Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2018

# 1. Project Data

| Summary project data | | | |
|---|---|---|---|
| **GEF project ID** | | 2753 | |
| **GEF Agency project ID** | | GEF-FSP-5/LK | |
| **GEF Replenishment Phase** | | GEF-3 | |
| **Lead GEF Agency (include all for joint projects)** | | IFAD | |
| **Project name** | | Participatory Coastal Zone Restoration and Sustainable Management in the Eastern Province of post-tsunami Sri Lanka | |
| **Country/Countries** | | Sri Lanka | |
| **Region** | | Asia | |
| **Focal area** | | Multifocal (M, C, L) | |
| **Operational Program or Strategic Priorities/Objectives** | | LD - Operational Program on Sustainable Land Management<br>SPA- Strategic Priority Adaptation | |
| **Executing agencies involved** | | Ministry of Fisheries and Aquatic Resources, International Union for Conservation of Nature Sri Lanka | |
| **NGOs/CBOs involvement** | | Nilaveli Tourist Boat Services Cooperative Society; Manachchena women society; Kinniya Women Society - beneficiaries | |
| **Private sector involvement** | | None | |
| **CEO Endorsement (FSP) /Approval date (MSP)** | | 27 December 2007 | |
| **Effectiveness date / project start** | | 10 September 2009 | |
| **Expected date of project completion (at start)** | | 31 March 2016 | |
| **Actual date of project completion** | | 31 May 2017 | |
| **Project Financing** | | | |
| | | **At Endorsement (US $M)** | **At Completion (US $M)** |
| **Project Preparation Grant** | GEF funding | 0.35 | 0.35 |
| | Co-financing | 0.19 | 0.19 |
| **GEF Project Grant** | | 7.56 | 5.57 |
| **Co-financing** | IA own | 7.18 | 0 |
| | Government | 0.48 | 0.21 |
| | Other multi- /bi-laterals | | |
| | Private sector | | |
| | NGOs/CSOs | 0.095 | 0 |
| **Total GEF funding** | | 7.91 | 5.57 |
| **Total Co-financing** | | 7.76 | 0.21 |
| **Total project funding (GEF grant(s) + co-financing)** | | 15.67 | 5.78 |
| **Terminal evaluation/review information** | | | |
| **TE completion date** | | 2017 | |
| **Author of TE** | | UA | |
| **TER completion date** | | April 2017 | |
| **TER prepared by** | | Ritu Kanotra | |
| **TER peer review by (if GEF IEO review)** | | Cody Parker | |

## 2. Summary of Project Ratings

| Criteria | Final PIR | IA Terminal Evaluation | IA Evaluation Office Review | GEF IEO Review |
|---|---|---|---|---|
| **Project Outcomes** | S | MU | - | MS |
| **Sustainability of Outcomes** | | ML | - | ML |
| **M&E Design** | | MU | - | MU |
| **M&E Implementation** | | MU | - | MU |
| **Quality of Implementation** | | MS | - | MS |
| **Quality of Execution** | | NR | - | MS |
| **Quality of the Terminal Evaluation Report** | | - | - | S |

## 3. Project Objectives

3.1 Global Environmental Objectives of the project:

As per the Project Document (PD), the Global Environmental Objective of the project is that the tsunami-affected ecosystem in Sri Lanka is rehabilitated to provide full ecosystem services including adaptations against extreme climatic events (PD, Pg-8).

3.2 Development Objectives of the project:

As per the Project Document (PD), the project Development Objective includes that the restoration and sustainable management of globally important ecosystems affected by the tsunami is demonstrated for, and mainstreamed effectively into, the reconstruction process to support sustainable livelihoods and reduce vulnerability to climate change along the East Coast of Sri Lanka (PD, Pg-8). Interventions were designed to contribute to three complementary outcomes and the related outputs as below:

**Outcome 1: Best practices for effective restoration and sustainable management of key coastal ecosystems developed and demonstrated.** Specific outputs under this outcome include best practices developed and demonstrated for community-led restoration of globally important ecosystems; publication of best practices and policy guidelines on practical restoration and conservation management of globally important ecosystems; establishment of central information base at Coast Conservation Department as repository for all work on ecosystem restoration and coastal adaptation to climate change.

**Outcome 2: Effective ecosystem restoration and sustainable management are mainstreamed into post-tsunami reconstruction planning and implementation by relevant authorities and donors.** Outputs under this outcome include review and restructuring of policy framework to support the restoration and sustainable use of coastal natural resources; introduction of requirements to incorporate restoration of coastal ecosystems into central planning system for all tsunami-reconstruction projects; support the incorporation of coastal ecosystems restoration into the Eastern Province Planning System and Creation of an Ecosystem Restoration and Adaptation Unit (ERAU) within Coast Conservation Department to provide facilitation and supervision services to tsunami-reconstruction projects and demonstration of replication of ecosystem restoration and community based co- management of coastal ecosystems promoted by North Eastern Provincial Council.

**Outcome 3: Coastal communities empowered to manage local natural resources to enhance sustainable livelihoods. Learning, evaluation and adaptive management increased.** Outputs include

facilitation of enabling environment for community co-management of natural resources; promotion of mangroves and coastal lagoon co-management at Vakarai to improve local livelihoods and foster sustainable land management; promotion of co-management of sand resources at Panama/Pottuvil to improve local livelihoods and promotion of co-management of coral resources at Pigeon Island.

**Outcome 4: Learning, evaluation and adaptive management increased.** Project monitoring, evaluation, reporting and dissemination systems and structures established and operational; establishment of appropriate monitoring schemes at selected sites to assess progress and impact of restoration interventions, policy and planning changes and replication of best practices outside of the province.

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

No changes are reported in the TE.

## 4. GEF IEO 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** |
|---|---|

The TE took into consideration the limitations in the design of the project to assess the relevance of the project as **'moderately unsatisfactory'**. However, this TER assessed relevance based on whether the project outcomes were consistent with the focal area/operational program strategies of GEF and country priorities, and assigns the relevance of the project a **'satisfactory'** rating.

The project was fully consistent with the national vision and national priorities, policies and strategies to counter land degradation and promote sustainable land management, reduce coastal vulnerability to climate change, and protect biodiversity and coastal ecosystems. This issue assumed greater significance in the reconstruction process post tsunami. In particular, the GEF project responded to the major activities of the second revision of the Coastal Zone Management Plan (CZMP) at a critical time. It also fulfilled the requirements of several statements in the Government's National Environmental Policy "Caring for the Environment 2003-2007: Path to Sustainable Development", including restoration of damaged communities; the recognition of the economic value of environmental services to assure their sustainability to benefit people and strengthening the institutional capacity to ensure sound management and coordination. The project was also complementary to several large projects already being implemented in the North-East Province. In addition, the project aligned with Government priorities and actions towards conserving its flora and fauna under the Convention on Biodiversity as well as other international conventions such as National Action Plan under United Nations Convention

to Combat Desertification (UNCCD) and United Nations Framework Convention for Climate Change (UNFCCC) National Communications adopted in 2000.

The project's objectives were fully consistent with the GEF Focal Area Strategies, with its provisions for Sustainable Land Management and Adaptation to Climate Change. The project aimed at restoring and managing the affected ecosystems sustainably, reducing and arresting land degradation, as proposed under the Land Degradation Focal Area (LD FA) priority. The project also supported Strategic Objectives 1 ("An enabling environment will place SLM in the main stream of development policy and practice at regional, national and local levels") and 2 ("Mutual benefits for the global environment and local livelihoods through catalyzing SLM investments for large-scale impact").

| 4.2 **Effectiveness** | Rating: **Moderately Satisfactory** |
|---|---|

This TER concurs with the rating assigned to the effectiveness of the project as 'moderately satisfactory'. The project had mixed results in completing the planned activities and delivering the expected outputs. At the outcome level some of the achievements included: (i) policy framework for coastal zone and coastal resources management revised; (ii) establishment of Ecosystem Restoration and Adaptation Units (ERAUs) in the three districts to provide facilitation support for coastal restoration; (iii) strengthening of the district environment and law enforcement committees; (iv) community co-management of sand dunes, coral reef ecosystems and ecotourism, and (v) replication of best practices to six additional sites. However, the TE notes that the delay in start-up activities resulting from unforeseen and frequent institutional changes resulted in the project not being able to fully achieve its goals and objectives. Also, due to the delays in setting up Ecosystem Restoration and Adaptation Units (ERAU) at the district level and within Coast Conservation Department, its evolution as guiding institutional mechanism for promoting and supervising ecosystem restoration has been slow. Moreover, some of the project investments were designed and implemented as 'stand-alone' investments, without taking into consideration the interactions between various parts of coastal ecosystem.

**Outcome 1:** Best practices for effective restoration and sustainable management of key coastal ecosystems developed and demonstrated

This TER agrees with the rating assigned to the achievement of this outcome by the TE as 'moderately satisfactory'. The project was successful in completing the baseline studies for flora and fauna and formalization of lagoon boundary demarcation, with the establishment of district level co-governance lagoon management committees and fisher management committees were completed for Pottuvil, Komari, Vakarai and Panama lagoons and under various stages of progress in the other lagoons. This TE emphasizes the formalization of the above process in the remaining lagoons in a timely fashion as it could pose a risk to the management of an open access resource system in the long run. The project was successful in initiating alternative sources of income like eco-tourism and facilitated mangrove rehabilitation but the TE cautions that future investments need to be consistent with the lagoon management plans and also take into consideration the dynamic nature of changes in lagoon systems as plans are further refined and updated.

The project also supported the printing and distribution of a range of documents, leaflets, and videos pertaining to implemented intervention in all three languages. But delay in implementation and lack of sufficient time to generate effective lessons from lagoon and dune restoration was a constraint to the publication of best practices and policy guidelines. The TE cautions against regarding and documenting

outputs under the project as 'best practices' under ecosystem restoration in the absence of long term monitoring of their impacts. The project supported district level ERAUs that were to feed information to the national level and ensure that the ERAU at CCCRMD was able to have access to this on-the-ground information for informing policy formulation. Some of the initial lessons learned from the project were reportedly incorporated into the revised National Coastal Zone and Coastal Resources Management Plan (NCZCRMP), under review at the time of the TE and expected to be approved in 2017.

**Outcome 2:** Effective ecosystem restoration and sustainable management are mainstreamed into post-tsunami reconstruction planning and implementation by relevant authorities and donors

This TER agrees to the rating assigned to the achievement of this outcome by the TE as 'moderately unsatisfactory'. The project facilitated the revision of the National Coastal Zone and Coastal Resources Management Plan of the Coast Conservation Act (CCA) of 1981 expected to serve as the key document to mainstream ecosystem restoration and influence enabling policy. GEF funding was to be used to support the drafting of a Cabinet memorandum with the intent of ensuring that interventions for physical ecosystem restoration were incorporated into any tsunami reconstruction activity in the coastal zone. Since the GEF project was significantly delayed and the project became effective later, most of the tsunami-reconstruction and rehabilitation relating to fisheries livelihoods was nearly completed. As a consequence, the activities of this Output could not be fully incorporated into the fishery livelihood activities of reconstruction projects.

Various workshops organized through the project supported the coordination function of the District Environmental Law Enforcement Committees (DELEC), with membership of all district level institutions. The project also supported district level Ecosystem Restoration and Adaptation Units but as per the TE, '*their evolution as guiding institutional mechanisms has been slow',* and clear arrangements to ensure the flow of lessons/best practices between district ERAUs and a central repository to support policy development were also absent. The best practices developed at the demonstration sites under the project were replicated in six other sites in the East Coast, namely at Batticaloa lagoon, Upparu lagoon, Sambalthive lagoon, Irakkandy lagoon, Panama lagoon and Komari lagoon. However, the TE notes, 'the long-term potential for replication will depend on the extent to which provincial and district planning systems integrate coastal resources management into their individual planning and budgeting systems'.

**Outcome 3:** Empowerment of coastal communities for local natural resources management, enhancing sustainable livelihoods and adaptation to climate change vulnerabilities

This TER agrees with the rating assigned to the achievement of this outcome by the TE as 'moderately satisfactory'. According to the TE, efforts under this outcome resulted in engagement of local communities, including fisher management committees, to effectively restore mangroves, sand dunes and coral reefs. But the TE notes that most of these activities were implemented as "stand-alone" activities that in the long term would have limited and sustainable impacts on coastal systems, including potential for replication. For instance, the project effectively facilitated the amendment of the Coast Conservation Act and intended to strengthen participatory natural resources management and adaptation to climate change vulnerability approaches among local communities. But it's not clear if the communities had the legal right to the management of the commons. Similarly, the restoration of mangroves through replanting of *Avecennia marina* and *Rhizophora mucronata* carried out in few pre-identified locations of the lagoon in Vakarai Central and Panichchankerni GN Divisions were conducted with limited consideration of defining multiple use zoning to safeguard sensitive aquatic habitats based on the hydrology and hydraulics of the lagoon, thus leading to the uncertainty of the benefits of this effort.

The project supported the demarcation of 524 ha of sand dunes, 7.5 km of bio-fencing in Ampara and Batticaloa districts and established 160 ha coastal forests in the Ampara district for protecting of coastal sand dunes, preventing encroachments and protection of adjacent human settlements. This provided an effective mechanism to reduce impacts of climate events on the livelihoods and property of adjacent communities. But due to delays in start-up of activities, some of the activities in relation to conservation farming and sustainable agriculture were not fully utilized. The project also facilitated the preparation of a management plan for Pigeon Island based an extensive consultative process with various stakeholders. The TE mission noted the keen and enthusiastic participation of the Nilaveli Tourist and Boat Services Cooperative Society and their understanding of the intricate link between conservation and their livelihoods.

**Outcome 4:** Learning, evaluation and adaptive management increased in both tsunami restoration and climate change adaptation

This TER agrees with the rating assigned to the achievement of this outcome by the TE as 'moderately satisfactory'. The project produced a number of Knowledge Management (KM) products such as publications, case studies, awareness raising pamphlets and posters, videos and social media among others that, according to the TE, provided a good foundation to build upon. Similarly, the project also supported various trainings and awareness raising workshops with key project stakeholders. But, as the TE notes, the KM products were not '*adequately linked to the strategic objectives of ecosystem restoration and climate reduction to provide a vision for long-term spanning the next 30 years'*.

| 4.3 **Efficiency** | Rating: **Moderately Unsatisfactory** |
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This TER agrees with the rating assigned by the TE to the efficiency of the project as 'moderately unsatisfactory'. The project faced significant delays in startup, with a subsequent low rate of budget execution (below 50%) in the first five years of the seven-year project. The project also suffered from poor procurement planning and contracts management, which in combination with delays made a significant impact in completion of Pigeon Island Research and information Centre. Moreover, the co-financing identified at the design stage couldn't be realized fully, due to various reasons including the change of Lead Project Agency to Ministry of Defence and Urban Development from Ministry of Fisheries and Aquatic Resources at the early stage of project implementation and the late start of the project. Consequently, a major objective of the project, to mainstream coastal ecosystem restoration in tsunami infrastructure restoration, did not materialize. Therefore, the entire project was funded by the GEF and Government of Sri Lanka (GoSL). The TE also questions the cost-effectiveness of the project as the investments were made mainly on the stand-alone activities rather than adopting an integrated approach for the management of the inter-related resources, that could have made the project more cost-effective and sustainable.

| 4.4 **Sustainability** | Rating: **Moderately Likely** |
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This TER concurs with the rating assigned to the sustainability of the project as by the TE as 'moderately likely'. The project helped in strengthening inter-agency cooperation and coordination at all levels; the draft National Coastal Zone and Coastal Resources Management Plan (NCZCRMP) is expected to serve as the key document to mainstream ecosystem restoration and govern coastal habitat management and the revision of the Coast Conservation Act (CCA) for regulating and controlling land uses in declared Special Management Areas, and provide an enabling institutional and policy framework for sustaining project outcomes. However, given uncertainty related to financial support to some of the community projects as

well as the institutions supported through the project and the risk due to some external and unpredictable environmental factors, the likelihood of sustainability of the project is rated as 'moderately likely'. An assessment of the sustainability of the project along its four dimensions is detailed below:

**a. Financial Sustainability: Moderately Likely**

This TER agrees with the rating assigned to the financial sustainability of the project as 'moderately likely'. Since, the project made investments on the activities or infrastructure to supplement on-going government programmes, the financial risk after completion of the project is rated as minimal. Moreover, the TE notes that financial risk of community-based activities such as Revolving fund of the Tourist Boat Operators' Cooperative society at Pigeon Island and some of the Ecotourism projects, although supported in the final year of the project, is also relatively low as they are subject to audit and supervision by the Provincial Cooperative Department under the Co-operative Act. However, some of the community projects such as Boat Safari Centre Vakarai, safety building at Tennamaravady, and revolving funds established under the microfinance programme have a higher financial risk, unless these activities are regularly supervised and guided by relevant government authorities in the area.

**b. Socio-political risks: Moderately Likely**

This TER agrees with the rating assigned to the socio-political risk of the project as 'moderately likely'. The TE notes that at the time of the evaluation, commitments and support from the Government was uncertain due to strong development pressures post-war and the emphasis on infrastructure and housing improvements. Unless the development planners fully recognise the importance of ecological and socio-ecological dimension of the development in the coastal areas, there could be a shift in the socio-political commitment to the conservation of biodiversity in the coastal ecosystem in the future. Also, the primary stakeholders benefitting and/or being harmed by plan implementation failing to think about the larger picture in relation to coastal resources management, may pose a risk in the long run to the sustainability of the project outcomes.

**c. Institutional framework and governance: Moderately Likely**

This TER agrees with the rating assigned to the socio-political risk of the project as 'moderately likely'. The formal administrative structures involved in providing overall guidance and supervision to the project - the National Project Steering Committee (NPSC), Ministry of Mahaweli Development and Environment (MOMDE) along with District and community level project coordination committees, helped in strengthening inter-agency cooperation and coordination at all the levels, providing an enabling institutional environment in the long run. Also, the draft NCZCRMP and the Coast Conservation and Coastal Resources Management Act (CCCRMA) is expected to provide an adequate rule-based framework for managing the aquatic coastal commons. However, as highlighted by the TE, 'what is unclear is how the policy dimensions of the revised CCCRMA gets incorporated into national, provincial, district and local levels, especially sectorial planning', essential for the sustainability of the outputs at the ground level.

**d. Environmental risks – Moderately Unlikely**

This TER concurs with the rating assigned by the TE to this dimension of sustainability as 'moderately unlikely'. According to the TE, the project achievements face risk or could be altered due to long-term global and local climate changes and unpredictable fluctuations in extreme weather events. For instance, the interventions connected with coastal ecosystem restoration including lagoons, mangroves, sand dune and coral reef, are susceptible to external long-term climatic changes, extreme weather events, such as sea level rise, concentrated rainfall, coastal erosion, sand dune stability and sea-surface temperature rise. Some of the project interventions, such as afforestation, are likely to protect against risk of coastal erosion

and sand dune instability. But these measures alone may not be sufficient to safeguard against the environmental risks highlighted in the TE.

# 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?

As per the TE, the co-funding identified at the design stage was not fully realized except part of the agreed contribution of the Government of Sri Lanka (GoSL), due to various reasons including change of Lead Project Agency to Ministry of Defence and Urban Development from Ministry of Fisheries and Aquatic Resources at the early stage of project implementation and late start of the project. By the time the project picked up momentum in 2014, the IFAD funded Post-Tsunami Coastal Rehabilitation and Community Resources Management Project (PTCRRMP) had already been completed due to which its intended contribution at the design stage could not be matched fully. The TE notes that the entire project was funded by the GEF and GoSL, with limited contribution from the IFAD baseline project due to which a major objective of the project to mainstream coastal ecosystem restoration in tsunami infrastructure restoration did not materialize.

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?

The delay in start-up activities made some of the objectives and outputs less relevant, in particular because the original intent of the project was to mainstream restoration and management of coastal ecosystems into the tsunami reconstruction activities, and by the start-up of the project most of the post-tsunami reconstruction activities were either completed or nearing completion. Additionally, the transfer of the Coastal Conservation and Coastal Resources Management Project (CCCRMD) through three Ministries during the life of the project caused significant uncertainty and delays in project implementation as well. The long project preparatory process and substantial start up delays resulted in IFAD's loan (co-financing project) completing before the GEF project was fully operational. This resulted in an IFAD co-financing shortfall and not being realistically able to meet the intended goals and objectives of the GEF project.

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:

The project had a mixed level of support from the government. As per the TE, the national priorities that initially influenced the selection of the eastern Province as the project area continued to be relevant throughout the project implementation period. The national commitment towards project outcomes and objectives was evident in the revised Coast Conservation and Coastal Resource Management Act (CCRMA) that would serve as the key document to mainstream ecosystem restoration and govern coastal resources management. The draft operational framework of CCRMA - the National Coastal Zone and Coastal Resources Management Plan (NCZCRMP) (draft 2015), with its anticipated approval and finalization in future, provides an optimal starting point to define the 'institutional framework' for integrated coastal resources restoration and management. Also, the government supported the project

through co-financing. The project had good support from the district level staff. However, the key implementing agency for the project, the CCRMD was moved through three different ministries during the project implementation that caused substantial delays and interruption that impacted the full attainment of the project results.

## 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** |
|---|---|

This TER agrees with the rating assigned to the M&E design at entry as 'moderately unsatisfactory'. The project document included a logical framework matrix providing indicators for project implementation, along with their corresponding means of verification. The project design had a provision for monitoring and reporting at different stages, with assigned responsibilities and budget allocated for various activities. However, as the TE notes, some of the indicators defined in the framework were ambiguous (e.g. no further contradictory developments by end of Year 3) and based on measuring outputs (e.g. capacity building undertaken, restoration underway) rather than impacts or outcomes. In addition, the framework included a long list of indicators (over 50), with some difficult to measure (e.g. no net loss of globally threatened species, post-tsunami conditions of endemism maintained or enhanced) during the life span of the project.

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

This TER agrees with the rating assigned to the M&E design at entry as 'moderately unsatisfactory'. As per the TE, the data, information, findings and results obtained in the field were not analysed and consolidated systematically, which constrained the project's ability for adaptive management. In terms of staffing, all three district offices had M&E Assistants but the project suffered from lack of professional input at the level of PMU as it didn't have a full-time M&E officer until a consultant was hired for one year during the latter part of the project, which helped in finalising some of the knowledge management products developed through the project. But the project completed all the other standard reporting requirements such as the Quarterly Reports, Annual Project Reviews, and Project Implementation Reports. The TE mission also failed to access data on information in support of the expected impacts since baseline for some of the aspects like poverty reduction, improvement in sustainable fish catch, improvement in ecosystem restoration and services, etc., was missing. According to the information in the TE, the project utilised only 5% of the total allocation for the monitoring and evaluation, reflecting the low priority assigned to this function of the project.

## 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: **Moderately Satisfactory** |
|---|---|

This TER concurs with the rating assigned to the quality of project implementation as 'moderately satisfactory'. The project had a delayed start up (five years after the tsunami) but the project objectives, outcomes, outputs and indicators were not redefined to meet the changing dynamics. According to the TE, the IFAD could have taken a proactive role in addressing constraints resulting from the delay in project start-up and the rapid institutional changes that occurred during project implementation. Despite efforts at the mid-term to restructure the project, it didn't take into consideration the delayed start of the project and the lack of planned co-financing. Efforts were made by supervision missions subsequently to adjust and rectify shortcomings of the project, particularly related to achieving planned objectives and outcomes, but these efforts did not materialize due to the rapid institutional changes and the limited time to complete the project within an already delayed time-frame. According to the TE, 'supervision missions could have benefitted by better focussing on achievement of the overall objective of ecosystem restoration rather than on achievement of targets alone'.

| 7.2 **Quality of Project Execution** | Rating: **Moderately Satisfactory** |
|---|---|

The TE didn't assign a rating but based on the evidence in the TE, this TER assigns the 'quality of project execution' a rating of 'moderately satisfactory'. The key implementing agency for the project, the Coast Conservation and Coastal Resources Management Department was moved through three different ministries during the project implementation period. According to the TE, each transition period proved unsettling and involved re-education of new decision-makers that caused significant delays in the smooth execution of the project. Further to substantial delays, the project also had low rate of budget execution (below 50%) in the first five years of the seven-year project that reflected the poor status of budget monitoring and implementation. As per the TE, the project had poor procurement planning and contract management. But the TE also notes that the project had uninterrupted flow of funds from the Government and the co-financing from the GOSL was also realised. The project had good involvement from the district staff. Within a relatively short period (about 4 years) the district staff made substantial progress in building awareness and bringing together collaborative partnerships. District level project coordinating committees also strengthened inter-agency coordination and cooperation at the district level. The TE also takes positive note of the field visits conducted regularly by the PMU to respond to issues that arose and to guide corrective actions.

# 8. Assessment of Project Impacts

***Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.***

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.

Some of the environmental changes reported in the TE are as follows:

1. By the project end, 524 ha of sand dune were successfully restored/rehabilitated. Almost 100 ha of affected dunes where natural cover was depleted were provided protection against wind erosion by planting selected species (exotic and indigenous). Altogether, 537 ha of sand dune area were demarcated to prevent sand mining and encroachments into sand dunes. A heavily encroached and exploited sand dune in Manmalai was protected by construction of a barrier wall in 2015. This approach along with increased awareness and law enforcement has substantially reduced the human pressure on sand dunes.

2. Almost 4,226 ha (more than 2X surface area of lagoon system) of Panichankerny lagoon and mangroves were demarcated. The total surface area of lagoons of which boundaries were demarcated exceeded 1,000 ha. Boundary demarcation was a necessary first step given the high population densities reaching several thousand persons per square kilometre in the urbanized periphery of, for instance, the Batticaloa lagoon. However, as the TE notes, boundary demarcation by itself, even with boundary markers in place, is likely to be ineffective in preventing land capture and encroachment where economic and political power plans converge as regards segments of Batticaloa lagoon.

3. Nilaveli Tourist Boat Services Cooperative Society, one of the CBOs involved in the management of Pigeon Island National Park, took the lead in organizing beach clean-up and invasive *Acanthsterplanci* (Crown of Thorns) removal campaigns in the coral reefs of the Park.

4. Alternatives were introduced to minimize the use of firewood previously extracted from mangroves surrounding the lagoon. As per the TE, '*Survey undertaken by the district office in mid-2016 with households in seven GN Divisions revealed that fuel wood consumption in the area has reduced by almost 50% where a household on average used 2.73 kg of fuel wood per day prior to project implementation*'.

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 project introduced alternative livelihoods (through diversification) that were adopted and widely used by rural communities living in the project areas. It is understood that 2,600 rural households were direct beneficiaries of these livelihood enhancement practices and related development program benefits, including 300 rural households that participated in the three ecotourism pilot programs. The benefits to the communities involved in such activities include the following:

1. Livelihood enhancement through home gardening-food production – Women took lead in the home gardening projects because of the significance of the food security in the face of climate change.

2. Small business promotion- The small business activities included making and trading in garments, garden produce, beverage and other small consumer items. The TE confirmed that the personal

narrative during the mission reflected a high level of enthusiasm for the household consumption benefits from the intervention.

3. Eco-tourism – Members of the Fishermen's Cooperative Societies benefitted from eco-tourism. The project supported facilities such as passenger boats, floating jetties, interpretation materials, and training for tour operators to the ecotourism operations have been provided by the Project. The TE confirms that Kottukal and Urani ecotourism centres were functioning well at the time of the mission with the community members making substantial income from eco tours.

4. The project established a 'disaster shelter' in Thennamarawad to serve residents of the village seasonally exposed to flooding. The structure was built to serve as a temporary emergency shelter, which according to the TE, could serve as a case study for other exposed settlements along the East Coast.

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.

1. The TE reports that around 120 officers from government departments, mainly from Coast Conservation Department were trained on climate change impacts and possible adaptation measures. But as per the TE, there was no assessment of attitudinal changes following training. Hence, it's difficult to evaluate impact of training

2. The project had also undertaken various trainings and awareness raising workshops with key project stakeholders as well as outreach activities for youth through art and painting competitions. According to the TE, an outcome survey conducted in 2016 revealed that 88% of the respondents were aware of the activities in conservation and restoration of mangroves and key ecosystems in the project area.

3. The project provided training to the families of the Vakarai Special Management Area, Batticaloa District on the management of plants of economic value. According to the TE, 935 families participated who also reported an improvement in the survival rate of plants by 61.5% at the end of five years (since 2011. The TE notes that response of participants was highly positive since the produce was readily marketable and included high value fruits (coconut, guava, pomegranate, orange, papaya, mango and cashew).

4. As per the TE, the women got involved in enterprise in the Trincomalee District Special Management Area, where 284 households participated in training and production activities including handloom products, palmyrah products, packaged meals, goat rearing, and agriculture. The TE reports that the majority of micro-enterprises acquired stable returns, while the activity also generated social capital as well as trained persons for other small-scale industrial activities.

b) Governance

1. The project facilitated the revision of the National Coastal Zone and Coastal Resources Management Plan (NCZCRMP) of the Coast Conservation Act (CCA) of 1981, and within the framework of the amended and renamed Coast Conservation and Coastal Resources Management Act (CCCRMA) of 2011, the NCZCRMP is expected to serve as the key document to mainstream ecosystem restoration and govern coastal habitat management within the scope of the Special Management Areas (SMAs) and influence enabling policy.

2. Establishment of Ecosystem Restoration and Adaptation Units (ERAUs) in the three districts to provide facilitation support for coastal restoration.

3. Strengthening of the district environment and law enforcement committees- The project established three regional offices in Trincomalee, Batticaloa and Pottuvil, the three districts constituting the Eastern Province, headed by staff officer of the Coast Conservation and Coastal Resources Management Department (CCCRMD) well versed in its regulatory powers and with administrative linkages to District and Divisional Secretariats (DS). The regional officers established linkages with the District offices of line departments and regulatory agencies such as the Department of Fisheries & Aquatic Resources (DFAR), Forest Department (FD), Wildlife Conservation Department (DWLC), and the Central Environmental Authority (CEA) under whose jurisdiction planning and operationalization of project outputs and outcomes had to be maintained continuously following project termination in order to impart sustainability.

4. The project supported the development of a management plan to conserve and sustainably utilize the Pigeon Island Coral Reef Ecosystem with multiple stakeholder participation. The plan awaits legal ratification by the Department of Wildlife Conservation (DWLC). The project succeeded in involving CBOs in the management process and strengthened the capacity of DWLC to work with the community to manage Pigeon Island National Park and enforce rules and regulations.

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.

According to the TE, the project failed to take into consideration the historical perspective and took an ad hoc approach in restoration of lagoons. This was manifested in the rush to plant mangroves, even in unsuitable and unstable locations (where mangroves were historically absent) in the lagoon that resulted in the total washing away of the planted seedlings during flooding, and in some cases had unintended ecological consequences by restricting the water capacity of the lagoon (due to increased sedimentation from mangrove planting) and increasing flooding.

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 TE, some of the 'best practices' developed at the demonstration sites were replicated in different scales at six other sites in the East Coast namely Batticaloa lagoon, Upparu lagoon, Sambalthive lagoon, Irakkandy lagoon, Panama lagoon and Komari lagoon. However, there is no information in the TE about the specific kinds of 'best practices' replicated and adopted in these locations. Implementing strategies of Project's major interventions (Pigeon Island conservation and development, Vakarai lagoon conservation and development and sand dune in Pottuvil/Panama) were also documented and available for sharing. But some of the key components relating to replication and scaling up targeted under the project, didn't materialize due to delays. In particular, the establishment of the Ecosystem Restoration and Adaptation Unit (ERAU) at the national level, and ERAUs established at the three districts were initiated very late in the project to ascertain how effective these structures would be, and ensure its replication nationwide. As per the TE, the potential for replication and scaling up would be determined by the extent to which Coast Conservation and Coastal Resources Management Department (CCCRMD) made Ecosystem Restoration and Adaptation Units functional and used these as a means to promote sharing of best practices and experiences within the country.

# 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.

1. Any future approach to coastal resources management requires a profound understanding of the coherence among the diverse interventions that operate within coastal systems, without looking at the individual parts of the coastal ecosystem parts as "stand-alone" entities, as was the case with Participatory Coastal Zone Restoration and Sustainable Management in Eastern Province.

2. Joint and effective management of ecosystems and coastal resources require improved capacities in management of the competing forces that operate in these ecosystems that combines top-down approaches at management combined with bottom-up planning that seeks to meet the requirements of local fishermen and other dependents.

3. There is a general tendency worldwide to generalize from global manifestation of the coastal ecosystems to the country-specific peculiarities of these ecosystems. This can create problems in terms of designing coastal resources interventions that can inadvertently result in unintended and negative consequences.

4. Generating awareness amongst the public is key to promoting coastal resources conservation.

5. Coastal resources management is multi-dimensional and multi-sectoral, and requires each agency involved to have a clear basis for defining the type and level of information to be collected in collaborative management of coastal ecosystems.

6. Long delays between project design and effectiveness (as was the case with this project) necessitate undertaking a re-appraisal of the original design of the project to validate if the original design is still relevant on account of the changing scenario.

7. To the extent feasible it would be useful in the future to ensure that GEF and other global projects are linked to IFAD-supported operations to ensure synergy and support mainstreaming of environmental outcomes into IFAD-funded operations.

9.2 Briefly describe the recommendations given in the terminal evaluation.

Key recommendations from the TE include:

1. It is important that design of future country specific projects avoid generalizations from other country settings that are alien to the geomorphology, structure and functioning of Sri Lanka's ecosystems since the spatial scales and climate/weather/hydrological dynamics are peculiar to a country's drivers and variables determining ecosystem change.

2. Community participation should be embedded in a more formal and recognized participatory planning process that clearly lays out guidelines for community mobilization and engagement, local level planning and implementation processes, and effective valuation and monitoring of project achievement, including a means for ensuring feedback and grievance redressal.

3. Monitoring framework for the similar projects should be designed to assess capacity and technical support required to undertake the monitoring, define monitoring intervals for each of the indicators, assign institutional responsibilities for monitoring impacts, define requirements for independent verification and evaluation, and processes for feedback and adjustment of monitoring systems.

4. Coastal resources management requires multi-sectoral and multi-stakeholder arrangements at all levels including at national, provincial, district, sub-district and local levels so that the cross sector nature of coastal resources management is recognized.

## 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 IEO 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? | The TE report is analytical and well written with detailed assessment of the outcomes and achievement of the objectives | **S** |
| To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated? | The TE touched upon the issues related to quality of execution under various sections, but this aspect was not analyzed and rated separately. Although the evaluation was built on complete evidence and was consistent throughout, the effectiveness section could have benefitted from a quantitative assessment of the targets achieved. The evidence related to 'effectiveness' was spread out throughout the report under various related sections that could all have been covered under one section comprehensively. | **MS** |
| To what extent does the report properly assess project sustainability and/or project exit strategy? | The TE assesses various aspects of project sustainability in sufficient detail. | **S** |
| To what extent are the lessons learned supported by the evidence presented and are they comprehensive? | Lessons learned are supported by the evidence in the main body of the report | **S** |
| Does the report include the actual project costs (total and per activity) and actual co-financing used? | Yes | **S** |
| Assess the quality of the report's evaluation of project M&E systems: | The TE assesses the quality of the M&E systems in sufficient detail. | **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).

No additional information was used for the preparation of this TER.