



1. Project Data:		Date Posted : 09/22/2003	
PROJ ID: P001664		Appraisal	Actual
Project Name: Environmental Management	Project Costs (US\$M)	13.70	14.10
Country: Malawi	Loan/Credit (US\$M)	12.40	9.10
Sector(s): Board: ENV - Other social services (44%), Central government administration (42%), General education sector (14%)	Cofinancing (US\$M)	N/A	N/A
L/C Number: CN025; CQ011			
	Board Approval (FY)		97
Partners involved : None	Closing Date	12/31/2002	12/31/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
Siham A. Mohamedahmed	Laurie Effron	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
The overall objective of the project was to support the efforts of the Government of Malawi to implement the multi-donor Environmental Support Program (ESP). The specific objectives of the project were :			
<ol style="list-style-type: none"> 1. Strengthening the Environmental Affairs Department (EAD) by improving its regulatory, information management, promotion, and coordination capabilities; 2. Creating a broad-based program of environmental education; 3. Promoting a shift in the responsibility for sustainable resource management, and the reversal of degradation, to the community level; and 4. Supporting initiatives in key areas of degradation . 			
b. Components			
The project had four components :			
(1) Institutional Capacity Building by (a) building EAD institutional capacity including improving its logistical capabilities and providing training, technical assistance and equipment, and enabling EAD to carry out its policy, monitoring, and control function; (b) improving the environmental information system; and (c) Strengthening EAD capability to review and audit environmental impact assessment (EIA). Appraisal: US\$ 3.00 million; Actual: US\$ 3.00 million.			
(2) Environmental education to: (a) increase public awareness and participation; (b) integrate environmental education into the educational system; (c) improve the quality of environmental information and access; and (d) identify formal and non-formal systems for information dissemination . Appraisal: US\$ 2.00 million; Actual: US\$ 2.40 million.			
(3) Community Based Environmental Management including (a) community mobilization and environmental micro projects; (b) forest resource management; (c) protected area biodiversity conservation; and (d) urban environmental management. Appraisal: US\$ 6.10 million; Actual: US\$ 6.10 million.			
(4) Environmental actions and studies on climate change and long lead forecasting, water hyacinth control, bilharzia control, national park management, and support policy planning unit . Appraisal: US\$ 2.60 million; Actual: US\$ 2.60 million.			
Note: There were no formal revisions of the objectives however, there were some modifications in the components: Malaria control was added; the Lake Malawi Park infrastructure improvements were dropped; the urban environmental management sub component was narrowed to only rehabilitation of Zomba city sewage .			
c. Comments on Project Cost, Financing and Dates			
At appraisal, total project cost estimated at \$ 13.7 million, of which \$12.40 million to be financed by IDA. The project actual cost was US\$ 14.10 million, which is slightly higher than the projected cost of \$ 13.70. The ICR is unclear about the actual cost: Annex 2 indicated that \$14.10 million were financed by IDA. Para 5.4 states that only SDR 7 million (equivalent to \$9. 6 million), have been disbursed.			

3. Achievement of Relevant Objectives:

The project objectives were substantially relevant, however the project was ambitious and complex and was not able to fulfill its overall objective of supporting ESP. Nevertheless, the project specific objectives were modestly achieved.

(1) Strengthening EAD : EAD institutional capacity has been partially improved through training of staff and provision of equipment. EAD capability to review and audit EIAs has also been strengthened. Yet the training was not allocated among various staff ranks and between central and field staff in a balanced manner.

(2) Environmental education : The project supported the implementation of a national environmental education and communication strategy. It also supported the environmental radio programs, and developed and disseminated various environmental awareness messages and activities.

(3) Shifting responsibility to community : NGOs and government agencies gained some experiences in working together and with local communities to co-manage local natural resources. The relationship between the Department of Forestry (DoF), Department of National Parks and Wildlife (DNPW) and the community was improved and the departments gained experience in co-managing natural resources with selected communities. The project disseminated forest technology such as nursery, seed collection and preservation to the communities.

(4) Environmental action and studies : Climate data bank and meteorological observers handbook has been developed, however the capacity building of the meteorological department was limited. The Department of Fisheries (DF) framework for hyacinth control was strengthened. The department conducted a study on a national assessment of socio economic impact of water hyacinth; carried out land based infestation surveys; produced maps of hyacinth infestation extent in some districts; and established a rapid response program. Rehabilitation and operation of defunct sewage treatment plant and sewage line of Zomba city was completed. 10, 000 bed nets were procured, of which 8,500 were distributed at the time of ICR, to help reduce malaria incidence.

4. Significant Outcomes/Impacts:

The major accomplishments were:

- The capacity of EAD to review and audit Environmental Impact Assessments (EIA) has been strengthened, and EAD processed fifty EIA documents per year. Also the sectoral EIA guidelines for mining, waste management, and irrigation were developed.
- The project-increased community understanding of environmental issues, the ecological functions of forest and forestry management, and the importance of protected areas. It also increased the recognition of community based environmental management by government agencies.
- Village environmental committees, village trusts, and village natural resources management committees were established and legally codified.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- The project was poorly designed in terms of its complexity, overly ambitious and unclearly formulated objectives, and numerous components and sub-components. In addition, project design did not take into consideration the severely limited capacity of the implementing agency.
- The relevance and timing of executing this expensive and complex project maybe considered questionable. The country was then and still is suffering from the impact of HIV/AIDS epidemic.
- A Project Implementation Unit (PIU) was not established because the Bank and the borrower overestimated the capacity of EAD to implement the project and coordinate the environmental activities across sectors and other donors while building its own capacity.
- The project outcomes were limited geographically and temporally since it only supported pilot activities with one-time interventions, with no follow up, and uncertain continuity.
- The community played minimal role in identifying and addressing local environmental problems and in selecting the community environmental sub-projects that reflected their priority. Moreover, the selected sub-projects largely depended on external funding and local government and NGO facilitation.
- The project lacked practical performance indicators and quantitative targets.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Unsatisfactory	Unsatisfactory	
Institutional Dev .:	Negligible	Modest	The project increased, to a limited extent the capability of EAD through training. Also, public agencies partially gained some experiences in co-managing NRM with community and NGOs.
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Unsatisfactory	Unsatisfactory	
Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- For a complex project, the capability of the implementing agency needs to be carefully assessed prior to project implementation; and project design must be compatible with the capacity of the implementing agency to carry out the planned activities .
- Capacity-building activities should focus on enhancing the ability to perform in specific areas rather than gaining knowledge alone.
- Donors should take necessary measures to ensure efficient use of resources and to guard against overburdening inadequate borrower capacity and conflicting interests of involved agencies and /or individuals.
- Early identification of critical issues and proactive modification of the project as needed could lead to a greater likelihood of achieving the project objectives . Risk assessment and mitigation in project design need to be much more rigorous, including the scaling down or dropping of the project if needed .
- A more flexible lending framework, such as APL or LIL is more suitable for the continuous challenge of building long-term environmental institutions and changing and modifying cultures to reverse environmental degradation .

8. Assessment Recommended? ● Yes ○ No

Why? This project was complex and it involved many components, sectors, and agencies . An audit has the potential to assess results from both the process and content of this complex project . In addition, an audit could provide lessons learned in areas such as community based environmental and NRM management . The discrepancy between the borrower and the Bank project ratings also warrants further objective evaluation .

9. Comments on Quality of ICR:

The ICR is satisfactory. It covered relevant issues and reviewed the initial problems of the project and frankly discussed the project shortcomings . However, the ICR is not clear on how much was spent on the project . While Para. 5.4 estimated project cost as SDR 7 million (equivalent to \$ 9.1 million), annex 2 showed that actual project cost was \$14.10 million.