1. Project Data:

- **Country:** Chad
- **Project ID:** P078138
- **Date Posted:** 01/08/2014
- **Project Name:** Community-based Ecosystem Management Project
- **Appraisal Project Costs (US$M):** 7.8
- **Actual Project Costs (US$M):** 6.98
- **L/C Number:** Loan/Credit (US$M): 6.0
- **Sector Board:** Environment
- **Cofinancing (US$M):** 0
- **Board Approval Date:** 06/28/2005
- **Closing Date:** 03/31/2010
- **Cofinanciers:** Not Applicable
- **Sector(s):** General agriculture fishing and forestry sector (34%); Sub-national government administration (30%); Central government administration (27%); General energy sector (8%); Other social services (1%)
- **Theme(s):** Environmental policies and institutions (29% - P); Biodiversity (29% - P); Water resource management (14% - S); Land administration and management (14% - S); Participation and civic engagement (14% - S)

2. Project Objectives and Components:

   a. Objectives:

   The development objective given in the GEF Trust Fund Grant Agreement (Schedule 2, page 24), and in the Project Appraisal Document (PAD, Annex 1: p.40) were identical, that is: "to restore some of the Recipient's most fragile ecosystems by enabling local communities to better fight desertification, rehabilitate degraded lands and protect biodiversity."

   The project's Global Environmental Objective (PAD, page 4) was similar, but extended the PDO by encompassing the element of protecting biodiversity of global significance. The GEO was stated as: "to enable local communities to combat desertification and rehabilitate degraded lands and to preserve globally-significant biodiversity".

   For the assessment of objectives in Section 4, the objectives stated in the Grant Agreement are used since these are legally binding.

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

   No

   c. Components:

   The project had four components:

   1. **Financial support for community-based ecosystem management subprojects** (appraisal estimate US$2.5 million; actual US$2.7 million). This component co-financed subprojects to support community-based ecosystem preservation and natural resource management activities within six GEF Priority Zones that encompassed significant
protected areas and peripheral buffer zones harboring globally significant environmental assets and highly threatened species. The GEF priority intervention zones were: Lac Weye and the Moundou Charcoal Supply Basin; Binder-Lere Wildlife Reserve and Lac Lere; Bahr el Gazal; the Ouaddai-Biltine Watershed System; and the Mandelia Fauna Reserve. To avoid capture of resources by elites, eligibility was restricted to activities requested by the communities and that fit into their Local Development Plans to ensure that every process (subproject identification, selection, and implementation) was participatory and management of resources, transparent. To ensure the sustainability of investments, beneficiary contributions were mandatory in the form of maintaining those activities.

2: Capacity-building for integrated ecosystem management (appraisal estimate US$1.6 million; actual US$1.06 million). The GEF grant supported collaboration between key stakeholders to pursue Integrated Ecosystem Management (IEM) priorities at larger scales and sustainable, long-term IEM schemes in GEF priority zones. This was to be achieved through two mechanisms. First, technical and organizational assistance was provided to create binding charters between riparian communities to cooperate and co-manage fragile ecosystems in partnership with local government, traditional local authorities, and decentralized agents of the Ministry of Environment and Water (MEW), later renamed the (Ministry of Environment and Fisheries or (MERH). Secondly, targeted training programs and guidelines on IEM concepts and approaches to benefit local communities and technical service agencies were provided in specific topics, such as reducing soil erosion, maintaining forest cover, and promoting local tourism to address larger biodiversity conservation and landscape ecosystem challenges.

3: Support for an enabling environment for community-based ecosystem management (appraisal estimate US$0.7 million; actual US$0.5 million). This component was comprised of three sub-components. The first provided analytical support to establish a sound legal and regulatory framework for community participation in environmental management and joint management of protected areas. The second provided institutional support to MEW so it could better identify its own capacity needs, such as improved technical, monitoring, and enforcement skills, as well as identify the fiscal reforms needed to implement legal and regulatory frameworks. The third sub-component provided financial support promoting partnerships between communities and external sources of financing outside of the GEF to sustain IEM schemes, such as implementing a National Fund for the Environment, developing community partnership frameworks, and accessing carbon financing support.

4: Management and monitoring support (appraisal estimate US$1.2 million; actual US$1.84 million). This component consisted of three subcomponents. The first supported the day-to-day management of project activities by the Project Management Unit (PMU); the second financed the monitoring and evaluation of the project's impacts as well as the outcomes of its investments in community based ecosystem management subprojects; and the third provided support for a national-level monitoring and evaluation (M&E) system, including support for a feasibility study to establish a National Observatory of Natural Resources.

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

Project Cost: The total cost of the project was US$7.22 million compared with the US$7.80 million estimated at appraisal. This US$0.58 million reduction in cost occurred because unspent funds for capacity-building for IEM and for community-based IEM activities were greater than cost over-runs supporting project management (PMU) activities. Project costs are only approximate estimates because project accounts had been kept in Africa Financial Community Francs, which varied over the project period in terms of exchange rates and no records were kept of those fluctuations.

Financing: This stand-alone US$6.00 million GEF grant only disbursed US$5.32 million. At project closing the remainder was undisbursed due to delays in implementation and financial irregularities that are currently being investigated. The project was conceived as a small part of a much larger program (the Rural Development Support Program) of just over US$94 million in IDA credits (US$46.56 million), and German GTZ (US$22.00 million) and French AFD (US$4.80 million) grants supporting ‘baseline projects’ to address rural poverty issues and promote decentralization in Chad over the past half-dozen years.

Borrower Contribution: The Government’s contribution was US$1.32 million, 17.5% less than the estimated US$1.6 million at appraisal. In contrast, local communities contributed about US$0.58 million, or 264% of their contribution (US$0.20 million) estimated at appraisal. As its contribution to the overall Rural Development Support Program, the Government disbursed 90% (US$15.44 million) of the US$17.1 million estimated at appraisal. It is interesting to note that while local communities contributed more than 2½ times their financial obligations for this community-based IEM project, they contributed just over half (52%) of their contribution to the overall Rural Development Support Program, apparently indicating strong support for this project’s approach and/or objectives.

Dates: The project was approved on June 28, 2005 and the GEF grant, on August 9, 2005. However, the project did not become effective for almost another year on June 20, 2006. The project’s closing date was extended three times: initially by one year, subsequently by six months, and then a last time by three months due to delays in...
Implementation, recurring civil conflict, and multiple suspensions of the World Bank's relationship with the Government. It closed on December 31, 2011.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:
Rated: Substantial.

At appraisal, the project objectives were highly relevant to the National Environmental Action Plan (1999), which remains current, and stresses taking an integrated ecosystem management approach to preserve the country's natural resource base. The Government’s Rural Development Strategy (1999), that called for increasing agricultural production in a sustainable way while preserving the environment and reinforcing institutional and human capacities. These objectives were articulated in the Poverty Reduction Strategy Paper adopted in June 2003, and operationalized through the Rural Development Support Program within which this GEF project was nested.

Project objectives remain relevant to the Bank’s Country Assistance Strategy (2004-2006) and the Interim Strategy Note (2010-2012), which is the controlling strategic document for determining the Relevance of Objectives since it was in effect at the time the project closed. The current Bank portfolio has been largely restructured by strategic direction adopted in the Interim Strategy Note, refocusing on piloting innovative approaches in key priority sectors, such as health and education, the water sector, and follow-on activities for rural development and using the community-driven development model.

In terms of the Global Environmental Objective, the project objectives were fully aligned with the GEF’s Operational Program #12 for Integrated Ecosystem Management.

b. Relevance of Design:
Rated: Substantial

The introduction of a holistic, community-based ecosystem management approach in local development planning was new and innovative in Chad at the time of appraisal. The project was conceived as a pilot, under which a range of demonstration interventions were to be coordinated over time, with the goal of facilitating the more systematic implementation of the National Environmental Action Plan while developing synergies with other national strategies and programs related to biodiversity conservation and sustainable rural land management practices. It was expected that without incremental GEF support it was unlikely that a community-based ecosystem management approach would feature prominently in decentralized development planning or be articulated as a priority in local development plans. The GEF also considered it unlikely that a purely demand-driven rural development project would address Chad's multiple environmental challenges effectively. Thus, this was the niche role that the project was designed to fill within the larger context of the Rural Development Strategy and the Bank’s parallel Rural Development Support Program undertaken with French (AFD) and German (GTZ) donor assistance.

The logical link between inputs and outputs leading ultimately to outcomes was not explicitly stated in the Project Appraisal Document (Section A.1-2 and in Annex 1: Project Design Summary), but it could be inferred by looking at the activities undertaken within the four components of the project.

Each one of the four project components: (i) providing financial support for community-based ecosystem management (CBEM) subprojects; (ii) building capacity for CBEM management; (iii) supporting the creation of an enabling environment for CBEM; and (iv) putting in place project management capabilities and monitoring support; was necessary and well-aligned with achieving the project’s development objective and sub-objectives.

- Financing matching-fund mechanisms for CBEM under Component 1 needed to be available and mainstreamed in order to follow-through with implementation of the pipeline of community conceived and vetted subproject that were being developed at the same time. However, eligibility for these matching grants was based on developing community-based Local Development Plans (prepared under the other parallel baseline projects) and Ecosystem Management Schemes (prepared under Component 2 of the project).
- The capacity building activities to strengthen CBEM management by local communities, civil society, and marginalized groups under Component 2 were logical and necessary to identify priority training needs and enable these groups to carry out the functions required to achieve each one of the three sub-objectives.
- Activities under the third project component supporting the creation of a more conducive regulatory framework for CBEM through new decentralization laws coupled with stronger enforcement capabilities, better technical
skills, and new partnerships were to create an environment that would enable and empower these groups with the legal rights and tools needed to achieve the project’s objective and sub-objectives.

Finally, it was necessary to put in place the required management structure, monitoring systems, and on-the-ground presence to actually implement the project under Component 4.

4. Achievement of Objectives (Efficacy):

This GEF-supported project was conceived as a small part of a much larger Local Development Support Program addressing rural poverty issues and promoting decentralization in Chad over the past half-dozen years. This US$90.55 million Program was supported by a US$39.76 million International Development Association (IDA) credit from the World Bank with German and French grants for three parallel ‘baseline projects.’ The Program supported the agricultural sector and the development of Local Development Plans. It included the following relevant environmental interventions: pilot watershed management approaches and sustainable farming techniques; environmental impact capacity-building programs for local governments and communities; dissemination of new techniques and systems for grazing that are sustainable and environment-friendly; support for community forestry and rationalization of wood-fuel and charcoal sales; and development of community capacity to regulate the use of water resources and promote agricultural techniques to reduce soil erosion and contamination by agrochemicals (PAD, page 61-66).

The project’s development objective was “to restore some of the Recipient’s most fragile ecosystems by enabling local communities to better fight desertification, rehabilitate degraded lands and protect biodiversity.” This objective was comprised of three sub-objectives: (a) to enable local communities to better fight desertification; (b) to rehabilitate degraded lands; and (c) to protect biodiversity. Achievement of each of these sub-objectives is reviewed below. The GEO added the global dimension to the biodiversity objective. However, because activities undertaken by the project oftentimes overlapped and had effects in more than one area (that is, fighting desertification, rehabilitating degraded lands and protecting biodiversity), it is difficult and unnecessary to separate their effects. Each output is followed by its effect or outcome to make it easier to follow the results chain connection between them.

- Enable local communities to better fight desertification, rehabilitate degraded lands, and protect biodiversity. Rating: Modest.

Output 1: Out of 123 subprojects that were approved for funding to improve land and water management issues in targeted zones, 116 were completed. This was more than twice (232%) the target set for “approved subprojects” (50), and one-third above the target (70% of 123 or 86) of approved subprojects that were actually completed. However, the last target of completing 70% of approved subprojects did not include 69 Agriculture Services and Producer Organization Support Project (PSAOP) subprojects in the Bahr El Ghazal region that were “approved,... but they were neither financed, nor implemented” (Table 3.3 on p. 37). Including these in the total number of subprojects (that is, 123 + 69 or 192) would have reduced the completed-to-approved subproject ratio to 64% (116 of 192 subprojects), still not far off the target of 70%. These 69 projects were to be supported under another parallel project (PROADEL-2), but the target number of subprojects was not formally revised downward to reflect the lack of funding available under Component 1 of CB-EMP.

Outcome 1: Most respondents (65%) from a survey of beneficiaries of 76 of these subprojects for tree planting, micro-dams, bottomland and pond development, and contoured hillside grading to minimize soil erosion judged them to be highly relevant activities because they responded to the beneficiaries’ needs to reverse land and water degradation of their local environment. Forty-four percent (44%) of respondents indicated that subprojects generally had had a visible impact on their immediate environment in terms of slowing down soil degradation and conserving biodiversity while also providing short-term benefits of increasing food security and water supplies. However, a majority of respondents (68%) also expressed doubts about the sustainability of subproject operations, mainly due to weak follow-up on capacity building activities by contracted service providers and Government ministries (ICR, Annex 4, p. 40).

Output 2: An estimated 64 villages (eight villages in each one of eight targeted cantons) improved their management of wood resources to slow down deforestation and desertification, exceeding the target of 50 villages.

Outcome 2: More sustainable wood-fuel management practices were expected to be introduced by the project to communities through user fees/taxes and the delivery of more efficient cook stoves. The ICR noted (p. 1) that: “Virtually the entire population depends upon unsustainable consumption of fuel-wood and charcoal to meet basic energy needs.” However, in asserting that “about 64” villages were “sustainably managing their wood resources,” the ICR used the number of villages that had been reached as part of “sensitization and information campaigns” organized by the project, which is not substantially relevant to ascertaining whether sustainable wood-fuel management practices are being practiced or not. Secondly, a sample of villages in eight cantons of the Lake Wey
ecosystem were used in the surveys a proxy for the Moundou charcoal basin. The ICR states (footnote, p. 31): “Assuming that about 8 villages per cantons have been reached, the number of villages that have improved their management of wood resources is about 64.” Thus, the assertion that this target (50) was surpassed is based on an assumption of the number of villages reached in each canton extrapolated from a proxy ecosystem that was assumed to be representative of the Moundou basin. This is not considered valid. There was also no mention made about the introduction of user fees/taxes or cook stoves, the use of other alternative cooking fuels, trends in fuel-wood or charcoal production or use, the rates of deforestation or desertification over time in the targeted ecosystems, or any other meaningful measure to assess whether the project had had any appreciable impact on the unsustainable consumption of fuel-wood and charcoal to meet population’s basic energy needs.

Output 3: In terms of capacity-building activities to improve the conservation of key ecosystems, 75 training sessions or sensitization campaigns to benefit community-based organizations were implemented at the community level, 50% more than the target. Ten launch events and sensitization workshops were held early on during implementation to disseminate information about the project to nearly 1,500 participants, particularly about its matching grant program.

Outcome 3: Information about the practical effect of these sensitization campaigns was not presented in the ICR, but the survey of project beneficiary communities indicated that 82% believed they had received information of “adequate or high” quality about the project through these visits, which they found useful in forming community development committees. However, there was no evidence presented to show that these activities had resulted in any improvement in the management or conservation of ecosystems or biodiversity.

Output 4: 600 Integrated Environmental Management (IEM) best practice guides were distributed to targeted communities, thereby meeting that target in the Results Framework.

Outcome 4: No information was provided in the ICR regarding the practical effect or outcome achieved as a result of disseminating these IEM best practice guides. In addition, one thousand guides were published (ICR, pp. iv and 34), begging the question as to what happened to the other 400. Thus, no demonstrable outcome was shown to have been achieved as a result of this expenditure.

Output 5: Nearly 290 hectares against deforestation, land degradation, and bush fires. From this number of hectares, it was extrapolated from field visits that 159,146 hectares were indirectly protected due to unaccounted-for “spillover” and replication effects. Thus, the target for this GEO-level Indicator was substantially achieved, even though there was no target set in the Results Framework.

Outcome 5: These 290 hectares of protected fragile ecosystems were strictly the area covered by the subprojects, and did not include the “spillover” or replication effects that were not taken into consideration by the Monitoring and Evaluation Unit of one of the other three parallel projects (PROADEL) of the umbrella Local Development Support Program. These effects were estimated at 159,146 hectares, but no explanation for this 550-fold increase of hectares of degraded lands protected by the project was provided. However, this was the justification given in the ICR (p. 31) for stating that the first GEO Indicator was “substantially achieved.” There are two problems with these assertions. First, there was no target established at the beginning of the project against which to measure the extent of its achievement, rendering the indicator less meaningful. Secondly, the extrapolation of actual hectares of degraded lands that were fully protected by the project from 289 to nearly 160,000 hectares was based on the assertion that “field visits to subproject zones reveal that there has been significant technology spillover into neighboring areas…” This is insufficient evidence prima facie.

Output 6: Development of six Ecosystem Management Schemes and 10 Local Development Plans (LDPs). This doubled both of their respective targets in the Results Framework, which aimed at improving the integration of national action plan priorities into LDPs in key areas of the Sahelian, Sahelo-Sudanian, and Sudanian zones. It also targeted a range of IEM conservation activities in those priority ecosystems.

Outcome 6: Preparation of the LDPs and Ecosystem Management Schemes took longer than expected, forcing the Project management team to improvise so as not to delay project implementation. Although the indicator established at appraisal for this activity under Component 3 called for 25% of LDPs prepared under the baseline projects to address IEM issues, no data were collected under the baseline projects to verify whether this target was met. Thus, the only evidence that the LDPs included information on community-based environmentally sustainable management of natural resources was provided to IEG by the Bank afterwards, stating that a random sample of LDPs by a field mission had confirmed this. However, no practical effect was mentioned as a result.

Output 7: Qualitative evidence supported a strong positive impact on endemic fauna and flora. The target for this
outcome was the “level of endangerment of endemic mammals, birds and plant species reduced by at least one category [of IUCN’s Red Lists] in GEF priority zones.” However, achievements could not be quantified since no data on biodiversity were collected by the parallel projects.

**Outcome 7:** No credible evidence of any kind was provided to explain the assertion of a “strong positive impact of the project on endemic fauna and flora.” The assertion that “habitat protection and regeneration under the CB EMP [project] had undoubtedly helped to reduce the level of endangerment for some species” was insufficiently substantiated.

**Output 8:** Biodiversity indicators are being developed for the National Observatory for Natural Resources Monitoring (ONAREN) and a feasibility study was finalized and approved. The target for this GEO-level indicator was to conduct a feasibility study to develop and put in place defined rural development parameters and methods for integrating soil degradation and biological diversity into the monitoring and evaluation system of the larger Local Development Support Program.

**Outcome 8:** There are no outcomes to show for this output as it does not appear that the ONAREN is “fully operational” yet.

**Global Environment Objective:** to enable local communities to combat desertification and rehabilitate degraded lands and to preserve globally-significant biodiversity. The GEO is an extension of the three sub-objectives of the Project Development Objective by encompassing the protection of biodiversity of global significance. The ICR provides no information about this and therefore it is not possible to assess progress made by the project toward achieving the GEO.

5. **Efficiency:**

**Rating: Modest**

The efficiency of the project was not estimated ex-ante using traditional means, such as doing a cost/benefit or cost-effectiveness analysis; only an incremental cost analysis was done in compliance with GEF grant-estimating protocols. This was due to the uncertainty surrounding which subprojects would be selected and implemented, and to the inherent difficulty of accurately measuring the economic benefits derived from preventing or slowing down practices that lead to environmental degradation. There was very limited evidence on cost effectiveness provided ex-post in the ICR, nor was any comparative analysis done of similar integrated ecosystem management projects supported by the Bank in the region.

In terms of the operational efficiency of implementing various project components and tasks, the two largest proportions of project spending went toward the IEM subprojects (44%) and to project management and development of indicators for the environmental monitoring system (30%). Of the 192 subprojects that were approved to receive project support, 117 were actually implemented (more than double the target of 50). However, the total amount of GEF grant funds spent on this project component was only US $100,000 more than estimated at appraisal (US$1.35 million vs. US$1.25 million) in spite of the 67 additional subprojects implemented. The project also received an additional US$580,000 contribution from local beneficiary communities, 264% more than estimated, indicating strong buy-in from local communities supporting the selected subprojects.

The second largest portion of project funds (estimated US$0.6 million vs. actual US$0.92 million) went toward Project Management and Monitoring and Evaluation support at both the project and national levels under Component 4. This represented 30% of total project costs, which is very high by most standards, and was 53% greater than estimated. However, this component also included significant resources that were spent to support activities to build a national-level environmental and biodiversity monitoring system through the National Observatory for Natural Resources (ONAREN). Prior to project appraisal, the Environmental Assessment and Environmental and Social Management Framework had both recommended that the project should rely on environmental and social specialists from the other parallel projects to conduct regular data collection and biological surveys during implementation; when this did not happen, the GEF Project had to do so, even though it lacked the budget and staff for that purpose. (The ICR did not explain why such an important misunderstanding occurred.) These expenditures probably should have been incorporated under the second project component to build counterpart capacities in order to more accurately portray capacity-building project costs as well as project management costs. Finally, activities under project component 2, which accounted for 17% of project resources, funded twice as many Environmental Management Schemes as expected (6 vs. 3 EMS). Thus, total project costs as well as GEF grant fund disbursements were 11% and 15% below estimated levels, respectively (ICR, p. 30).

However, the project’s overall efficiency is downgraded on the grounds that inadequate information was provided in
the ICR by which to accurately assess its overall efficiency compared to other similar projects, or in terms of an ex-post least-cost analysis of the activities and subprojects undertaken. Therefore, the efficiency rating is modest.

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

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<th>Rate Available?</th>
<th>Point Value</th>
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* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

The Relevance of Objectives was assessed as substantial since the PDO was consistent not only with the ISN in effect at the time of the project’s closure, but also with the country’s own Rural Development Strategy and Support Program. The Relevance of Design was also assessed as substantial because the activities undertaken within each of the four project components were necessary and well-aligned with achieving the project’s development objective and sub-objectives. The Efficacy of the project in terms of meetings its three sub-objectives of “enabling local communities to better fight desertification, rehabilitate degraded lands, and protect biodiversity” in order to restore some of Chad’s most fragile ecosystems was rated as modest given that the practical results achieved were substantially less than expected. Finally, the Efficiency of project implementation was rated as modest largely due to lack of evidence. Given that the Efficacy and Efficiency ratings were modest, the overall Outcome Rating is Moderately Unsatisfactory in spite of the more positive rating for relevance. There were significant shortcomings in the project’s achievement of its objectives and its efficiency.

a. Outcome Rating: Moderately Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:

Little was achieved by the project in terms of building the national Government's line ministries' capacities to implement rural development programs in a decentralized fashion, or develop the informational base upon which to gather and analyze environmental status and trend data by ONAREN – the National Observatory for Natural Resources. Without this institutional or information management capacity, there is no viable mechanism by which to extend the demonstration subprojects implemented during the project in the future. As the ICR itself noted under “Lessons Learned” on page 26, “Ensuring the sustainability of the community-based IEM approach requires sustained technical, financial, and administrative support that cannot easily be provided through a single project.” In addition, the assertion that the 289 hectares of degraded lands that were fully protected by project interventions can be extrapolated to nearly 160,000 hectares (representing a multiplier factor of over 550) due to a “significant technology spillover” or replication effect was unsubstantiated by any credible evidence.

Finally, the assertion (ICR, p. 20) that “rising national oil revenues and the government’s improved tax collection capacity, which should permit the government to allocate a larger share of the national budget to decentralized environmental management….” will occur is speculation and contradicted by the fact that this was precisely the issue over which the Bank broke off relations with the Government and suspended all project disbursements until a new, much more limited portfolio of Bank projects (including the IEM Project) were reinitiated in 2009 and a new ISN was negotiated and signed in mid-2010.

a. Risk to Development Outcome Rating: Significant

8. Assessment of Bank Performance:

a. Quality at entry:

The Bank’s performance in appraising the project proposal had both positive and negative aspects. On the positive side, the project was well integrated into and linked to all four components of PROADEL in support of the Government’s Rural Development Support Program. Since the IEM Project was complementary to PROADEL, the overall institutional responsibility for it was vested in MATUH, which became responsible for project compliance with its contractual obligations and submittal of financial management reports and annual audits, while MERH was accountable for the technical quality of project interventions through the project’s Scientific and Technical Committee. Those arrangements worked fairly well in the sense that the project benefitted from
PROADEL’s administrative, financial, and operational capabilities. However, “MATUH viewed the IEM Project as an “add-on” to PROADEL and its implementation as secondary to PROADEL’s priorities. Staff of the other baseline projects and World Bank supervision teams may have held similar views. The fact that MATUH was given institutional responsibility for a project that MERH regarded as failing under its own mandate was not conducive to full cooperation” (ICR, p. 25).

A comprehensive Project Implementation Manual, Project M&E Manual, Project Administrative, and Financial and Accounting Manual were prepared by the Government, which the Bank reviewed and approved during appraisal (PAD, p. 18). A Capacity Assessment of the PMU was conducted by the Bank, which played an important role in coordinating donor assistance in Chad by establishing a network with other donors and a common approach to rural development under the PIDR. It was envisaged that the project would rely on the other baseline projects for regular data collection and undertake surveys only periodically during implementation. However, “when the baseline projects did not perform the anticipated data collection tasks, the Project had to do so. In addition, a number of indicators were not quantified at appraisal, on the grounds that the Project’s demand-driven activities could not be described *ex ante*” (ICR, p. 10). No explanation was given in the ICR for why this misunderstanding over the respective roles and responsibilities of other donors vis-à-vis the other baseline projects occurred. In addition to this shortcoming, some of the political risks and institutional challenges posed by implementing the IEM Project in Chad could have been more fully appreciated at entry: the continuing political strife and instability of the country’s government, the weakness of decentralized government agencies, and the lack of technical expertise and fiduciary controls within implementing agencies and local *promoteur* organizations.

Finally, some of the project’s indicators lacked specificity or did not lend themselves to cost-effective quantitative assessment. The project’s Results Framework could have benefitted from more concrete indicators with quantified targets. These shortcomings were identified by the MTR mission, which generated a series of recommendations and proposed revisions to the PDO and some performance indicators. Despite this, those changes were never formally adopted in a restructuring of the project.

**Quality-at-Entry Rating:** Moderately Unsatisfactory

**b. Quality of supervision:**

Implementation was challenging. The Bank project teams conducted regular supervision missions (9) throughout implementation (except during the suspension of Bank operations in Chad for one year). “Supervision missions, although not carried out while World Bank operations were suspended [between 2008 and 2009], effectively combined the efforts of the World Bank, the government, the staff of the IEM project and PROADEL, as well as the two other baseline projects” (ICR, p. 9). The coordination of M&E roles and responsibilities was not clearly understood or carried out by the other baseline projects as envisioned at appraisal. The ICR noted that Bank teams “regularly flagged delays [in developing the EMS and LDP], yet effective action was not taken to accelerate their delivery” (ICR, p. 23). Nor was any action taken to make changes to the Results Framework recommended by the Bank’s own internal Quality Assurance Group or Mid-Term Review team during the final 2½ years of project implementation. The reason given for this in the ICR was the closing of all of the Bank’s operations in Chad.

An in-depth review by the World Bank supervision team in October 2011 observed serious financial management irregularities and requested remedial action, as did a second review in May 2012 following the project’s closing. These issues are still pending raising the question as to why it took so long for the Bank’s FM control mechanisms to catch this issue.

The Borrower pointed out that the complex institutional framework adversely affected implementation, and that “because the Steering Committee had not been able to fully carry out its [coordination] role, the activities supported under the IEM Project were not always well coordinated with the activities supported under [the other] baseline projects” (ICR, p. 27).

To illustrate what it saw as proactive Bank supervision, the ICR noted the “early piloting of a few ‘first-generation’ subprojects in each target zone. The pilots were designed to compensate for the lack of Local Development Plans and Ecosystem Management Schemes at start-up by providing hands-on experience that could be used to accelerate implementation. When preparation of Local Development Plans and Ecosystem Management Schemes took longer than expected, the Project management team improvised so as not to delay implementation” (ICR, p. 9). While this may have been an admirable effort on the Bank project team’s part to get the project moving, it begs the question as to why it was necessary to do in the first place and whether it did not undermine the Bank’s longer-term interests and efforts to build the capacities of local institutions.
9. Assessment of Borrower Performance:

a. Government Performance:
   The Government showed commitment to the Project by establishing a steering committee in charge of project implementation, assigned ministry staff to attend training sessions and supervision missions, and provided “most of the agreed counterpart funds” (ICR, p. 23). However, the Beneficiary Survey taken at the conclusion of the project revealed that the Steering Committee had not been effective in coordinating the work of the project with the other baseline projects under the Local Development Support Program (PIDR). In terms of meeting its financial obligations to the project, the Government provided 83% of its contribution contrasted with local communities which contributed more than 2 ½ times (264%) their estimated contribution under the project. In addition, delays in establishing a project account into which Government counterpart funds were to be disbursed resulted in delays in payments made by the implementing agencies to local promoteur NGOs. This was one of four effectiveness conditions imposed on the project along with ensuring that the “necessary personnel” were recruited to implement the project, which was also not met in a timely manner. Finally, US$680,000 in GEF matching grant funds were still not disbursed at the time of ICR preparation.

b. Implementing Agency Performance:
   The Project Coordinating Unit was the main agency in charge of implementing the GEF Project, supported by one of the other project Management Units within the PIDR. However, responsibility for actual implementation of the project was split between the Ministry of Territorial Development, Urbanism and Habitat (MATUH), which was in charge of the administrative functions of implementation, and the Ministry of Environment and Fisheries (MERH), which took the lead on technical and scientific matters, resulting in technical inefficiencies and institutional disincentives mentioned earlier. In addition, the ICR notes that “insufficient attention from Project management created a number of difficulties for implementing the Project,” among these delays were: hiring a second Project Coordinator (along with a lack of transparency regarding the qualifications of the selected candidate); the delay in hiring an M&E Specialist initially for six months followed by an 18-month vacancy of the position during the last year and a half of project implementation; and, delays in disbursing payments to local promoteur NGOs. However, the most important shortcoming in the implementing agencies’ performance were the poor ratings for delivery of technical support provided by service providers and line ministries, and “Financial irregularities detected in late 2011 [that] led to an in-depth financial review in May 2012, which rated financial management Unsatisfactory … [due to] a lack of supervision and control of funds made available to village communities, inadequate management of counterpart funds, non-compliance with procurement rules, and insufficient justification of expenditures” (ICR, p. 24).

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

a. M&E Design:
   The M&E Manual, prepared by the Government and validated by the World Bank, was consistent with World Bank/GEF guidelines in effect at that time, when criteria for preparing the logical framework and M&E plan were not as rigorous as they are today. The design of the M&E system was overly ambitious in that the biodiversity and environmental indicators required data collection procedures that were unrealistically challenging to implement, given the geographic scope of the project and available funds for the M&E program. With respect to the Results Framework, the five GEO Indicators were flawed in different ways. There was no target established for the first indicator regarding the number of hectares protected and the fourth indicator was poorly defined as having a target to develop a “durable” biodiversity/environmental monitoring system by the National Observatory for Natural Resources (ONAREN). The second and fifth indicators appeared to have been arbitrarily set at 50 villages
sustainably managing their fuel-wood resources in the Moundou area, and 25% of households adopting soil fertility improvement and other sustainable agricultural techniques, respectively. Finally, the third GEO Indicator (“level of endangerment of endemic mammals, birds and plant species reduced by at least one category [of the IUCN’s Red Lists] in GEF priority zones”) proved too difficult to measure cost-effectively. In addition, a number of the intermediate Outcome Indicators were not quantified at appraisal, on the grounds that the Project’s demand-driven activities could not be described ex-ante.

b. M&E Implementation:

The Project’s M&E function was initially rated “Unsatisfactory” in the first six months due to the Government’s failure to hire an M&E Specialist by the time the project became effective, one of the conditions for starting the project (PAD, p. 37). There was also a lack of good baseline data at the project’s inception which severely hampered subsequent M&E efforts. There was a serious misunderstanding between the GEF Project and the Local Development Support Project (PROADEL) over their respective roles, responsibilities, and resource commitments to conduct M&E activities. Despite this misunderstanding between the GEF and PROADEL project, all six annual M&E implementation progress reports were completed on time (but without biodiversity information included), based on the corresponding quarterly reports, and key impact studies that were commissioned. The Bank’s Quality of Supervision Assessment noted the need to strengthen the M&E system and made recommendations to do so, which were confirmed by the Mid-Term Review in June 2009, but neither of these recommendations were acted upon during the final 2½ years of project implementation because of strained relations between the Bank and the Government, and due to the Bank’s suspension of all project activities and disbursements in Chad for over a year.

c. M&E Utilization:

The ICR states that “information on subprojects at various stages was used to gauge overall progress of the Project, and it allowed the Government and the World Bank to provide direction to Project management. Data produced by the M&E unit were also used to prepare detailed annual work and budget plans allowing Project management to take appropriate decisions regarding implementation, such as halting new subprojects to avoid over-committing funds” (ICR, p. 10). However, the ICR did not support this claim with any examples and there is little evidence beyond the mere existence of quarterly and annual progress reports that the M&E system was utilized by project managers to adaptively manage the project toward its development objectives. In addition, it was contradicted by the fact that the changes recommended to the Results Framework indicators and M&E system by both the Bank’s Quality of Supervision Assessment and confirmed by the Mid-Term Review were not acted upon during the second half of project implementation. Nor was it necessary to “halt [69 subprojects that were prepared by PSAOP [one of the other parallel projects], but were not financed or implemented to avoid over-committing funds” given that US$680,000 in GEF matching grant funds remained undisbursed at the project’s closing. This information was available to them, but not utilized in making that decision.

M&E Quality Rating: Modest

11. Other Issues

a. Safeguards:

Six Safeguard Operational Policies were triggered by this Category ‘B’ project: OP 4.01 (Environmental Assessment), OP 4.04 (Natural Habitats), OP 4.09 (Integrated Pest Management), OP 4.10 (Cultural Property), OP 4.12 (Involuntary Resettlement), and OP 4.37 (Dam Safety) (PAD, p. 33). An Environmental Assessment and an Environmental and Social Management Framework were prepared prior to the appraisal mission (ICR, p.11). Overall, Project compliance with social and environmental safeguards policies was considered satisfactory and consistently rated as such by World Bank supervision missions.

b. Fiduciary Compliance:

Project accounts, including special accounts and regional subaccounts, were audited regularly. Only one audit report (for FY2006) was qualified. Delayed approval of the annual work plan and budget for 2006 by the Steering Committee restricted the use of government counterpart funds that year, delaying payment to local service providers which in turn delayed the initiation of many subprojects and necessitated their substitution by “improvised” subprojects (ICR, p. 9).

Every World Bank supervision mission reviewed the Project’s central procurement unit whose performance was consistently rated as Satisfactory. However, it was noted that Local Development Committees sometimes failed to
follow the required procurement procedures. Auditors’ reports noted financial irregularities for fiscal year 2011. In October 2011, an in-depth financial review by a World Bank supervision team confirmed “significant financial irregularities” and recommended remedial actions to be taken, specifically reimbursement of unjustified expenditures by the Government. An in-depth follow-up financial review in May 2012 rated financial management as “Unsatisfactory” ... [due to] a lack of supervision and control of funds made available to village communities, inadequate management of counterpart funds, non-compliance with procurement rules, and insufficient justification of expenditures” (ICR, p. 24), for which the Bank is still seeking reimbursement. The final audit for FY2012 was not available at the time the ICR was prepared in June 2012, and action on the requested remedial action is still pending.

c. Unintended Impacts (positive or negative):
There were no unintended impacts caused by the project.

d. Other:
None known.

<table>
<thead>
<tr>
<th>12. Ratings:</th>
<th>ICR</th>
<th>IEG Review</th>
<th>Reason for Disagreement /Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome</strong>:</td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>There were weaknesses in the achievement of the project’s objectives and a lack of information about outcomes achieved and comparative project operational efficiency.</td>
</tr>
<tr>
<td><strong>Risk to Development Outcome</strong>:</td>
<td>Moderate</td>
<td>Significant</td>
<td>Lack of institutional and information management capabilities could severely limit extension of the demonstration effect from taking hold throughout Chad.</td>
</tr>
<tr>
<td><strong>Bank Performance</strong>:</td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>While acknowledging difficult operating environment, Bank Performance had serious shortcomings at entry and during supervision. See Section 8.</td>
</tr>
<tr>
<td><strong>Borrower Performance</strong>:</td>
<td>Moderately Satisfactory</td>
<td>Unsatisfactory</td>
<td>There were a number of shortcomings with the Borrower’s performance, including failing to meet its financial obligations, delays in disbursing payments and hiring necessary personnel, technical inefficiencies and institutional disincentives between implementing agencies, and significant financial irregularities uncovered in 2011 – 2012 that remain unresolved.</td>
</tr>
<tr>
<td><strong>Quality of ICR</strong>:</td>
<td></td>
<td>Unsatisfactory</td>
<td></td>
</tr>
</tbody>
</table>

**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:
*Separating the administrative and technical functions between different implementing agencies may*
have unintended consequences that must be carefully considered when assigning roles and responsibilities. The GEF Project assigned the administrative functions for the project to the Ministry of Territorial Development, Urbanism and Habitat (MATUH), which were housed under one of the other parallel projects (PROADEL), while the Ministry of the Environment and Fisheries (MERH) was the lead agency for the technical quality of the GEF Project’s products and outputs. As the ICR noted, those arrangements worked fairly well in the sense that the GEF Project benefited from the other project’s administrative, financial, and operational. However, MATUH viewed the GEF Project as an “add-on” to PROADEL and its priorities as secondary to PROADEL’s. The fact that MATUH was given such prominent institutional responsibilities for a project that MERH regarded as falling under its own mandate was not conducive to full cooperation between them. The lesson learned is that in future operations with divided responsibilities among different implementing agencies, project designers should carefully appraise the wisdom of nesting management of a stand-alone project with another project within a larger sector program, and consider the incentives and motivations of those entities when assigning them different roles and responsibilities for project management and oversight.

It is advantageous to blend GEF grant funds with IDA loan or credit resources in “blended” interventions. The ICR noted the missed opportunity created by the project’s failure to effectively blend GEF and IDA resources when it implemented the GEF Project as a stand-alone, four-year operation within the overarching Local Development Support Program (comprised of the GEF Project and three other parallel projects). The LDS Project was an Adaptable Program Loan to be implemented in three phases over 12 years. While the GEF Project was conceived to be completely consistent within this larger programmatic framework’s components and objectives, the procedures for preparing the two operations were quite different. As a result, the effectiveness date of the IEM Project was delayed almost a year while the rest of the LDS Program was approved immediately and got off to a much faster start. In hindsight, it is unclear why they were not treated as partially blended operations, with different PADs, but taking advantage of the same reporting instruments (i.e., ISRs and ICRs). That approach could have provided more incentives at all levels to ensure that the GEF Project could rely more fully on the other parallel baseline projects to execute project activities, such as the M&E system, in a mutually beneficial manner.

14. Assessment Recommended?  
☐ Yes  ☐ No

15. Comments on Quality of ICR:

The ICR was well-written and logically organized, covering all required topics according to the ICR Guidelines. However, the evidentiary basis for many of the assertions regarding project accomplishments (e.g., number of hectares fully protected and afforded some level of protection from “spillover” or replication effects, or the percentage of those actually implemented) was very thin and unsubstantiated, while many important facts were neglected or buried in obscure annexes. For example, the Global Environmental Objective stated in the ICR was not consistent in an important way (that is, “globally-significant biodiversity”) with the definition given in the PAD (p.4). The explanation of how “field visits to subproject zones revealed that there has been significant technology spillover into neighboring areas” (ICR, p. 15) justified more than 550 times this amount of degraded lands (159,856 hectares) being somehow protected as a result of the IEM Project was not adequately supported by the evidence presented. In addition, the target for 70% of approved village-level subprojects that were actually implemented was stated as having been exceeded (117 out of 123 subprojects or 94%). However, the 69 subprojects developed by the PSAOP project that were “approved but were neither financed nor implemented” by the Project were not mentioned or included in this tally (Table 3.3 of Annex 3 on p. 37).

Other assertions were made in the ICR that were unsupported by the facts or were actually contrary to them. For example, the assertion was made in the ICR that “rising national oil revenues and the Government’s improved tax collection capacity, which should permit the government to allocate a larger share of the national budget to decentralized environmental management…” (ICR, p. 20) was contradicted by the fact that this was precisely the issue over which the Bank broke off relations with the Government for several years and suspended all project disbursements because the Government did not “respect the original agreement or a subsequent Memorandum of Understanding on its amendment” (ISN, p. 1).

Finally, the positive ICR ratings were not supported by the evidence. The project’s Outcome was rated as “Moderately Satisfactory” despite the fact that both the final supervision ratings for the Global Environmental Objective and Implementation Progress performance ratings were “Moderately Unsatisfactory.” There was also a pending FM review of significant “financial irregularities detected in late 2011 [that] led to an in-depth financial review in May 2012, which rated financial management as ‘Unsatisfactory’ … [due to] a lack of supervision and control of
funds made available to village communities, inadequate management of counterpart funds, non-compliance with procurement rules, and insufficient justification of expenditures” (ICR, p. 24), for which the Bank is still seeking reimbursement. Sound FM practices are the backbone of Bank operations, and the ICR should have been more forthcoming on these important facts and used them to better inform their own self-ratings.

- **Quality of ICR Rating**: Unsatisfactory