



Report Number : ICRR0021425

1. Project Data

Project ID
P088520

Project Name
IN: Biodiver Cons & Rural Livelihoods

Country
India

Practice Area(Lead)
Environment & Natural Resources

L/C/TF Number(s)
IDA-49430

Closing Date (Original)
31-Mar-2018

Total Project Cost (USD)
8,906,927.80

Bank Approval Date
17-May-2011

Closing Date (Actual)
31-Mar-2018

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	15,360,000.00	0.00
Revised Commitment	15,360,000.00	0.00
Actual	3,170,222.24	0.00

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Project ID
P088598

Project Name
IN: Biodiver Cons & Rural Livelihoods (P088598)

L/C/TF Number(s)
TF-96651

Closing Date (Original)
31-Mar-2018

Total Project Cost (USD)
5,960,589.32



Bank Approval Date	Closing Date (Actual)	
17-May-2011	31-Mar-2018	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	0.00	8,140,000.00
Revised Commitment	0.00	5,960,589.32
Actual	0.00	5,960,589.32

2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (p. 5) the objective of the project was “to develop and promote new models of conservation at the landscape scale through enhanced capacity and institution building for mainstreaming biodiversity conservation outcomes”. The objective as stated in the Financing Agreement of June 14, 2011 (p. 4) only differed slightly by using landscape “level” instead of “scale”.

The Project Global Environmental Objective is to enhance the conservation of globally significant biodiversity and ensure its long-term sustainability by promoting appropriate conservation practices in biodiversity-rich landscapes.

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

No

c. Will a split evaluation be undertaken?

No

d. Components

The project included four components:

Component 1: Demonstration of Landscape Conservation Approaches in Two Pilot Sites (appraisal estimate US\$13.11 million of which US\$3.12 million from Global Environmental Facility (GEF) and US\$6.73 million from the International Development Agency (IDA), actual US\$3.43 million): This component was to finance the development of tools, techniques, knowledge and skills towards improved conservation and rural livelihoods outcomes in the Little Rann of Kutch in Gujarat and Askot in Uttarakhand. These landscapes were to include protected areas, biological corridors, and high-value conservation sites in production landscapes. This component was to include activities such as participatory ecological and social mapping to identify areas of high biodiversity value and resource dependencies and threats, improved management of biodiversity rich areas within and outside the protected areas in the landscape, and mainstreaming of biodiversity considerations in production areas within the



landscapes. Furthermore, activities such as the development of common agreement and frameworks for the coordination among stakeholders, and technical assistance and training to facilitate the integration of biodiversity considerations in development plans of sectoral line agencies through dialogue and collaboration with sectoral agencies were to be financed. Also, this component was to support the development and implementation of livelihood strategies to enhance local community benefits from sustainable management of natural resources linked to conservation.

Component 2: Strengthening knowledge management and national capacity for landscape conservation (appraisal estimate US\$6.22 million, of which US\$2.49 million from GEF and US\$2.28 million from IDA, actual US\$2.20 million): This component was to finance support to improve knowledge and capacity building based on learning and experience from the two demonstration landscapes (in Component 1) and other local conservation models. Two sub-components were to support field learning centers and a national capacity-building program which was to draw on and distil good practices from the two pilot sites (in Component 1) and the three field learning centers as well as other successful conservation initiatives in the country.

Component 3: Scaling up and replication of successful models of conservation in additional landscape sites (appraisal estimate US\$7.57 million of which US\$2.06 million from GEF and US\$3.28 million from IDA, actual US\$3.10 million): This component was to finance further testing and replication of landscape conservation approaches to two additional high biodiversity landscapes from the third year onwards with project financing.

Component 4: National Coordination for Landscape Conservation (appraisal estimate US\$4.12 million, of which GEF US\$0.48 million from GEF and IDA US\$3.06 million from IDA, actual US\$0.24 million): This component was to finance the coordination for landscape conservation at the Ministry of Environment and Forests (MOEF). Activities to be financed were to include the establishment of a Management Information System (MIS) for project and landscape monitoring, impact evaluation, and limited operational and technical support to enable MOEF to coordinate and administer the implementation of project activities and facilitate replication elsewhere in India. This component was also to support preparation activities for the two additional landscape sites to be supported under Component 3 as well as the establishment of a national communication system for the project, policy and legal studies relating to conservation, impact assessment and review, and third-party monitoring of the project.

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

Project Cost: The project was estimated to cost US\$31 million. Actual cost was US\$8.51 million.

Financing: The project was financed by a US\$15.36 million IDA credit of which US\$3.17 million was disbursed and a US\$8.14 GEF Trust Fund of which US\$5.96 million was disbursed.

Borrower Contribution: The Borrower was to contribute US\$6.59 million and local communities were to contribute US\$930,000. Both contributions did not materialize since at appraisal, the estimated contributions from borrower and local communities expected were in kind only.

Dates: The project became effective on July 13, 2011. The Mid-Term Review was held as planned on February 27, 2015 and project closing was as planned on March 31, 2018.



3. Relevance of Objectives

Rationale

India is one of 12 mega-diversity countries in the world and accounts for approximately 10 percent of the world's biodiversity. India's biodiversity is critical for sustainable livelihoods. It is estimated that around 27 percent of India's population is dependent locally on forests for their subsistence and livelihoods, which they earn from fuelwood, fodder, poles, and a range of non-timber forest products. However, the country's biodiversity is threatened by increased population pressure, overutilization of resources, and by sectoral planning and development which largely do not support conservation objectives. The government of India has established more than 500 protected areas (PAs). However, these PAs are often surrounded by other form of land use which often does not support conservation efforts. Therefore, in 2005, the Prime Minister's Office established a task force which developed a set of conservation actions and emphasized the importance to include larger production systems surrounding PAs when addressing conservation and livelihood concerns.

According to the Bank team (November 19, 2018) important lessons from the project informed the latest National Wildlife Action Plan (NWAP) 2017-2031.

The objective of the project was in line with the Bank's Country Assistance Strategy (FY09-12) which aimed to ensure sustainable development by working for improving livelihoods in high biodiversity landscapes under its second pillar. Also, the objective of the project supported the Bank's Country Partnership Strategy (FY13-17) which focused in its engagement area "transformation" on bringing 500,000 hectares under enhanced biodiversity protected area management. The objective of the project is also in line with the Bank's most recent Country Partnership Framework (FY18-22) which includes "resource efficient growth" as a focus area

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To develop new models of conservation at the landscape scale through enhanced capacity and institution building for mainstreaming biodiversity conservation outcome:

Rationale

The project's theory of change linked the development of protected area (PA) management plans, the preparation of village based micro-plans that included economic activities and biodiversity conservation, the development of national courses on landscapes, and government institutions receiving capacity building support with enhancing capacity and institution building for mainstreaming biodiversity conservation outcomes.



Note that this objective is to ‘**develop** new models of ...’, Objective 2 is to “**promote** new models of”.

Outputs:

- Four landscape conservation approaches were successfully adopted in two landscape sites. However, the ICR (p. 29) stated that the scale of implementation remained low and several project activities that would have contributed to a successful adoption were only partially implemented. Therefore, the target was only partially achieved.
- 550,000 hectares of areas were brought under enhanced biodiversity protection, achieving the target of 500,000 hectares. The ICR (p. 31) stated that the evidence for this indicator came from the published management plan, expenditure vouchers for habitat improvement works and population census reports. However, the ICR did not specify what the "enhancement" entailed.
- The amount of forest areas which were brought under management plans increased from 300,000 hectares in 2012 to 600,000 hectares in 2018, achieving the target.
- Over 400 micro-plans with identified investments of about US\$7 million were developed but actual investment fell significantly short of target (less than \$3 million spent).
- About 500 youth were trained in hospitality services and about 350 youths were gainfully employed for over a year.
- Sustainable resource use practices including production and use of organic fertilizers, gravity-based storage and harvesting, sustainable forestry management practices were introduced.
- Landscape management approaches were adopted in two additional sites with project funding, achieving the target of two additional sites.
- Five staff were hired for the national coordination unit within the MOEF to actively supporting landscape approaches, not achieving the target of 11 staff. The ICR (p. 39) stated that some key positions such as communication expert was never appointed. This indicator contributed to both parts of the PDO.
- Key project outputs were not completed on time compared against the implementation plan. Consolidated bi-annual progress reports were not submitted, updated procurement plans were not shared and uploaded to the Systematic Tracking of Exchanges in Procurement (STEP) platform and IUFRR submission was generally delayed. Therefore, this indicator, which was to contribute to both parts of the PDO, was not achieved.

Outcomes:

- Four new landscape approach-based models emerged including the decentralized planning and mainstreaming centric, the traditional institutions and local governance centric, the community participation and financial inclusion centric, and the convergence centric.
- The amount of landscapes that were more effectively managed for conservation outcomes increased from 300,000 hectares in 2011 to 600,000 hectares 2018, achieving the target of 600,000 hectares. This indicator contributed to both parts of the PDO achieved.



Rating
Modest

Objective 2

Objective

To promote new models of conservation at the landscape scale through enhanced capacity and institution building for mainstreaming biodiversity conservation outcome:

Rationale

Outputs:

- An institutional and methodological framework was under consultation for finalization at the time of project closing. However, the framework has not been field tested and formally approved by the MOEFCC. Therefore, the target was only partially achieved.
- Six government institutions (the Forest Departments of Madhya Pradesh, Uttarakhand, Gujarat, Tamil Nadu and Kerala, and the Wildlife Institute of India) were provided with capacity building to improve management of forest resources, fully achieving the target.
- Landscape management approaches or specific elements of it were adopted in three additional sites and funded from the state government budget, achieving the target.
- 1,000 key stakeholders from at least five national priority landscapes were trained in landscape conservation approaches, surpassing the target of 250 key stakeholders.
- 15 new documents on good practices were prepared and knowledge dissemination events were sponsored, surpassing the target of ten documents.

Outcomes:

- The population of all key indicator species across all project landscapes showed stable and/or increasing trend. The project supported a census in 2014 which found that the wild ass population at LRK was estimated at 4,451 against the baseline of 3,863 in 2004. Therefore, the target was achieved. However, first the period from 2004 to 2014 was only covered by three theoretical years of project support and probably barely 2 years of practical support so the quoted change in population could have come before the project completed any significant intervention. Second, changes like this can be impacted by external variables such as rainfall. Therefore, there may be limited causation.
- 550,000 hectares are reported to have been covered by strengthened management. However, the ICR (p. 34) stated that no Management Effectiveness Tracking Tool (METT) score was undertaken so it was



not possible to estimate the percentage increase in management effectiveness as this indicator would have required. Therefore, this indicator is considered only partially achieved.

- 10 percent of target user groups adopted alternate and/or sustainable resource use practices, not achieving the target of 20 percent.
- 75 percent of targeted villages or user groups completed 400 micro-plans across the four project landscapes. However, the implementation of micro-plans remained partial. Therefore, this indicator was only partially achieved.
- A large part of the population are reported, qualitatively, to have benefited from non-cash incomes through sustainable access and use of natural resources, agro-forestry, improved pastures etc. However, real income was not measured and was only based on anecdotal evidence. Therefore, it is not clear to what extent the target of at least 20 percent of targeted population was achieved.
- 50,000 hectares of new areas outside protected areas were managed as biodiversity friendly, achieving the target of 50,000 hectares.
- documents. This indicator contributed to both parts of the PDO.

Rating
Modest

Rationale

The achievement of both objectives was Modest.

Overall Efficacy Rating
Modest

Primary reason
Low achievement

5. Efficiency

Economic Efficiency:

The PAD did not include a traditional economic analysis due to the lack of data to monetize benefits. Furthermore, the PAD stated (p. 69) that available methodology for quantifying biodiversity benefits of this project would result in estimates of relative weights for various benefits that would not be consistent with judgments by specialists. The PAD did not explain what it meant by "estimates of weights not being consistent with judgments by specialists".

The ICR (p.13) estimated the Net Present Value (NPV) and Internal Rate of Return (IRR) for specific investment activities with measurable outputs. In terms of livelihood improvements only 40 percent of committed project funds were disbursed, and outcomes achieved were lower than expected. The ICR



estimated an IRR of around 14 percent. Based on projections for the next 10 years and applying a discount rate of 12 percent for four investment activities including cash crops, honey production, revenue from park entry fees and job placements following skill training, the ICR estimated the NPV at INR 3.03 crores (US\$0.44 million). The ICR did not indicate the basis for the use of the 12% discount rate.

Furthermore, the ICR (p. 14) stated that a recent study in India estimated the monetary value of flow benefits of 25 ecosystems services from six protected areas. The benefits ranged from INR 50,000 to INR 190,000 (US\$725 to US\$2,758) per hectare per year. The economic value of provisioning water to downstream regions from Kanha Tiger Reserve was estimated at approximately INR 400 (US\$58) per hectare per year. The ICR used the Benefits Transfer Method to calculate benefits of investments to improve habitats and Protected Area Management. Taking the low disbursement of 40 percent into account, water provisioning services of about INR 1,600 (US\$25) per hectare per year (a total economic value of INR 96 core or US\$14 million) were estimated from protected areas within project landscapes. However, these estimates were not included in the calculation of the NPV and IRR since actual valuation of flow of benefits was not estimated for project sites.

Operational Efficiency:

During project implementation the project experienced delays in the release of funds and delays in contracting staff for the PMU. Furthermore, the project experienced implementation delays due to low financial management and procurement capacity. All these delays suggest inefficiency in the use of project resources.

Given the modest IRR relative to the discount rate and the fact that it was only based on some of the investments and given the significant implementation delays, the overall 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 objective was Substantial given the importance of India’s biodiversity for sustainable livelihoods. Achievement of both objectives and efficiency was Modest. The overall outcome rating was Moderately



Unsatisfactory. The project exhibited significant shortcomings in efficacy and efficiency and warranted early restructuring.

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The Ministry of Environment, Forest and Climate Change (MOEFCC) has funded the continuation of the project as a central sector scheme and has allocated approximately US\$2 million for the year 2018-2019 out of its own budget. Also, the Ministry has issued an impact assessment to identify potential areas which require continuous support by the government. The ICR (p. 27) reported that stakeholders are motivated to continue to build on conservation-linked livelihood opportunities. Also, the government of Gujarat, has decided to replicate the project.

However, the risks of slow budget transfer and disbursement in addition to limited technical and administrative capacity persist, posing a threat to the sustainability of outcomes achieved under the project. Furthermore, the Bank team (November 20, 2018) stated that even though all project supported landscape societies want to continue their activities, only some societies that had already existed before the project, and were co-opted by the project, have a higher possibility of continuing as they have access to financing and technical resources. The newly formed societies may find it challenging to arrange funds and technical resources, in absence of project financing. This is primarily because resources to augment and establish these societies for operating independently could not be found due to limited available funding from the project.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project design was informed through site specific studies and indicative plans for landscape. The objective of the project reflected the government's priorities and was realistic. The Bank team conducted several multi-stakeholder consultative workshops, prepared investment plans for identified landscapes and complied with its fiduciary role and developed a Governance and Accountability Action Plan (GAAP) and a Project Process Framework.

Project preparation was extensive and lasted over seven years which resulted in a change and reduction in project scope and in implementing agency. Also, the ICR (p. 19) stated that even though the preparation phase was long, the readiness of the implementing agencies was low and the staff was not ready at the beginning of project implementation. Furthermore, the project design was overly complex, lacked an adequate Results Framework and did not plan for sufficient resources for project monitoring (see section 9a for more details).

The Bank team at appraisal identified relevant risks. The risk of the implementing agencies being new and widespread with limited financial management and procurement capacity was identified as High.



The following risks were rated Substantial: i) strict interpretation of existing and proposed policies and laws relating to conservation hindering the promotion of local decision-making and participation in conservation action; ii) project benefits not being captured by intended beneficiaries due to lack of adequate measures of transparency and disclosure and absence of a grievance-handling system; iii) inadequate and inaccurate flow of information resulting in misconceptions about the project and hence leading to opposition by some civil society groups; iv) MOEF lacking capacity to coordinate and monitor project effectively and ensure timely fund flows to landscape and training sites. Mitigation measures were not adequate and there were several risks such as challenges to financial management and procurement, flow of funds and lack of capacity for project monitoring materialized resulting in implementation delays and shortcomings such as poor fiduciary oversight.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

According to the ICR (p. 26) the Bank team conducted ten implementation support missions and one mid-term review mission. Several interim technical missions on specific topics such as preparing the landscape atlas were also conducted. The Bank conducted an annual post-procurement review and findings were shared with the client in a report. Also, the Bank built capacity through conducting procurement trainings on a regular basis at the MOEFCC and implementing agencies. Furthermore, the Bank supported the implementing agencies in addressing complaints to improve internal controls and provided technical and operational advice to address implementation issues. The Bank raised the issue of insufficient budget and delayed release in tri-partite portfolio review meetings, aide memoires and implementation status reports. At the mid-term review and every mission afterwards, the Bank team suggested a project restructuring. However, the Bank was unsuccessful. This failure to achieve a substantial early restructuring was a significant weakness in both Bank and Borrower supervision and contributed directly to the weak implementation and monitoring.

Quality of Supervision Rating

Moderately Unsatisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The objectives of the project were clearly specified. However, the project's theory of change and how outputs would lead to intended outcomes was not well reflected in the selected indicators in the Results Framework. Some of the indicators were not sufficiently well defined. For example, PDO Indicator 3 "Institutional and methodological framework and guidelines for landscape conservation approaches developed and tested in high



biodiversity landscapes” aimed to measure two outputs at the same time, the development and test of framework and guidelines. Also, some indicators were not sufficiently specific and required interpretation instead of unit-based or target-based assessment, making it subjective. Furthermore, most indicators measure outputs than outcomes. According to the ICR, no comparators were selected during the preparation process of the Results Framework.

According to the ICR (P. 23) the M&E design was not well-embedded institutionally.

b. M&E Implementation

According to the ICR (p. 21) the M&E specialist was only working in the PMU for less than two years. After 2015, the position remained empty until project closing. Also, the PMU did not track any results or outcomes, a M&E system was not implemented, and no progress report was produced throughout project implementation. Monitoring activities only included monitoring the achievement of annual physical and financial targets for releasing grants to Implementing Agencies. The ICR (p. 24) stated that the external monitoring tool, Management Effectiveness Tracking Tool (METT) was not used. Also, no mid-term and end-term evaluations by an independent third party to assess some of the social benefits due to project activities were not conducted. The Bank team assessed project implementation through field visit observations and conversations with project beneficiaries, implementing agency staff and other stakeholders. According to the ICR (p. 24) the Bank team recommended the revision of the Results Framework to assess project outcomes, however, the borrower did not agree to a project restructuring, leaving a weak Results Framework in place until project closing.

c. M&E Utilization

The ICR (p. 24) stated that M&E was not used to inform decision making, to improve project performance, to inform investment decisions during in regards to the approvals of Annual Plans for Operations (APOs) since the Borrower did not conduct any systematic data collection.

M&E Quality Rating

Negligible

10. Other Issues

a. Safeguards

The project was classified as category B and triggered the Bank’s safeguard policies OP/BP 4.01 (Environmental Assessment), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous People), and OP/BP 4.36 (Forests). According to the ICR (paragraph 53) the project complied with all safeguard policies. According to the PAD (p. 19) An Environmental and Social Monitoring Framework (ESMF) and consultative framework was to ensure that environmental and social assessment and management and mitigation



processes were to be incorporated into the entire landscape planning and management process from the village, landscape, state, and national levels.

The Bank team (November 20, 2018) stated that given that the funded activities were small scale and geographically spread, the environmental and social risks were modest, and there were adequate provisions to address any potential impact. Each landscape society appointed a qualified ecologist and livelihood specialist, in addition to a few social mobilizers who monitored the investments and project activities. Other than site selection criteria for constructing small infrastructure, such as water trough for animals, minor connecting paths, etc. no major mitigation action was required to be undertaken. The project ensured good participation and social inclusion of women and other vulnerable communities.

b. Fiduciary Compliance

Procurement:

According to the ICR (paragraph 44) the project experienced implementation challenges due to low fiduciary capacity. The project included a large amount of small value procurement activities across four landscapes and three field learning centers, putting a lot of pressure on the limited capacity of the PMU. The ICR also stated that the project experienced frequent changes of procurement focal points in the implementing agencies, inconsistencies in the use of standard bidding documents, poor record keeping, late payments to contractors/vendors, and slow administrative decision making, all resulting in implementation delays.

According to the ICR (paragraph 53) the project complied with the Bank's legal covenant.

Financial Management:

Due to low financial management capacity, the project faced several challenges. According to the ICR (paragraph 44) Interim Unaudited Financial Reports and annual audit reports were generally submitted late. With the exception of one year the Ministry of Environment, Forest, and Climate Change did not have an internal auditor which resulted in poor financial management oversight.

According to the ICR (paragraph 55) the Bank team conducted trainings to build fiduciary capacity. The Bank team (November 20, 2018) stated that in general, no significant qualifications were given by the external auditors. The external audits at the landscape level were mostly in time. However, audits of the central ministry and that of the Wildlife Institute of India were generally delayed. Overall the delay happened as the central ministry had to consolidate the audit reports from all the implementing agencies.

c. Unintended impacts (Positive or Negative)

d. Other



11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Quality of M&E	Negligible	Negligible	---
Quality of ICR		Substantial	---

12. Lessons

The ICR (p. 27-28) provided several lessons learned which were adapted by IEG:

- **Bank teams working with entities at different institutional levels in a pilot project need to identify a strong champion at each entity to ensure ownership for implementation.** In case of weak leadership, it is critical to analyze institutional mandates and technical and administrative capacities to ensure successful project implementation. This project lacked ownership and commitment by the Project Implementation Unit (PMU) and Implementing Agencies resulting in weak implementation and significant delays. It needed a restructuring.
- **Sound data derived from benefit assessments and impact analysis is critical for providing evidence to guide policy decisions on biodiversity conservation.** In this project, the positive results of beneficiary engagement and the prospect of potential gains for the communities made the government of Gujarat decide to replicate the project out of its own budget.
- **In a landscape conservation project with a vision for outcomes beneficial to a wide range of stakeholders, building partnerships with stakeholders from different sectors, including particularly technical agencies, is important.**

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided a good overview of project preparation and implementation. Also, the ICR was candid, internally consistent, and concise. A shortcoming of the ICR is that it did not provide sufficient information on



how the triggered safeguard policies were managed or mitigated. More information about the issue of the Bank proposed, but never agreed, restructuring would have filled a gap in the performance narrative.

a. Quality of ICR Rating
Substantial