results Framework lacked a PDO indicator to measure "change in land management", which was added during a restructuring. Third, the original Results Framework included a PDO indicator that was not related to the PDO (beneficiary awareness of project information and agreement with supported investments). Fourth, a core DGM indicator (number of sub-projects completed) was not included in the original Results Framework and was only added later. Five, another global DGM indicator (percentage of DGM stakeholders that perceive DGM governance and processes as transparent and inclusive" was not included in the original Results Framework and was not added during any of the two restructurings. And six, PDO indicator 1 (Cerrado biome's IPTC representatives supported in conservation and other REDD+ related processes at regional, national, and global level") was formulated on the output level rather than outcome level.

Most of the selected intermediate outcome indicators were adequate to capture the contribution of the project's activities. Four intermediate outcome indicators related to vulnerable people, forest users trained, and beneficiaries aware of project information and agreeing with supported investments were dropped



during the restructuring. However, the Results Framework did not include targets for key outputs such as the number of awarded sub-grants, and the number of completed sub-projects.

According to the PAD (p. 11) the Center of Alternative Agriculture from the North of Minas (CAA/NM) were to perform two evaluations. A midterm evaluation to measure the progress being made and to identify strengths and weaknesses, with the aim of reinforcing positive aspects and making adjustments as needed. The final evaluation was to assess, among other issues, the achievement of outcomes and the sustainability of results, and identify lessons learned. The World Bank team (April 3, 2023) stated that the M&E design and arrangements were well-embedded in NEA, which is continuing to use for the second phase of the DGM.

b. M&E Implementation

The World Bank team (April 3, 2023) stated that NEA conducted regular monitoring and submitted semi-annual progress reports in a timely manner. In 2018, NEA finalized the development of its online project management system (SIG/CAA). SIG/CAA allowed for the monitoring of activities in all 64 sub-projects as well as the monitoring of the selected indicators. However, the ICR (p. 30) stated that even though sub-project managers were trained by the NEA in the usage of the system, they experienced issues related to accessing it. A review found that there was a lack in clarity and completeness of reports especially regarding the achievement of promised results in several sub-projects. For example, SIG/CAA did not maintain a register of “areas under sustainable landscape management” as was needed for one of the PDO indicators.

Therefore, the achievement of this PDO indicator had to be calculated on the basis of other results reported in the SIG/CAA.

The ICR (p. 30) stated that the project conducted an unusually rich baseline study of the social, economic and environmental profile of the beneficiary communities by conducting in-depth interviews with a random sample of families during verification visits to 60 sub-projects before they had been approved. These results were published in a book. The project had planned to conduct an ex-post survey in the same communities in 2021, which was not possible due to the Covid-19 pandemic. Instead, three virtual seminars with beneficiary representatives from all sub-projects and benefitting networks were held in December 2021.

The project’s Results Framework was revised three times. In May 2017, four intermediate outcome indicators were deleted and replaced by one indicator “share of project beneficiaries that are members of vulnerable or marginalized families”. In February 2019, some targets were adjusted upwards to better capture the actual results of the project in terms of sustainable land management practices, capacity building and advocacy as well as drop some indicators that were not needed. In October 2020, a new intermediate indicator was added to measure the performance of sub-component 1c.

According to the World Bank team (April 3, 2023) the data reported by the subprojects and entered by them directly into the system were not always of good quality, to extract the information needed for the project results indicators.



c. M&E Utilization

According to the ICR (p. 30) the SIG/CAA was used as a monitoring tool for physical and financial execution instead for measuring indicators to assess the project's progress towards achieving its objectives. The World Bank team (April 3, 2023) stated that the National Steering Committee (NSC) was kept informed of the project implementation performance using M&E information. The M&E data guided strategic decisions as well as provide a transparent and quantitative basis for NEA decision-makers.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as category B and triggered the World Bank's safeguard policies OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.36 (Forests), OP/BP 4.09 (Pest Management) and OP/BP 4.11 (Physical Cultural Resources). According to the ICR (p. 31) the project prepared an Environmental and Social Management Framework (ESMF). Also, community proposals selected for funding were appraised by the NEA during verification visits to sub-projects to ensure compliance with the World Bank's safeguard policies. The project also conducted a social assessment and evaluated potential effects of implementation on indigenous people. Consultations were conducted with potential beneficiary communities. Furthermore, community proposals were screened to ensure that they had broad support of indigenous people to avoid any physical relocation.

According to the ICR (p. 31) while some sub-projects had difficulties in obtaining environmental license issues, the project did not encounter any significant safeguard related issues and the project's safeguard compliance was continuously rated Satisfactory in all the Implementation Status Reports (ISRs).

b. Fiduciary Compliance

Financial Management:

NEA was responsible for the projects financial management (FM). However, according to the ICR (p. 31) NEA had no experience in the World Bank's FM procedures. Also, the project faced challenges regarding integrating NEA's internal management system (SIG/CAA) with the project/grant accounting system. During the final phase of implementation, NEA was able to monitor sub-projects closely and to receive expenditure documentations within deadlines. NEA also built capacity for using the SIG/CAA system to issue Interim Financial Reports (IFRs), which were accepted by the World Bank. These improvements resulted in a Satisfactory FM rating at project closure. According to the World Bank team (April 3, 2023) the auditor's external opinions were unqualified and the auditors concluded that the project management unit complied with the terms of the grant agreement, its applicable laws, and regulations.



Procurement:

NEA and participating sub-project associations were responsible for the project’s procurement. The participating Associations were responsible for providing terms of reference and technical specifications while NEA was responsible for contracting goods, works, and services. According to the ICR (p. 32) the World Bank hired a consultant to support the CAA in preparing the operational manuals and procurement plans for the sub-projects as well as conducting training to NEA staff.

According to the ICR (p. 28) a major procurement challenge was related to the large number of small acquisitions made in isolated sub-project areas with few or no suppliers of certain items. The largest number of procurement processes were for small contracts to be procured through “request for quotation” and selection of individual consultants. In order to provide appropriate support, NEA interacted with sub-project coordinators daily which speeded up the procurement processes before the start of the COVID-19 pandemic. The ICR (p. 28) stated that IPTC communities were discriminated by local suppliers who were sometimes reluctant to sell to indigenous or Afro-Brazilian communities. According to the World Bank team (April 3, 2023), in order to address this issue, NEA entered directly in contact with local suppliers and negotiating with them. In some cases, NEA had to go to the towns near by projects to present the project and explain how the purchase-payment method worked and guarantee that all supplies would be paid.

When the project closed, most procurement issues had been resolved and the project’s procurement performance was rated Moderately Satisfactory.

According to the ICR (p. 32) the project established a Grievance Redress Mechanism (GRM) at the NEA. The GRM received 14 complaints or questions, which all were resolved.

c. Unintended impacts (Positive or Negative)

NA

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Efficiency was rated Modest.
Bank Performance	Satisfactory	Moderately Satisfactory	Insufficient mitigation measures to address risks resulting in implementation delays.
Quality of M&E	Modest	Modest	



Quality of ICR	---	Substantial
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12. Lessons

The ICR (p. 34-36) included several lessons learned, which were adapted by IEG:

- **Strong community engagement during the design and implementation of the project requires more time but can lead to sustainability of project outcomes.** In this project, stakeholders were involved from the beginning and as a result never questioned the design, structure, eligibility rules and choice of NEA. However, strong engagement of grassroots communities with little experience requires training and continuous technical support.
- **Empowering IPTC communities to execute their own sub-projects can result in them becoming key actors in the field.** In this project, IPTC communities started to act in unity across ethnic diversity and geographical distances, and as guardians of the natural resources of the territory they live in. This approach will be critical for active engagement of the IPTC communities in the area of land use, land and forest management, and mitigation of and adoption to climate change.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided an adequate overview of project preparation and implementation. The ICR was internally consistent and included useful lessons learned that can be applied to future projects in this area. The ICR would have benefitted from including additional outcome data, especially for the objective on sustainable forest management improvement. Also, the ICR did not include a traditional economic analysis. Taking everything together, the quality rating of the ICR is Substantial.

- a. **Quality of ICR Rating**
Substantial

