

IEG

ICR Review

Independent Evaluation Group

1. Project Data:		Date Posted :	06/21/2006	
PROJ ID:	P041790		Appraisal	Actual
Project Name:	GEF - Atlantic Biological Corridor (TF-28361)	Project Costs (US\$M)	17.4	16.9
Country:	Nicaragua	Loan/Credit (US\$M)	7.1	7.1
Sector(s):	Board: ENV - General agriculture fishing and forestry sector (49%), Central government administration (22%), Other social services (17%), General education sector (12%)	Cofinancing (US\$M)	8.7	8.3
L/C Number:				
		Board Approval (FY)		97
Partners involved :	Nordic Development Fund	Closing Date	03/31/2003	09/30/2005
Evaluator:	Panel Reviewer :	Division Manager :	Division :	
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2. Project Objectives and Components

a. Objectives

To promote the integrity of a biological corridor along the Atlantic slope of Nicaragua by ensuring the conservation and sustainable use of biological resources in the region .

b. Components (or Key Conditions in the case of Adjustment Loans):

The Atlantic Biological Corridor (ABC) Project had five components:

- 1. Public communication and education** . (Planned project costs US\$1.2 million, Actual costs US\$1.0 million). Raising public and political awareness of the biodiversity program through education and various media; and generating political and international support, including the interest of donors .
- 2. Corridor planning and monitoring** . (Planned project costs US\$5.0 million, Actual costs US\$4.1 million). Preparing, using participatory processes, local, regional and national plans for sustainable development and biodiversity conservation; coordinating donor activities; and developing monitoring capacity at national and regional levels to monitor trends in natural resources use and biodiversity, and to monitor project implementation .
- 3. Priority biodiversity areas** . (Planned costs US\$8.5 million, Actual costs US\$7.9 million). Strengthening the management of legally declared protected areas; and monitoring and influencing the trends of land use outside of the protected areas.
- 4. Indigenous communities development** (Planned costs US\$2.5 million, Actual costs US\$2.9 million). Strengthening indigenous communities in natural resources management through training and technical assistance; capacity building for the national and regional agencies responsible for assisting indigenous communities; and, provision of technical support for land demarcation activities by the indigenous communities .
- 5. Support to the project implementation unit** (Planned costs US\$0,2 million, Actual costs US\$1.0 million). Funding consultant and operating costs of the project implementation unit .

c. Comments on Project Cost, Financing, Borrower Contribution, and Dates

The ABC project period was extended by 2 1/2 years, in part due to delay in achieving a condition of effectiveness (preparation of draft legislation on land rights for indigenous people). The total costs at completion of the ABC project were US\$16.9 million; close to the project costs estimated at appraisal of US\$ 17.4 million. The main change was an increase in the costs of the project implementation unit - from the appraisal estimate of US\$0.2 million to US\$1.0 million, accompanied by reduced expenditures for other project components . This was substantially due to the delayed project implementation . Originally, a sister project - the Rural Municipalities Project ("PROTIERRA") - was to

finance most of the costs of the project implementation unit . However, the ABC project's extended project period meant that PROTIERRA had closed for much of the ABC project's implementation period .

3. Relevance of Objectives & Design :

The ABC project's overall **Relevance** was **High**:

(a) Relevance of project objective: High. The ABC project sought to reduce rapid degradation of a biological corridor along the Atlantic coast of Nicaragua . Nicaragua's Atlantic coast is ecologically rich and its biological corridor is a critical link in the Mesoamerican biological corridor stretching from southern Mexico to Panama . The project was consistent with the Bank's Nicaragua CAS, which, in addition to a "first track" focusing on macroeconomic management, had a second track focusing on : (i) capacity building,(ii) poverty alleviation, (iii) improved environmental management, and (iv)) restoration of infrastructure . The project directly addressed the CAS' first three objectives. The Government was in agreement with these needs .

(b) Relevance of project design: High. The project's design was well conceived in its implementation approach and in its interlinkage with another project: the Bank financed Nicaragua Rural Municipalities Project ("PROTIERRA") which financed infrastructure improvements in the densely populated central and Pacific coast of Nicaragua . It was recognized that population density on Nicaragua's Pacific coast, and high population growth nationally (3.1 percent per annum) would put pressure on colonizing the Atlantic coast . PROTIERRA was to help improve living conditions in the west, thus mitigating the "push" for relocation, and the ABC project was to reduce the "pull" factors on the Atlantic biological corridor through protective land planning and management, including involvement of indigenous communities. The project's design concept appropriately recognized that the implementation approach needed to be participatory, decentralized, and involving substantial public outreach and capacity building, and was highly innovative in establishing the modalities to achieve this .

4. Achievement of Objectives (Efficacy) :

1. The Efficacy of the project was **Modest**, though efficacy can be expected to become more substantial over time . Specific to the project's Development Objective, the rate of deforestation (and presumably of biological diversity) is not reported in the ICR to have significantly reduced, and in some areas under particular encroachment -pressure from the overpopulated west coast of Nicaragua, the rate of deforestation is reported to have actually increased . Nevertheless, the Bank and the Government ICRs both comment that project impact on deforestation was beginning to be felt in the last several years of the project . There is also the comment (ICR page 5) that "the investment in park infrastructure, park management plans, and local personel greatly slowed illegal invasions into protected areas compared to what might have happened in the absence of the project's investments ." This appears a reasonable assessment, especially considering the likely impact of the major institutional reforms achieved under the project . However, at present, the project's achievements in successful mitigation of forest and biodiversity losses are still limited (refer to the Development Objective in Section 2a).

2. **Institutional Achievements** : The major achievement of the project was its legislative, institutional, capacity building and cultural innovations, which have initiated an enabling base for achieving the ultimate goal . Actions included: (i) new legislation to enable grass-roots resource management by local indigenous communities; (ii) the piloting of protected areas and community management, with initially promising results; (iii) the establishment of new institutions at all levels, including local levels and civil society; (iv) major decentralization through a complete shift from central to local planning, decision making and implementation; (v) establishment of a National Environmental Fund for channelling of funds to support conservation activities; (vi) introducing resource mapping, community planning and resource monitoring systems; (vii) establishing participatory processes for resource planning and management; (viii) capacity building at all levels; and (ix) public awareness and education programs using national media, schools and other means.

3. **Sustainability and Longer Term Needs** : The ultimate efficacy of the project, and the project's sustainability, will require a continuation of support to the ABC program over a longer time period . This will partly be provided under the GEF financed Nicaragua/Honduras Corazon Transboundary Biosphere Reserve Project, especially in continuing to support the institutions (continued support for the project field sites is not provided) . Continued support is likely to be important for the success of the ABC program, and for the Mesoamerican program generally . The project *started* a forest/biodiversity loss mitigation program, but the program will need longer -term support to nurture, consolidate and expand the activities that the project has commenced .

5. Efficiency :

Efficiency was **Substantial** . The project components were implemented largely as planned and costed (individual component costs were between 80 to 120 percent of appraisal estimates) . The benefits from the project, if the

corridor conservation program is continued are likely to be significant . Mitigation of forest cover and biodiversity losses, and the improved welfare of the indigenous communities would be major achievements, and the project's contribution to the inter-country biological corridor is a critically important activity .

6. M&E Design, Implementation, & Utilization:

Design: Building a strong M&E system was a key feature in project design and was included under the Corridor Planning and Monitoring component of the project .

Implementation : The project was largely successful in establishing M&E capacity and initiating monitoring processes. Activities included: development of monitoring systems for measuring biodiversity and trends at both regional and local levels; training in M& E of the national agency and regional and local bodies; completion of a national ecosystems map; conducting a historical analysis of vegetative cover and changes over time; development of a geographic information system; and some in-depth biodiversity studies of priority protected areas .

Utilization : The basic structure and training for a good biodiversity monitoring and planning system was established . As this did not exist at the beginning of the project, utilization has only recently commenced . This is reported to be facilitating planning of local resource management programs . However, the limited biodiversity data in the ICR suggests that the data collection and reporting systems still need full development and utilization .

7. Other (Safeguards, Fiduciary, Unintended Impacts--Positive & Negative):

The project involved indigenous communities in forest management, which would normally provide them with benefits from reduced attrition of their lands and sources of forest based activities . The ICR reports the interest in participation of the indigenous communities, and their improved welfare . No other safeguard issues are discussed .

8. Ratings :	ICR	ICR Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	Although the project had limited impact on forest and biodiversity losses during the project period, it was broadly successful in helping commence Nicaragua's Atlantic Biological Corridor conservation program . The project's institutional achievements were major, and can be expected in due course to have important mitigating impact on biodiversity degradation .
Institutional Dev .:	Substantial	High	The project established, from scratch, an initial legislative, institutional and capacity base for biodiversity conservation in Nicaragua and for the country's role in the Mesoamerican Biological Corridor. While the process of institutional establishment and consolidation is by no means over, a highly creditable start was made (refer to section 4.2)
Sustainability :	Likely	Likely	Sustainability is maintained as Likely because the institutions that the project established will be receiving continued support under the GEF financed Nicaragua/Honduras Corazon Transboundary Biosphere Reserve Project; and because of the reported strong interest of the Government to continue and strengthen the program . (refer to section 4.3.)
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	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.
- ICR rating values flagged with ' * ' don't comply with OP/BP 13.55, but are listed for completeness .

9. Lessons:

1. Decentralization, participation, communication and capacity building are typical core needs in a biodiversity program: Under the project, decentralization of management to local governments and communities promoted ownership and actions where the actions needed to be made. Maximizing participation, leadership and implementation by local stakeholders capitalized on their local knowledge, interest and human resources. The program also involved the participation of a diverse resource structure (government, universities, NGOs, private sector) to provide technical support and guidance. Communication was a major thrust of the project and helped create public awareness of the need for conserving the nation's natural resources. Major training and capacity building was also provided. As a new program, all stakeholders needed to acquire the understanding and skills to implement their roles.

2. Establishing a biodiversity conservation program generally requires a long -term program approach. The significant institutional achievements of the project have made a start towards fully establishing and achieving a biodiversity conservation program. The forthcoming Nicaragua/Honduras Corazon Transboundary Biosphere Reserve Project will support the substantial further activities required to develop and consolidate the ABC biodiversity program. Some degree of further support even beyond the successor project's closure may also be needed. However, the project's appraisal report and ICR do not explicitly discuss such a long -term and continuous approach. It would have been better, and considerably less risky, if a long -term approach, and the resources to do this, had been planned and assured from the start.

10. Assessment Recommended? Yes No

Why? Not stand-alone, but integrated in a multi-country overall assessment of the Mesoamerican Biological Corridor program as a whole. An overall assessment would be valuable for the future development of the program and for single and multi-country biodiversity conservation programs elsewhere.

11. Comments on Quality of ICR:

Satisfactory overall. The ICR is well presented, with a realistic, modest and clear discussion, and with a candid commentary on the still rapidly depleting forest cover. The lessons are particularly thoughtful and clarify the positive and negative impacts of the project's decentralized, participatory and public outreach approach.

Three aspects might have been further discussed: (i) the project's impact on biodiversity, rather than reference mainly to forest cover (even with minimal survey data, qualitative and anecdotal discussion would have been interesting); (ii) the project's place in, and impact on, the overall Mesoamerican biological corridor (the project's contribution to biological connectivity between countries was an important part of its rationale); and (iii) the longer-term perspective including discussion of support needs beyond the project's closure.