GEF IEO Terminal Evaluation Review form (retrofitting of APR2004 cohort)

This form is for retrofitting of the TERs prepared for APR2004. While several topics covered in this form had already been covered in the earlier form, this revised form adds several other performance and impact related concerns.

1. Project Data

Summary project data			
GEF project ID		125	
GEF Agency project ID		341 (UNDP) /40596 (WB)	
GEF Replenishment Phase		GEF-1	
Lead GEF Agency (include all for joint projects)		UNDP/World Bank	
Project name		Environment Program Support Project	
Country/Countries		Madagascar	
Region		AFR	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		OP-2 Coastal, Marine and Freshwater Ecosystems OP-3 Forest Ecosystems	
Executing agencies involved		National Association for the Management of Protected Areas(ANGAP); National Environment Office (ONE); Directorate of Water and Forests (DEF)	
NGOs/CBOs involvement		one of the beneficiaries; through consultation	
Private sector involvement		one of the beneficiaries; through consultations	
CEO Endorsement (FSP) /Approval date (MSP)		11/12/1996	
Effectiveness date / project start		6/12/1997	
Expected date of project completion (at start)		6/30/2002	
Actual date of project completion		6/30/2003	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	.5	.5
	Co-financing		
GEF Project Grant		20.8	20.8
Co-financing	IA/EA own		
	Government	31.0	
	Other*	103.8	
Total GEF funding		21.3	21.3
Total Co-financing		134.8	103.6
Total project funding (GEF grant(s) + co-financing)		155.0	124.9
Terminal evaluation/review information			
TE completion date		8/1/2003	
TE submission date			
Author of TE		Bienvenu Rajaonson	
Original GEF IEO TER (2004) preparer		Robert C. G. Varley	
Original GEF IEO TER (2004) reviewer		Antonio del Monaco	
Revised TER (2014) completion date		04/03/2014	
Revised TER (2014) prepared by		Nelly Bourlion	
TER GEF IEO peer review (2014)		Joshua Schneck	

*Includes contributions mobilized for the project from other multilateral agencies, bilateral development, cooperation agencies, NGOs, the private sector, and beneficiaries.

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	S	S	S	S
Sustainability of Outcomes	MU	L	L	MU
M&E Design	N/A	N/A	N/A	MU
M&E Implementation	S	N/A	N/A	MU
Quality of Implementation	N/A	S	N/A	S
Quality of Execution	N/A	S	N/A	S
Quality of the Terminal Evaluation Report			S	S

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The Environment Program Phase 2 Project (EP2) was the second phase of a fifteen year, three-phase, $410 million program implementing the 1998 Malagasy National Environment Action Plan (NEAP). The first implementation phase (EP1) was implemented between 1991 and 1996, and focused on biodiversity conservation in protected areas. The second phase – discussed in this TER – was implemented between 1997 and 2003, and focused on integrating biodiversity conservation with development . The final third phase (EP3), was to be prepared for 2004 – 2008, and would focus on mainstreaming conservation into macroeconomic management and sectors programs and establishing sustainable conservation financing mechanisms.

According to the previous TER, the initial objectives as stated in the Project Document are:

(1) to reverse current environmental degradation trends and to promote sustainable use of natural resources, including soil, water, forest cover and biodiversity; and
(2) create conditions for environmental considerations to become an integral part of macroeconomic and sectoral management in Madagascar

Reversal of environmental degradation is the goal of the entire 15 year program, of which EP2 was the second phase.

3.2 Development Objectives of the project:

The development objectives are:

(1) adoption of integrated approaches for sustainable development through the incorporation of environmental concerns in the design of regional, inter-communal and communal development plans;
(2) marine and coastal ecosystems are managed in a sustainable manner;
(3) policies, instruments, and information for integrated environmental management are elaborated and implemented.

The original fourteen budgeted components were organized in three sets of activities:

1. field operations (79%); 2. strategic activities (3%); and 3. support activities (8%).

After the 2001 Mid-Term Review, two components were dropped and the components (realized-actual $million / percentage of planned expenditures) regrouped as:

(1) Sustainable Soil and Water Management in Priority Target Zones (25.67 / 59%)
(2) Forest Eco-system Management. (20.94 / 49%)
(3) Protected Areas Management. (52.47 / 175%)
(4) Environmental Policies and Institutions (24.7 / 64%)

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

In March 2001, as a part of restructuring of the loan, the global environmental objectives were revised, linking the project to specific geographical areas, and replacing the statement that "EP2 would reverse the current environmental degradation" with "EP2 would reduce the rate at which natural resources are being depleted." After March 2001, the objectives were revised to:

(1) increase sustainable use of natural resources, including soil, forest cover and biodiversity in target areas; and
(2) establish conditions for mainstreaming sustainable environmental and natural resources management at the national level.

After the 2001 Mid-Term Review, two components of the project were dropped and the components were regrouped as explained in the section above.

4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 **Relevance**	Rating: **Satisfactory**

No information on relevance is given in the previous TER, therefore, the information comes from the TE.

The relevance of this project is rated as satisfactory. As the implementation tool of the Environmental Action Plan and hence of the Environmental Charter, EP II responds well to Madagascar's environmental agenda. As it is aiming at sustainable management of natural resources, and working in the rural area where the poorest segments of the population live, it also suits the national strategy on poverty

presented in the « Document sur la Stratégie de Réduction de la Pauvreté (DSRP) ». Indeed, natural resources are the productive capital of the poorest segment and majority of the Malagasy population. The regional participatory planning activities are especially relevant to the decentralization strategy put forward in the Economic Policy Framework Document (Document Cadre des Politiques Économiques) in 1996.

4.2 **Effectiveness**	Rating: **Satisfactory**

According to the previous TER, EP2 largely met or exceeded the planned targets and significant achievements grouped by component are:

Sustainable Soil and Water Management

(1) soil and water management generally improved within mini-project areas. Five thousand mini-projects in 500 communes exceeded target by 25%, and covered 82 thousand hectares, 256% of the target.
(2) soil erosion diminished from the prevailing 8 tons per hectare to 1.6 ton per hectare annually, with improved soil management using slope cultivation and live fences;
(3) better water management, dam and irrigation construction increased agricultural productivity
(4) ex-post economic analyses of mini-projects for 1,000 households within seven target zones demonstrated that benefits exceeded the costs.

Forest Eco-system Management

(1) improved forest and land management, allied with the transfer of forest management reduced deforestation slash and burn cultivation
(2) produced participatory development and implementation plans for 320,000 hectares of forests, (80% of target)
(3) implementation of forest management development plans 180,000 ha in four pilot gazetted forest reserves (100% of the target.)
(4) preparation and implementation of 200 natural resource management transfer contracts between communities and the government;
(5) contributing to better governance, illustrated by increases in fee collection from logging permits

Protected Areas Management

There was an expansion of the protected area system, strengthened capacity of the national park service (ANGAP), and successful promotion of ecotourism.

Environmental Policies and Institutions

There were wide-ranging policy reforms in mining, fisheries, aquaculture, industrial sectors coastal zone management, national biodiversity management, national environmental education, environmental

impact of road and infrastructure. Ratification of several environmental conventions including conventions on climate change, desertification and wetlands.

However, there were some shortcomings in the effectiveness of the project:

(1) the Bank prepared only a limited economic and financial analysis of the project, and handled compliance with social and environmental safeguards considerably below current standards;
(2) knowledge-intensive technologies did not lend themselves well for spontaneous replication, and while greater than planned, varied according to the type of activity, technology, and socio-economic conditions.
(3) the forestry sector remains in need of a continued reform and additional increase of the national capacity for forest resources management.
(4) In some areas under community forestry management, capacity was insufficient , and in others the forest department continued to issue private logging licenses, in breach of the management contract.
(5) environmental policies for agriculture (pesticides), tourism and urban development did not progress to implementation.
(6) national policy for the sustainable development of the coastal zone could not be put into action as the policy has not yet been adopted.

4.3 **Efficiency**	Rating: **Moderately Satisfactory**

No information is provided in the previous TER on efficiency, the information comes from the TE.

According to the TE, the audit reports concluded that the program management was satisfactory, and executed in accordance with the implementing agency's procedures. However, some recurring problems have been pointed out:

(1) delays in releasing funds and pay funds into the Regional Technical Units of the executing agencies, therefore slowing down the execution of field activities;
(2) delays in the payment of TVA for JIRAMA and TELMA by the Government, although meetings have taken place with ONE and the Ministry of Planning to solve to this problem;
(3) some expenses exceeding the planned budget;
(4) delays in regulating requests for expense commitment.

Improvements were recommended for internal controls, such as a better control of certain expenses (fuel, telephone communications, supplies). Some of the recommendations have not been followed up with corrective actions (as is the case for unused made out cheques that do not bear the marking "cancelled").

Additionally, the government honored about half of its overall funding commitment, the funding was often late and lead to frequent and significant delays in EP2 implementation. The implementing agencies' financial management and accounting systems, particularly during the first two years of EP2, were inadequate and mutually incompatible. This lead to delays in payments to contractors,

accumulation of significant arrears and disruptions of EP2 implementation. The project was extended by one year because the government crisis of 2002 disrupted project implementation.

Therefore, the Efficiency of the project is rated Moderately Satisfactory.

4.4 **Sustainability**	Rating: **Moderately Unlikely**

The sustainably of the project is rated as moderately unlikely.

Environmental threats: Moderately Likely

According to the TE, sustainability is threatened by insufficient integration of basic information on biological parameters that determine sustainable productive capacity of a resource and, in turn, the sustainable level of revenue based on the exploitation or use of that resource. Sustainability is also threatened by the limited capacity for the determination of sustainable exploitation levels or carrying capacity, including knowledge base on the biology and state of resources.

Financial threats: Moderately Likely

The project allowed the transfer of management and budget decisions to the local environmental authorities and the resident staff of protected areas; an effective long-term mobilization of donor resources; an improved system of logging fees for financing of the forestry department (DGEF);and park entrance fees to increase ANGAP revenues. Additionally, an endowment trust proposal, if implemented, would generate revenue for conservation activities in perpetuity .

However, about 90 percent of the costs of environmental management are still financed by foreign development agencies and few economic instruments or mechanisms were planned in the UNDP components to ensure the sustainability of the activities beyond GEF assistance.

Socio-political threats: Moderately Unlikely

There is a high profile of natural resources utilization in the public policy debate on Madagascar development; as well as continued strong donor commitment leading to sectoral policy reform and strengthening of the EIA system; and permanent integration of environmental education into national curricula and continued presentation of environmental issues in the mass media. However, there is a significant risk of changed national priorities

Institutional threats: Moderately Likely

The continued functioning of AGEX during the ongoing one year period between EP2 and EP3 indicates that they are able to operate independently of Bank funding. The stability of the implementing agencies (ONE, ANGAP, ANAE) have been demonstrated during the project period which has seen 2 Presidents of the Republic, 2 UNDP Representatives, 2 WB Representatives, 2 USAID Directors, 3 Ministers in charge of Environment, 3 Ministers of Waters and Forests, and a succession of province Chiefs and of Mayors at the communal level. However, there is an inadequate capacity of line agencies for decentralized implementation and competition for staff with AGEX.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

No information on co-financing was found in the previous TER, therefore, the information comes from the TE.

According to the TE, at endorsement, EP2 projected costs were US$ 155.0 million. US$ 118.9 million was available from financing through the Bank and from donors' pledges, while US$ 31.0 million was to be financed by the government. This left a financing gap of US$ 5.1 million which was to be covered during EP2's implementation by additional donors.
The Bank financing for EP2 totaled the equivalent of Standard Drawing Rights (SDR) 35.2 million (equivalent to US$ 48.2 million in 1997 and 44.1 million in 2003). A multitude of other multilateral donors (EU, GEF through UNDP, UNDP), bilateral donors (the Dutch, France, Germany, Japan, USAID), and international NGOs (WWF, CI, WCS) had pledged a sum of US$ 77.1 million in 1996 towards the implementation of EP2.
At the time of the TE, the total cost of EP2 was only 85% of the anticipated cost. The Bank fully disbursed its committed funds. The government however disbursed 54% of its original pledges. The donor financing was 18% below the original pledges in 1996.
However, it is not possible to assess if the fact that actual financing was lower than expected financing, affected the project outcomes.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

According to the previous TER, the project was extended by one year because the government crisis of 2002 disrupted project implementation The crisis effectively brought EP2 implementation to a halt. While the crisis lasted only 6 months, some of its impacts, e.g., on decentralization or relationships with local communities, lasted significantly longer.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

No information was found in the previous TER. The TE was used to assess country ownership.

The 1st phase of the environmental program was developed with an important external input due to the lack of institutional capacity for dealing with environmental issues and programming; However, the EP II was prepared by national institutions and based on a country-driven participatory process. A project document was written with the support of 70 national and international experts representing all stakeholders and later submitted to national and provincial consultations. Interactions with donors took

place through the Orientation and monitoring committee (Comité d'Orientation et de Suivi, COS) and at the time of multi-donors missions.

The new Government that took office in July 2002 was committed to seriously addressing governance issues in the country and has moved forward in carrying out an action plan to improve governance and initiate institutional reforms. Implementation of the Action Plan has been monitored by the independent Forest Observatory, and progress reports show that conditions for better governance in the sector are gradually being put in place. Also, this new Government moved rapidly to approve the Code for Protected Areas in 2002 and to include its funding in the annual budget. In the context of the Decentralization Policy, the Government has established communes as base administrative entities, and requested them to elaborate development plans based on a participatory approach.

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 **M&E Design at entry**	Rating: **Moderately Unsatisfactory**

According to the previous TER, "technically the baseline indicators were comprehensive". The table of logframe indicators in the TE is complete and relevant, providing a strong foundation for the TE evaluation. The indicators after MTR focused on the most important results to measure.

However, EP2 did not have adequate interim benchmarks or performance measures that would allow periodic monitoring of its progress towards the achievement of targets and accomplishment of objectives. Both TE and ICR acknowledge the lack of clear M&E arrangements for continuous tracking, recording and interpreting indicators. The M&E operational system was ineffective and the indicators elaborate, complex, and difficult to measure – only 27 indicators survived the MTR, scaled back from 113 at appraisal from 1300 during EP1. Additionally, the indicators tended to measure the level of realization of the activities not intermediate outcomes linked to program objectives. Indicators were evaluating costs associated with environmental protection activities, not the synergy that should have resulted from the combined actions of the different components at the program. Finally, the systems to collect and evaluate data for estimating off-site benefits are yet to be developed.

Therefore the M&E design at entry is rated as Moderately Satisfactory.

6.2 **M&E Implementation**	Rating: **Moderately Unsatisfactory**

According to the previous TER, the refinement of the M&E system during implementation led to a more workable system that was functioning adequately by project end, and provides a strong foundation for EP3. The project followed up aggressively when regular supervision and QAG reviews identified significant implementation obstacles, and initiated a substantial restructuring and simplification of the project, its implementing arrangements, and M&E. However, EP2 failed to provide the management information needed for steering and supervising such a complex operation and the lack of an adequate monitoring and evaluation system led to long delays in determining progress, identifying problems and adapting accordingly. The adaptive management was only achieved at a strategic rather than operational level, responding to external review criticisms rather than the outputs of the project M&E system. In the absence of robust, easily measurable, and, in-demand indicators management could not adapt through EP2 operational mechanisms to better achieve project objectives. Finally, co-financing for the support to ONE and SAGE activities was planned in the initial budget, but actual amounts could not be accurately determined as donors manage themselves their contribution. There was insufficient monitoring of the evolution of the dynamics of the resources affected by project activities, and which could lead to dependence by populations using them.

Since the M&E tools used did not fully address the information needs of the project and resulted in significant information gaps for adaptive management, and much of the information that was generated, was not used for adaptive management, the M&E system is rated Moderately Unsatisfactory.

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 **Quality of Project Implementation**	Rating: **Satisfactory**

As stated in the TE, the overall IA performance is rated as Satisfactory.

The Bank's lending was unsatisfactory. Even though it had many strong aspects, the shortcomings of design, monitoring and evaluation, and, particularly, misstatement of project objectives caused difficulties during project implementation and rendered the overall lending performance marginal.

But the Bank's supervision was satisfactory. The Bank's overall handling of the project, particularly during the post-restructuring period, overcame the shortcoming of project design and brought strong

results. The Bank subjected EP2 to a Quality Enhancement Review (QER) when regular supervision and QAG reviews identified significant implementation obstacles. It aggressively followed up on recommendations of the QER and QAG and initiated a substantial restructuring and simplification of the project, its implementing arrangements, and its monitoring and evaluation system. It moved the project management from headquarters to the country office to facilitate closer contact with the client.

Therefore, despite the weak quality at entry, the Bank's strong supervision effort succeeded in turning around a problem project. According to the ICR, “the excellent supervision during the second half of the project is a best practice example of focusing on development impact during implementation and responding to core problems with relevance, timeliness and effectiveness”.

7.2 **Quality of Project Execution**	Rating: **Satisfactory**

There is no information on the quality of project execution in the previous TER. The information comes from the TE, and the ICR.

The quality of project execution is rated overall as Satisfactory.

The Executing Agency fully and adequately participated in EP2 preparation. The government made the necessary policy and financing commitments, and timely met the conditions for project effectiveness by carrying out the necessary studies and creating the new implementing agencies. At the same time, the government promoted the project with its unclearly stated objectives, overly complex design, poor monitoring and evaluation system and other shortcomings.

According to the ICR, the government execution performance was uneven; the weak aspects of government implementation performance included high turnover in the leadership positions; high turnover of technical staff in the environment sector; weakened commitment at the highest levels of the government during the first half of EP2; poor governance in the natural resource sectors, particularly forestry; and weak support of the policy reform in some sectors. On the other hand, the strong aspects of government implementation performance were the efforts to improve governance in the forestry sector by tightening controls on logging and biodiversity permits, canceling illegal or non-paying contracts, establishing a transparent oversight mechanism through the Forest Sector Observatory, and imposing a moratorium on the transportation and export of species listed under CITES.

The government also maintained continued commitment to decentralization of environmental management and the transfer of natural resource management to local communities. Finally, in 2003 the government issued a new Policy Letter on Environment, in which it confirmed its commitment to conservation of natural resources, reforestation through the HIPC initiatives and support for creating a biodiversity conservation trust fund.

The other executing agencies also had a satisfactory performance. The agencies management was effective, and they generally met or exceeded their performance targets. They operated in a decentralized manner and provided strong field support, which was crucial for successful implementation of community level activities. Their weak aspects were procurement and financial management which caused implementation delays before the financial management systems were harmonized; poor coordination of their activities in the field, especially between ANGAP and ANAE, uncoordinated performance reporting which made it difficult to provide a consolidated picture of EP2 progress as well as high staff turnover and overstaffing.

8. Assessment of Project Impacts

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

According to the previous TER, the overall objective of increasing the sustainable use of natural resources, including soil, forest cover and biodiversity in target areas, was substantially achieved. Institutions were strengthened at the central, regional and local levels through environmental management units.

The main environmental impacts of this project are stated below:

(1) catalyzed and strengthened the sustainable non-consumptive uses of biodiversity resources and demonstrated potential to generate new revenue while meeting global conservation objectives;
(2) increased the sustainable use of natural resources in target areas and reduced deforestation. Statistical analysis under the project established that the relationship between the parks effect and decreased deforestation was causal (ICR,pg10). The NASA satellite imagery and the decadal deforestation map constructed by Conservation International show that deforestation rate in protected areas is four times lower than outside the parks. An ongoing (at the time of the ICR) multivariate analysis of the data by UC Berkeley, Conservation International and the World Bank suggests that the relationship between the parks effect and decreased deforestation is causal, and cannot be explained just by the placement of parks in less accessible or agriculturally less attractive areas.;
(1) reduced degradation of sensitive ecosystems, which in turn decreased the rate of loss of biodiversity – the biodiversity index fell from 1.66% to a level of 0.62% during EP2) and decreased "tavy" (slash and burn cultivation) incidence by 72% (ICR, pg.11);

However, some of the intended impacts were not achieved. For example, few of the soil and water conservation mini-projects were within the protected areas. Site selection was guided by socioeconomic factors and poverty considerations with less attention to protected area criteria, and indicates that coordination between rural development and the project's environmental agencies was poor.

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The socio economic impacts are not described in details in any of the documents. There is no specific data on how the project impacted the human well-being.

According to the TE, the project has not invoked the cooperation of all stakeholders, particularly those at local and regional levels. The representative quality of some participatory structures lacks sufficient participation of women, and non-systematic and inadequate representation of the local populations.

On the other hand, the TE mentions that the project catalyzed and strengthened the sustainable non-consumptive uses of biodiversity resources and demonstrated potential to generate new revenue while meeting global conservation objectives.

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. "Capacities" include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. "Governance" refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

The project created awareness of government authorities, local communities, and civic society about environmental protection and biodiversity conservation. It changed target community approaches to environment and the use of natural resources, away from unsustainable practices towards those that achieved greater value from natural assets through new agricultural, handicraft and ecotourism activities. According to the previous TER, institutions were strengthened at the central, regional and local levels through environmental management units. Additionally, environmental programs appeared on national TV and radio, produced, information campaigns (e.g., against bush fires) contributed to public awareness and Madagascar was awarded a prize in 2000 on World Day for the Environment environmental messages were also disseminated through local media and cultural events.

The two ministries which previously oversaw different aspects of environmental management – the Ministry of the Environment and the Ministry of Water and Forest Resources have been merged into a single institution, enabling better coordination of their activities, and reinforcement of the network of regional and local offices.

b) Governance

This project had an important impact on governance, according to the previous TER. The project allowed for the preparation and implementation of 200 natural resource management transfer contracts between communities and the government. The management transfer and corresponding land tenure arrangements were implemented on 109,000 hectares. The EP2 project also contributed to better governance, illustrated by increases in fee collection from logging permits from 17% to 68%, and strengthened controls for endangered species exploitation.

There were also wide-ranging policy reforms in mining, fisheries, aquaculture, industrial sectors coastal zone management, national biodiversity management, national environmental education, environmental impact of road and infrastructure.

The project also allowed for strengthening of environmental management at various levels through capacity building and support to the regional environmental management offices.

Finally, the project provided support to the ratification of several environmental conventions including conventions on climate change, desertification and wetlands, and supported the ongoing process of adjusting the national legal texts accordingly.

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

According to the previous TER, the project established conditions for mainstreaming sustainable environmental and natural resources management at the national level. The EP2 project demonstrated positive replication potential for UNDP-GEF activities (decentralized environmental management, gazetted forest management, natural resources management transfer to local communities, and training of agents on NRM for extension of NRM sustainable technologies. All have been successful so far). However, on the other hand, the knowledge-intensive technologies did not lend themselves well for spontaneous replication, and while greater than planned, varied according to the type of activity, technology, and socio-economic conditions.

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

The following lessons were mentioned in the previous TER:

(1) both UNDP and WB had difficulties managing procurement for AGEX and the line ministries. This led to overuse of certain procurement methods, e.g., national shopping, and failure to capture anticipated savings from international bidding for large procurement packages for standard products, e.g., vehicles;
(2) Financial management and accounting systems, particularly during the first two years of EP2, were inadequate and mutually incompatible. This led to delays in payments to contractors, accumulation of significant arrears and disruptions of EP2 implementation;
(3) the generic communication defined by the Ministry and carried out by the ONE was not prioritized within the AGEX, which had their own specific priorities. As the budget allocated to it is insufficient, this component is not correctly valued despite establishment of a communication plan and adequate policy.
(4) results-based contracts simplify the management of multiple implementers and enhance their independent functioning as service providers;
(5) there was a lack of synergy between the ministries in charge of the environment and of fisheries, in the context of the EP II;
(6) the practice of tavy was cited to be one of the most important causes of deforestation, if not the most important. Thus research on this topic should have been one activity of EP2. A proposal for research on tavy at the instigation of ONE was not financed by EP2, which is thought to be an important omission;
(7) biodiversity conservation cannot be disassociated from tackling the issues of forest fires and savannah fires;
(8) although the market incentives for sustainable use of biodiversity are a strong reason for requesting management rights transfer, the absence of micro-projects is not a constraint to resource conservation. Communities also want rights to exclude migrants, protect forests on their territory or maintain watershed conditions that support downstream cultivation;

9.2 Briefly describe the recommendations given in the terminal evaluation.

The following recommendations were given in the previous TER:

(1) Management transfer to the private sector, with oversight by both the local authorities, should be considered as an alternative to community management, especially in the case of industrial afforestation. This would be most appropriate where it is not yet possible to provide adequate funding and capacity building to the local communities to ensure good implementation.

(2) More attention should be given to upgrading knowledge of biodiversity, enforcement of rules, and customs (including forestry service attached to ports of access), capacity building, and control.
(3) More emphasis on land-tenure security arrangements, improved and enforced tavy regulations, and better market to ensure adequate supplies of food stuffs at reasonable and predictable prices may be necessary to facilitate an increased adoption of sustainable conservation agriculture technologies.
(4) To ensure sustainability environmental projects must be complemented by field-level conservation measures with a provision of alternative livelihood opportunities.
(5) Before the end of EP II support, SAGE must complete a detailed business plan clearly clarifying its long term intervention niche based on its specific strengths and expertise, in order to assure its long term institutional sustainability.
(6) Environmental projects should coordinate their focus and interventions with other development projects. This is particularly important as environmental protection depends on improved natural resource management, better agricultural production and effective social development interventions.
(7) EP3 needs a capacity development component for SAGE, to ensure that the organization is able to fulfill its role or mandate, and is autonomous in pursuing its operations at the end of the project. SAGE was created without a clear vision of its role without a clear indication of the timeframe to reach its financial and operational autonomy. There is a need to diversify the funding base, and assure the continuation of current operations relying on SAGE expertise. A first step is a business plan.
(8) Local populations that benefit from natural resources management-rights transfers should be involved in the collection of simple statistics and data on the used or exploited resources.
(9) An evaluation of the participatory planning structures created under EP2, including the ones participating in EP3 should be within 2-3 years.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF EO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	Two evaluations were available (TE, and ICR) therefore, there was a very complete set of relevant outcomes and impacts, as well as a very complete assessment of the project achievements. However, some impacts such as Socio-economic impacts are not given with precise details and data.	**S**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	Even though there are two evaluations (TE and ICR), the reports are consistent, and there is no contradiction in the assessed outcomes. The ratings are substantiated.	**HS**

To what extent does the report properly assess project sustainability and/or project exit strategy?	The sustainability of the project is assessed properly in both reports. There was no exit strategy, because this project is the second phase of a 3 phase project, and EP3 is planned to follow.	**S**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons learned are very comprehensive and supported by adequate evidence.	**HS**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	Both reports include actual project costs per activity, and cofinancing information. However, some donors had to self-manage their contributions, and therefore, the actual cofinancing cannot be determined.	**S**
Assess the quality of the report's evaluation of project M&E systems:	The TE assessed the quality of the M&E system. Details are given and justification of the unsatisfactory ratings is also given. However, the ICR does not describe and analyze the M&E.	**S**
Overall TE Rating		**S**

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).