

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: 22129

IMPLEMENTATION COMPLETION REPORT
(TF-28670)

ON A

TRUST FUND

IN THE AMOUNT OF SDR 2.9 MILLION (US\$4.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF UGANDA

FOR A

BWINDI IMPENETRABLE NATIONAL PARK AND MGAHINGA GORILLA

NATIONAL PARK CONSERVATION PROJECT

JUNE 28, 2001

Environment and Social Development Unit
Africa Regional Office

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS
(Exchange Rate Effective June 4, 2001)

Currency Unit = Uganda Shillings
USh. 1 = US\$ 0.0006
US\$ 1 = USh. 1780

FISCAL YEAR
July 1 June 30

ABBREVIATIONS AND ACRONYMS

BINP	Bwindi Impenetrable National Park
DGIS	Royal Netherlands Government
EMP	Ecological Monitoring Program
GEF	Global Environment Facility
GOU	Government of Uganda
ITFC	Institute of Tropical Forest Conservation
LCSC	Local Community Steering Committee
MAM	Mercury Asset Management
MBIFCT	Mgahinga Bwindi Impenetrable Forest Conservation Trust
MGNP	Mgahinga Gorilla National Park
MTR	Mid-Term Review
NEAP	National Environment Action Plan
NGO	Non-Government Organization
PAMSU	Protected Areas Management and Sustainable Use Project
QAG	Quality Assurance Group
TAC	Technical Advisory Committee
TAU	Trust Administration Unit
TMB	Trust Management Board
UWA	Uganda Wildlife Authority

Vice President:	Callisto E. Madavo
Country Director:	James W. Adams
Sector Manager:	Roger C. Sullivan
Team Leader:	Nathalie W. Johnson

FOR OFFICIAL USE ONLY

CONTENTS

	Page No.
1. Project Data	1
2. Principal Performance Ratings	1
3. Assessment of Development Objective and Design, and of Quality at Entry	1
4. Achievement of Objective and Outputs	2
5. Major Factors Affecting Implementation and Outcome	6
6. Sustainability	8
7. Bank and Borrower Performance	8
8. Lessons Learned	10
9. Partner Comments	10
10. Additional Information	12
Annex 1. Key Performance Indicators/Log Frame Matrix	14
Annex 2. Project Costs and Financing	15
Annex 3. Economic Costs and Benefits	16
Annex 4. Bank Inputs	17
Annex 5. Ratings for Achievement of Objectives/Outputs of Components	18
Annex 6. Ratings of Bank and Borrower Performance	19
Annex 7. List of Supporting Documents	20

MAP

IBRD 25291R

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

<i>Project ID:</i> P002893	<i>Project Name:</i> Bwindi Forest & Mgahinga Gorilla NP Cons
<i>Team Leader:</i> Nathalie Weier Johnson	<i>TL Unit:</i> AFTES
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> June 28, 2001

1. Project Data

Name: Bwindi Forest & Mgahinga Gorilla NP Cons *L/C/TF Number:* TF-28670
Country/Department: UGANDA *Region:* Africa Regional Office
Sector/subsector: AY - Other Agriculture

KEY DATES

	<i>Original</i>	<i>Revised/Actual</i>
<i>PCD:</i> 07/15/93	<i>Effective:</i> 07/12/95	07/12/95
<i>Appraisal:</i> 09/20/93	<i>MTR:</i> 05/18/98	05/18/98
<i>Approval:</i> 01/24/95	<i>Closing:</i> 12/31/99	12/31/2000

Borrower/Implementing Agency: GOVT. OF UGANDA/TBD
Other Partners: USAID

STAFF	Current	At Appraisal
<i>Vice President:</i>	Callisto E. Madavo	Edward V.K. Jaycox
<i>Country Manager:</i>	James W. Adams	Francis X. Colaco
<i>Sector Manager:</i>	Roger C. Sullivan	Sushma Ganguly
<i>Team Leader at ICR:</i>	Nathalie W. Johnson	Agnes I. Kiss
<i>ICR Primary Author:</i>	Nathalie W. Johnson; Karen Richardson	

2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

Outcome: HS

Sustainability: HL

Institutional Development Impact: H

Bank Performance: HS

Borrower Performance: HS

	QAG (if available)	ICR
<i>Quality at Entry:</i>		HS
<i>Project at Risk at Any Time:</i>	No	

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 Original Objective:

The objective of the Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Project was to establish a long-term conservation finance mechanism to support biodiversity conservation in the Bwindi Impenetrable National Park (BINP) and Mgahinga Gorilla National Park (MGNP).

3.2 Revised Objective:

The project objectives were not revised.

3.3 Original Components:

The project established a trust fund, the Mgahinga Bwindi Impenetrable Forest Conservation Trust (MBIFCT), as a long-term financing mechanism for biodiversity conservation activities in BINP and MGNP. The annual proceeds of the trust fund, interest earned on the trust capital net of administration costs, were allocated to three categories of activities: (i) community development activities (60%); (ii) research activities (20%); (iii) incremental support to park management activities (20%).

The project's four main components were:

1. **Institutional Structure and Function of the Trust** - to establish a multi-tiered management structure to support the implementation of the Trusts activities. The structure consists of a Trust Management Board (TMB), a Trust Administration Unit (TAU), a Local Community Steering Committee (LCSC) and a Technical Advisory Committee (TAC).
2. **Community Development Activities** - to support community development activities, such as alternative income-generating activities and social infrastructure projects for local communities surrounding the parks, consistent with biodiversity conservation.
3. **Research Activities** - to support research activities to improve park management and park/community interactions through research on ecological and socio-economic indicators, ecosystem quality and forest resources.
4. **Park Management Activities** - to help meet the incremental costs of implementing management plans for BINP and MGNP.

3.4 Revised Components:

The components were reviewed at the Mid-Term Review. No revisions were recommended.

3.5 Quality at Entry:

The performance rating for quality at entry was Highly Satisfactory (HS). The project design was based on: (a) the establishment of the MBIFCT, Trust Deed, Trust Administration Manual and by-laws prior to the completion of the project design, (b) collaborative and complementary activities with projects funded by other donors and NGOs; (c) flexibility in the structure of the trust fund to either maintain the capital in perpetuity or draw the capital down over several decades as a "sinking fund"; and (d) a multi-tiered management structure, with a strong emphasis on local participation. The main risks associated with the project were either outside the project's control or well anticipated. A QAG was not carried out at the time of project preparation.

4. Achievement of Objective and Outputs

4.1 Outcome/achievement of objective:

Achievement of Objectives is rated Highly Satisfactory (HS). The project achieved its objectives and surpassed initial expectations. The project was successful in establishing the MBIFCT which has supported biodiversity conservation in Bwindi Impenetrable National Park and Mgahinga Gorilla National Park. The project was instrumental in facilitating the long-term protection of the BINP and MGNP by providing a sustainable funding source for: (i) community development projects in the three administrative

districts around the parks; (ii) core funding to the Uganda Wildlife Authority (UWA) for management activities within the parks; and (iii) funding for applied scientific research, ecological monitoring and socio-economic studies to complement existing government, academic, NGO and privately funded research. In addition, the MBIFCT was successful in attracting additional funds from USAID (\$880,700) for the period of 1995-1997 and the Netherlands Government (DGIS) (\$2.7 million) for the period from 1997-2002.

The project was able to recruit and maintain suitably qualified staff and consultants for the Trust Management Board (TMB), Trust Administration Unit (TAU), Local Community Steering Committee (LCSC) and a Technical Advisory Committee (TAC). Co-financing from USAID (1995-1997) and DGIS (1997-2002) financed the establishment of the TAU and recurrent cost expenditures of the TAU. Appropriate policies and procedures to comply with the MBIFCT Trust Deed and by-laws were put in place from the outset and were documented in a Trust Administration Manual. Technical assistance was sought from high quality consultants to assist in the implementation and operationalization of the trust activities.

Since the MBIFCT was the first conservation trust fund of its kind in Africa, the steep learning curve meant that the TMB and TAU sometimes lagged in their compliance with target dates, however this improved as staff gained experience. A strategic planning process was undertaken following the Mid-Term Review (MTR) of May 1998, and this helped clarify the role and responsibilities of each of the management structures. By achieving its objectives, the project played a significant role in modifying the global perspective of conservation trust funds.

4.2 Outputs by components:

The project's different components yielded the following outputs:

Management Structure

The institutional structure and function of the various bodies which make up the MBIFCT were developed as part of the preparation for the project. The project provided the initial capital fund and was responsible for the establishment of the management structure. The TMB, TAU, LCSC and TAC were all established as scheduled. The Trust Management Board's legal and fiduciary responsibilities were set out in the Trust Deed and by-laws. The membership of the trustees of the TMB was filled as required and all founding members of the TMB had specific experience or interest in conservation. The initial term of two years for each member was extended to three years after the MTR. Frequent meetings and good communication with the Bank and other donors countered the possible problems arising from the high member turnover. After the MTR, the TMB adopted a 5-year plan and began to address some of the recommendations made by the MTR, including shortfalls in procedures, transfer of income to capital and strategic planning.

The TMB contracted an asset manager, Mercury Asset Management (MAM) to manage the capital overseas on behalf of the MBIFCT. MAM reported quarterly to the MBIFCT trustees and reviewed and refined its investment strategy based on the recommendations of the TMB. Due to the depreciation of the Ugandan Shilling against the dollar and strong investment results, capital investment grew and MAM outperformed initial benchmark figures, with an average nominal return for three years of 13.6%.

The Trust Administration Unit managed the daily activities of the MBIFCT. An internationally recruited Trust Administrator was recruited for the first two years and was retained as an advisor in PY3. The TAU was effective in providing support to the TMB and LCSC and seeking technical input from the TAC, however it endured many staffing difficulties. Prior to the MTR, the TAU was understaffed and salaries

were below national averages. This was corrected after the MTR by an increase in wages, the addition of another community programs officer, the retention of an advisor, more support staff and a renewed willingness to work with collaborative partners (CARE/Development Through Conservation project and International Gorilla Conservation Project) on common goals. A well qualified deputy trust administrator was recruited before the MTR, and in PY3 assumed the role of trust administrator.

The Local Community Steering Committee had a diverse membership with members from the three administrative districts adjoining the parks, as well as park wardens, representatives from collaborative partners (CARE/DTC and IGCP) and ITFC. By project's end the representation of women and Batwa on the LCSC had greatly improved, however, the attendance and participation of the Batwa remains a challenge. Guidelines for the LCSC induction and training procedures for new members were developed and adopted into practice. The division of power in approving community development grants between the TMB (grants >\$1,000) and LCSC (grant <\$1,000) allowed for a decentralization of the decision-making process and improved community input. The representation of the LCSC by its three voting members on the TMB was effective and promoted good communication and liaison within the project.

The Technical Advisory Committee was established to review community development activities and applied research activities. It was comprised of academics, lawyers, government officials and other experts with a diverse range of expertise. It met biannually to review the research proposals within the research and park management components and larger scale community development projects. The TAC provided critical feedback on many activities.

The multi-tiered management structure was very effective in involving local stakeholders and representing the views of the Government, NGOs and participating donors. Although the initial administrative costs of the TAU were greater than expected, co-financing by USAID and DGIS for the initial five years for the TAU helped establish a well functioning MBIFCT management structure with sound internal regulations and rules.

Community Development Activities

This component aimed at providing small grants to community groups in the areas surrounding the parks for income-generating projects to replace revenues lost when access to forest resources in the parks were restricted and projects consistent with biodiversity conservation. The first round of grants in 1996 followed the selection criteria defined in the Trust Administration Manual and was characterized by: (i) a tremendous number of applications (4,700 applications for 50 grants); (ii) a focus on social infrastructure (schools, clinics) rather than income generating activities or projects with a clear conservation goal; and (iii) a lack of matching funds from the community. The MBIFCT responded by: (i) establishing clearer selection criteria and preliminary screening of projects by the LCSC in collaboration with the TAU and collaborative partners (CARE/DTC and ICGP); (ii) agreeing to fund some social welfare projects that demonstrated value for the 'common good', while emphasizing that these projects could still integrate conservation values (e.g. tree planting around all schools and clinics, wildlife clubs at schools, etc); and (iii) modifying the matching contribution of groups to either in-kind contributions of labor or provision of local materials. The first grant cycle (identification to completion) lasted 4 years (1996-2000) and resulted in the completion of 43 of 50 grants. The MBIFCT decided to retain a phased granting cycle for future grants, aiming to reduce the interval between rounds to 3 years. In addition, the MBIFCT took several proactive steps to improve this component including: (i) delegating the approval of small grants to the LCSC, the structure most closely linked with local communities; (ii) hiring a third community programs officer to assist with project identification and supervision; and (iii) hiring engineers to supervise the construction of buildings.

Although the organization and capacity of the communities was less developed than expected, community groups put forth innovative and realistic projects that reflected the aspirations of the community. By project end, it was agreed that a two-tiered approach of both social infrastructure projects and income generating projects would be adopted in future rounds. This approach engaged the community and provided greater transparency on how MBIFCT funds were used for community development. Through interviews during supervision missions and attitude surveys done by other conservation NGOs in the area there was good evidence to suggest that the community development activities had a positive impact on the community members' attitude towards the conservation of the parks, although more work was needed to raise public awareness and integrate conservation values.

Research Activities

This component aimed at complementing existing and on-going scientific research with studies to improve knowledge on the sustainable use of biodiversity in the park, habitat quality, socio-economic studies and baseline monitoring and evaluation. Prior to the MTR, five small-scale research studies for students were approved by the TMB. These studies were biologically focused and were designed by the Institute of Tropical Forest Conservation (ITFC). After the MTR and in collaboration with the DGIS support to ITFC, research activities were fully integrated into the overall Ecological Monitoring Program (EMP) of the ITFC, which focused on a broader range of disciplines. The EMP utilized indigenous knowledge through engaging local community members as research partners. In collaboration with CARE/DTC and UWA, the EMP set up pilot multiple zone areas in the parks to increase the access of indigenous communities to certain forest resources.

Park Management Activities

This component aimed at providing funds to the Uganda Wildlife Authority (UWA) to help meet the incremental costs of implementing management plans. It was anticipated that the project's contribution would be for specific management needs such as improved boundary demarcation, expanded patrols, etc. The 1996 financial and managerial crisis at the UWA, combined with the serious security problem in Uganda and the region, have hindered the revenue generation at all the Protected Areas in Uganda, and have limited funding for core recurrent cost items. Funding for basic equipment was sought from the MBIFCT and it was agreed that until UWA was in a position to finance basic operating costs, the project would meet the required cost. The crisis at UWA severely delayed the implementation of management plans for the parks and strained existing park patrols and public awareness. At the MTR, a review of the selection criteria and modalities for funding from the MBIFCT to the UWA was conducted and recommendations were made.

4.3 Net Present Value/Economic rate of return:
N/A

4.4 Financial rate of return:
N/A

4.5 Institutional development impact:
The institutional development impact is rated Highly Satisfactory (HS). The project resulted in an innovative institutional arrangement for the management of the MBIFCT that was highly participatory in nature. The project's main governing body, the Trust Management Board (TMB), was composed of representatives from government, local communities, national and international NGOs, donors, and private

sector agencies. This allowed for wide stakeholder participation and cross-sectorial ownership of the project. The TMB delegated daily responsibilities to the Trust Administration Unit (TAU), which in turn sought local community input from the Local Community Steering Committee (LCSC) and technical review from the Technical Advisory Committee (TAC). The emphasis of the project on the synergy between community development and biodiversity conservation required effective institutional arrangements at the local level between communities and park management, which was achieved by the LCSC, and at the oversight level, which was achieved by the diverse membership of the TMB. Both the TAU and TAC, to a lesser degree, facilitated the roles of the LCSC and TMB by providing administrative and technical support.

The Trust Management Board met 21 times and fulfilled its role as the management board for the trust during the project. The strict Trust Deed and by-laws of the MBIFCT ensure the TMB's role after project completion and help protect the MBIFCT from political interference and financial mismanagement. The TAU was responsible for monitoring the project's implementation, preparing terms of reference for consultants, procuring goods, and attending to the daily management of the project. The scope of work of the TAU was underestimated at project design. This was partially due to the expectation that some of the collaborative partners (CARE/DTC and IGCP) would assist more with the identification, preparation and implementation of micro-projects. The input of the collaborative partners fell short due to their own capacity constraints. The MTR recommended that additional staff, including an additional community program officer, be hired and the contract of the internationally recruited advisor be extended to meet the demands of the TAU. Following the MTR, the TMB decided to hire a Program Manager instead of an additional Community Project Officer. This was because members felt that a Program Manager could assist with Management and or/ Administration as well as overseeing and standing in for a Community Project Officer whenever the need arises. This was felt to be adequate especially given that a Batwa Project Officer was also hired to deal with the specific Batwa component. These recommendations were carried out and created capacity to manage the workload of the TAU. The Local Community Steering Committee met regularly. The LCSC was the most mature of the project's institutional arrangements and this was reflected in the LCSC's ability to: (i) modify its procedures when necessary, especially with regards to the solicitation of new grant proposals; (ii) adopt a phased approach to providing new grants to communities; and (iii) recruit new members with diverse expertise, including women and members of the Batwa community. The Technical Advisory Committee met 6 times throughout the project. The diverse technical expertise of the TAC was underused, as the majority of sub-projects funded by the project were too small in size to warrant extensive technical review. Efforts to improve the input of the TAC suggested during the MTR, including ad hoc subcommittees to review specific proposals, improved the impact of the TAC.

Overall, the institutional arrangement was highly participatory in nature. The cross-sectoral composition and balance between private and government parties ensures its sustainability after the closure of the project and for the duration of the MBIFCT.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

There were seven main factors outside the Government's or implementing agencies control that affected implementation and may influence the long-term outcome of the MBIFCT: (i) rate of return on capital investment - initially the rate of return was higher than expected which allowed more income to be re-invested, however the long-term average is dependent upon factors outside the control of the GOU/MBIFCT; (ii) the inaccessibility of communities around the parks due to rugged terrain and poor communication - this made the solicitation, disbursement, and supervision of grants more of a challenge;

(iii) performance of collaborative partners (CARE/DTC, IGCP) due to capacity constraints - this slowed down the identification and implementation of income generating activities for communities; (iv) perpetual lack of matching funds at the community level - the demand for which was drastically reduced after the MTR; (v) political insecurities in the country - local insecurities may hamper tourism and donor investment; (vi) poorly developed markets and capital infrastructure limited the project options with respect to income generating projects; and (vii) the communities strong desire for projects to address community benefits rather than providing resources for individuals limited the scope and types of activities in the grants program. Some of these factors were identified at project design and the project was diligent in trying to mitigate any negative impacts generated by these factors.

5.2 Factors generally subject to government control:

The Government established the MBIFCT in a timely manner on March 2, 1994, one year prior to the signing of the grant agreement (March 7, 1995). The Government and Trustees established the TMB, TAU, TAC and LCSC as prescribed by the Trust Deed and by-laws. The GOU actively participated on the MBIFCT Board of Trustees and helped to attract other donors.

5.3 Factors generally subject to implementing agency control:

The factors affecting project implementation and outcome that were subject to implementing agency can be divided into those factors related to the Trust Management Board and those related to the Trust Administration Unit. The factors subject to the TMB's control were minor in nature and included: (i) delays in implementing some of the Trust Deed procedures and by-laws such as performance appraisals, financial projections and the annual audit; and (ii) delays in establishing and using sub-committees within the TMB to divide the Board's responsibilities. Those factors subject to the TAU control included: (i) high turnover in staff; (ii) initial delays in identifying, preparing and supervising community development activities due to a shortfall of community programs officers, remedied by the addition of a third officer after the MTR; and (iii) lack of formal Memorandums of Understanding with collaborative partners (CARE/DTC and IGCP), which hampered certain collaborative efforts due to misunderstandings.

5.4 Costs and financing:

The amount of the grant (SDR 2.9 million) to the MBIFCT was supplemented by the addition of \$880,700 from USAID for the period of 1995-1997 and \$2.7 million from the Netherlands Government (DGIS) for the period of 1997-2002. The detailed costs and financing tables of the project are presented in Annex 2. These costs and financing reflect only the GEF financing and do not include the financing of USAID and DGIS. The financing does also not include gains in capital from the investments of the MBIFCT.

Disbursement of funds to community development projects was slow due to: (i) the overwhelming number of project proposals received (4,700) in the initial round set at 50 projects; (ii) counterpart funding from the local communities, set at a minimum of 25% initially, which was not available in most instances - this requirement was reduced after the MTR and improved disbursement rates; and (iii) the insufficient number of community program officers to appraise and supervise projects.

Upon project closure, the Trustees of the MBIFCT were encouraged to continue to seek the assistance of a professional fundraiser to ensure the continuance of the trust beyond another 20 years. It was estimated that after the DGIS co-financing expired a further three to four years of funds for current expenditure was needed to assure that the MBIFCT had sufficient funds to meet the needs of the trust's activities in perpetuity.

6. Sustainability

6.1 Rationale for sustainability rating:

Sustainability is rated as High (H). Based on conservative estimates, the MBIFCT will either continue to have at its disposal approximately \$800,000 to support its conservation program in perpetuity, or in the worst-case scenario, that same amount, for the next 20 years. The GEF grant has helped to demonstrate the feasibility of a conservation trust fund in Africa and has provided long-term sustainable support to Bwindi Impenetrable and Mgahinga Gorilla national parks. The MBIFCT used the GEF funds as leverage to secure other donors for the trust (USAID and DGIS). The high performance and success of MBIFCT will hopefully attract more donors. The community development activities component has increased awareness of the project and efforts to conserve the parks. By meeting some of the local community's needs, the project has positively changed the behavior and attitude of local community, which has contributed towards decreasing the risk of illegal activities being carried out in the parks. However, there is a risk that some of the social infrastructure projects (schools, clinics) will suffer if they are solely reliant on GOU support. The co-financing by USAID (1995-1997) and Netherlands Government (DGIS) (1997-2002) to cover the operational costs of the TAU for the first 7 years and other specific activities (Batwa pygmy program and ecological monitoring), allowed the investment income to be reinvested into the trust, which built up the trust assets considerable.

6.2 Transition arrangement to regular operations:

If the MBIFCT is maintained in perpetuity, the Trust Deed allows for the review of institutional arrangements by the TMB to allow for changes in Government structure and stakeholder participation. If the capital is used as a sinking fund, the TMB will have a long lead-time to assure a smooth transition of operations. The long-term nature of the TMB allows for greater staff continuity and potentially better relationships with project stakeholders. The first five-year strategic plan of the TMB embraced establishing best practices and yearly benchmarks. In addition, conservation activities identified by the TMB as being important to the integrity of the parks, but outside the scope of the MBIFCT's mandate, will be considered by the Protected Areas Management and Sustainable Use Project (PAMSU) currently funded by the Bank.

7. Bank and Borrower Performance

Bank

7.1 Lending:

The performance of the Bank is rated Highly Satisfactory (HS). Project preparation was extensive as this was the first conservation trust of its kind in Africa. Project preparation encompassed not only the implementation phase of the Bank support but also on defining and establishing the mechanisms and procedures for the operations of the trust in perpetuity. The detailed institutional structure, the Trust Deed, the by-laws, and the comprehensive Trust Administration Manual were all developed during project preparation. The design and implementation modalities for the financial mechanism also has to be established during project preparation including the identification of the asset manager and the investment strategy for the Trust.

7.2 Supervision:

The performance of the Bank is rated Highly Satisfactory (HS). Ten official supervision missions took place, in addition to many informal supervision visits and meetings which took place opportunistically in conjunction with the supervision of associated projects. The closing date of the project was extended by one year as it was felt that the long-term nature of the Trust fund type project would benefit from an

additional year of Bank supervision. The Mid-Term Review was carried out in 18-29 May, 1998. The MTR did not propose any revisions to the project design; rather it reviewed compliance with the Trust Deed and various by-laws in the trust and proposed ways to assist the TAU and TMB in meeting shortfalls. The final supervision mission of June 2000 noted the great success of the project and the continuation of the trust fund after the project. Due to the long-term nature of the project objectives and design, an extension of the closing date of the project was sought to allow for supervision for an additional year.

7.3 Overall Bank performance:

Overall Bank performance is rated Highly Satisfactory (HS). The Bank was very proactive in the project inception and paid close attention to the establishment of the trust fund and subsequent project due to the complex nature of the fund. There was continuity in support as the same task team was maintained from project inception to project completion. The Bank demonstrated flexibility in allowing for the disbursement of funds to more community-oriented projects (schools, health clinics) and core recurrent costs of UWA. Most importantly, the Bank assisted the MBIFCT by helping to attract more donors (USAID and DGIS) to the fund and by advising the TMB on future strategies for capital and income generation and expenditures.

Borrower

7.4 Preparation:

At preparation, the recipient's performance was Highly Satisfactory (HS). Uganda was keen to participate in the newly created Global Environment Facility. It had recently completed a National Environment Action Plan (NEAP - February 1994) and the proposed project was consisted with three of the five priority actions defined in the NEAP. Uganda was also anxious to build upon its integrated conservation/development projects experience with other NGOs and donors and create a conservation trust fund. The Government demonstrated a high level of initiative and commitment in developing the trust fund. Since the establishment of the MBIFCT was the first conservation trust fund in Africa, the GOU and other trustees relied heavily on the preparation team, however the Borrower participated fully in all stages of project preparation. The establishment of the MBIFCT prior to project effectiveness enhanced the Borrower's ability to focus on project implementation.

7.5 Government implementation performance:

The Government's implementation performance is rated Highly Satisfactory (HS). The Government's participation in the TMB was highly satisfactory, with good cross-sectorial representation. The Government played an active role in helping to secure funds from other donors for the continuance of the trust fund and dealt effectively with all of the agreed upon actions. The unforeseen restructuring of the Uganda National Parks into the Uganda Wildlife Authority caused setbacks in the park's management component. Implementation delays concerning UWA were largely resolved through constant dialogue and consultation between the Bank and the Government.

7.6 Implementing Agency:

The performance of the implementing agency is rated Highly Satisfactory (HS). The implementing agency, TMB, with the support of the TAU executed the project in a professional manner. Procurement, financial management and reporting functions were generally performed well throughout the project. Considering it was the first trust fund of its kind in Africa, the implementing agency surpassed all expectations in dealing with the problems that arose. The implementing agencies learned from their mistakes and improved the management of the project through thorough assessments.

7.7 Overall Borrower performance:

Overall Borrower performance is rated as Highly Satisfactory (HS). Despite the complexities of the trust fund and the continuous demand for greater funds to be directed at community projects, the Borrower retained the goal of conserving globally important biodiversity through the protection and management of

Bwindi Impenetrable National Park and Mgahinga Gorilla National Park and managed to attract more funds for the Trust Fund, thus securing its future for at least another 20 years. The Borrower also demonstrated innovation and flexibility in its cooperation with NGOs and other organizations in the establishment and management of the MBIFCT. The project acted as a catalyst to instigate proper long-term procedures and best practices to be followed for the life of the MBIFCT.

8. Lessons Learned

Conservation Trust Fund. A well designed conservation trust fund, such as the MBIFCT, can provide a stable and permanent source of funds for park management, applied research and community development projects. The success of the MBIFCT to attract additional donors; increase its capital through investments; establish a permanent presence in and around the parks; and address park management, research and community development issues through the provision of reliable and continuous financing can be considered a model for best practices. However, the complexity of trust funds requires that sufficient technical assistance be provided to guide the process.

Decentralized decision-making process. The decentralized decision-making process of the MBIFCT allowed for genuine stakeholder participation and integrity in governance. The division of power between the Local Community Steering Committee and the Trust Management Board expedited the implementation of community-based projects, while still allowing for careful financial management of the trust.

Start-Up Funds/Donor Support. The co-financing of the project's administrative costs by USAID and DGIS allowed the project to build-up its capital by reinvesting its income and not depending upon the initial investment income to finance the costly start-up of the project. The co-financing for the first 7 years provided the necessary window to build up enough capital to hopefully maintain the trust in perpetuity.

Phased Community Development Activities. Dividing the community development activities into distinct granting phases allowed for different thematic approaches, adequate preparation and implementation time, and was consistent with the absorptive capacity of recipient groups. Restricting the application process also helped control recipients and avoided an influx of migrants seeking funds.

Innovative Partnership. The cooperation of Government and non-government organizations, including the private sector, in an innovative partnership arrangement was essential to the political neutrality and longevity of the MBIFCT. The partnerships help to diversify the stakeholder basis for conservation of the parks and allowed for different stakeholders to work together to identify and achieve common objectives.

Project Preparation. The investment in both time and resources which were dedicated to the participatory preparation process of the project allowed the team to fully develop the institutional structure for the Trust including the detailed Trust Administration Manual. The clear direction for the project that was established during preparation contributed to the ultimate success of the project.

9. Partner Comments

(a) Borrower/implementing agency:

The Mgahinga and Bwindi Impenetrable Forest Conservation Trust was established in September 1995 to promote and support conservation of Mgahinga Gorilla National Park and the Bwindi Impenetrable National Park in Southwestern Uganda. The original capital of the Trust, provided by the Global Environment Facility was US\$4.53 million. Since the initial grant, the United States Government and the Royal Netherlands Government have provided support towards the operational and program expenses of the Trust thus contributing towards its sustainability.

The design of MBIFCT and its activities was based on a number of key assumptions. The overall performance of MBIFCT has been steady over the years. MBIFCT received a lot of technical input and support from the World Bank staff. The support ranged from information sharing to review of implementation plans and activities. The World Bank staff showed sensitivity to ideas and views from the community members living in the MBIFCT operational areas and gave valuable advice enabling the Trust to further consolidate its achievements.

Each of the essential components of MBIFCT is functioning well separately and in combination to make MBIFCT an effective Institution. MBIFCT has also had to deal with changing situations and some major difficulties in the years since its inception. The Board has had to formulate policies, the Local Community Steering Committee has had to vet projects and the Technical Advisory Committee has contributed towards vetting of research proposals and community projects which need Environmental Impact Assessments. The two additional components - The Ecological Monitoring of the Protected Areas and the Indigenous People's program are working well.

Challenges during the implementation. At inception, it was anticipated that MBIFCT would work more with strategic partners especially the Uganda Wildlife Authority, CARE DTC and IGCP. This has not however been fully realized due to factors outside of MBIFCT mandate. The Trust Administration Unit has continued to have much responsibilities at implementation level. The capacity of the communities to manage projects is less than what was initially anticipated. MBIFCT has had to work extensively on capacity building programs. Although much progress has been made on the financial aspects of the Trust, especially with the support of USAID and DGIS, MBIFCT has not yet raised adequate additional funds to enable the Trust Fund to move from a sinking fund to a fund in perpetuity. Some work is on-going in that direction and hopefully this too would be realized. The Trustees are still learning on how to cope with fluctuations in the value of the offshore investment.

(b) Cofinanciers:

USAID

USAID provided funding for the MBIFCT from 1995-1997. The evaluation of the USAID experience with the MBIFCT, based on a USAID evaluation mission in February 1998, is provided in a 44 page evaluation report produced in March 1998. The report stated that the overall performance of the Trust 'has been very enviable' and that the setting up of the Trust had been a very appropriate idea. The evaluation team noted that the Trust had been 'innovative and energetic in its efforts to achieve its objectives' and had accomplished much in setting up an institutional base, implementing projects and attracting funding from DGIS for a second phase of funding to cover recurrent cost expenditures. The evaluation team regarded the financial management of the Trust to be transparent and accountable and operating within its budget. It noted that the Trust has ensured that local communities were full partners in the MBIFCT and that partnership with other organizations (CARE/DTC, IGCP, UWA and ITFC) had been created and nurtured. The evaluation team recognized that the strategy to fund more "common good" projects under the community development activities was associated with greater transparency of the MBIFCT and 'thereby helped to allay community fears of misdirected funds, individual profiteering and other jealousies'.

The evaluation team identified certain constraints of the project, including the rugged nature of the terrain, restructuring of UWA and certain bureaucratic constraints. The potential weaknesses of the MBIFCT identified by the team included: (i) the weak integration and interaction of the three subcomponents; (ii) the emphasis on short-term rather than long-term plans; and (iii) the lack of an internal mechanism for

impact assessment. The report made several recommendations including: (i) provision for revisions to the Trust Deed to reflect changes in the operating context of the project; (ii) planning to minimize the recurrent expenditure budget; (iii) greater involvement of the TAC; (iv) formal relationships with collaborative partners; and (v) better public education about the Trust.

DGIS

The Royal Netherlands Government (DGIS) provided US\$2.7 million of support to the MBIFCT for the period 1997-2002. Since their experience with the MBIFCT is still underway, DGIS did not provide comments for the ICR. DGIS's support to the MBIFCT is outlined in the project grant agreement between the MBIFCT and the Royal Netherlands Government and is aimed at three main activities: (i) support for MBIFCT administrative and operational support; (ii) supplementary support for an intensive ecological research and monitoring program implemented by ITFC; and (iii) support for a target assistance program for the Batwa population of the MBIFCT area. It is expected that the DGIS will complete its 5-year project and will try and secure additional funding for the MBIFCT.

(c) Other partners (NGOs/private sector):

N/A

10. Additional Information

10.1 The experience of the MBIFCT was included in an evaluation of conservation trust funds, "Experience with Conservation Trust Funds" carried out by the GEF Secretariat in collaboration with the Bank and UNDP in 1997. While still in its initial stages of project implementation the report noted that MBIFCT had elements of both a "Parks" fund, aimed at support specific park systems, and a "Grants" fund, aimed at providing conservation and sustainable development project support and met the GEF criteria of achieving global environmental benefits. The report noted the success of the MBIFCT to attract co-financing; assist the GOU and NGOs in their ability to carry out field activities and scientific work; and provide a long-term, stable funding source for park management and community development.

10.2 The approximately 2,000 Batwa people, indigenous forest dwellers, living near the BINP and MGNP were the focus of incremental project support from the DGIS. The Batwa, evicted over 30 years ago from the forests of BINP and MGNP and no longer dependent on the forest, were marginalized and rely on agricultural lands owned by the majority ethnic communities. The appointment of a Batwa officer in 1998 and a strategic workshop in 1999 helped to identify two key needs of the Batwa: land ownership and access and user rights to the forests. These needs were incorporated into an ambitious plan in July 1999 to: (i) increase food availability and household income through the acquisition of land bought by the trust and provision of seeds and livestock; (ii) reduce illegal activities through Memorandum of Understandings and establishment of multiple use zones; (iii) increase levels of agricultural and vocational skills; (iv) increase the level of education by assisting children to attend school; and (v) improve household sanitation. The MBIFCT used a pilot project under the first round of community grants to trial the rental of agricultural land. Based on the success of the pilot project, the MBIFCT bought over 150 acres of land in two districts to distribute to Batwa families. Based on results, the MBIFCT will seek to extend the Batwa component if successful past the initial DGIS commitment.

10.3 The monitoring and evaluation program (M&E) of the project had three levels: (i) financial management of the MBIFCT - measured by the rate of return on the capital, income and expenditures; (ii) administrative management - measured by the fulfillment of the duties of the various management structures; and (iii) long-term ecological and socio-economic aspects - measured by indicators including ecological integrity, conservation status of the parks, attitudes of communities towards the parks, and living

conditions. M&E activities were carried out and included extensive reports from the asset manager on the fund's activities, regular activity reports from all of the management structures on fulfillment of duties, minutes of the TMB meetings; status reports on key indicators monitored under the Ecological Monitoring Program; and status reports on socio-economic issues, with particular regards to the Batwa situation. An overall assessment of the M&E program is premature, as due to the unique character of the trust fund, a long-term perspective on performance must be adopted.

10.4 The unique biological composition of BINP and MGNP and their importance in regional conservation was not sufficiently highlighted by project results. Although the MBIFCT gained a favorable international recognition, other aspects of the project, such as the community development activities, were upheld as examples of the project rather than the plight of two of the most important remnant forests in Africa. This was in part due to the crisis at UWA, weak public awareness, and existence of several other projects outside of the MBIFCT involved in conservation of BINP and MGNP who attended to some of the more biologically oriented aspects of the parks. The project did result in the completion of several graduate degrees (primarily Masters), the publication of many scientific reports, research into a broader range of areas including: baseline biological monitoring; ecological change; forest gap dynamics; gorilla censuses; small mammal inventories; impact of management interventions; off-take levels; harvesting practices and illegal activities; anthropogenic perturbations; physiochemical parameters; and socio-economic indicators and a better understanding of the biodiversity in the parks.

Annex 1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:

Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate
Establishment of adequate institutional, administrative and financial arrangements for MBIFCT	SAR target: Permanent structure for MBIFCT by PY3	SAR target: Permanent structure for MBIFCT by PY3
Develop community development and alternative income-generating activities around the parks.	SAR target: Identify, initiate and implement community development and income-generating activities consistent with biodiversity conservation	Executed 50 projects and identified a second round of projects to be implemented over the next three years
Conduct ecological and socio-economic research consistent with improved park management and park/community interactions	SAR target: Conduct priority research	Established a long-term Ecological Monitoring Program, conducted key studies, survey and inventories
Implement rational management plans in BINP and MGNP	SAR target: Implement park management activities in both parks	Funding redirected to basic operational needs and activities of UWA

Output Indicators:

Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate
Establish long-term funding mechanism for conservation activities	SAR target: Establish the MBIFCT as a viable Trust Fund for BINP and MGNP	The MBIFCT has sufficient funds for at least 25 years and hopefully in perpetuity
Establish effective community-based decision-making arrangements	SAR target: Decentralized decision-making process, with emphasis on local communities	Local Community Steering Committee well developed with good representation on Trust Management Board
Reduce pressures on forest resources and curb illegal activities	SAR target: Alleviate hardship of lost access to forest resources by developing income-generating activities	Project supported more social infrastructure projects than IGAs in the first 4 years. For future community projects, the emphasis will be on IGAs
Establish collaborative partnerships with other conservation groups	SAR target: Links with CARE/DTC and IGCP	Good informal links with CARE/DTC and IGCP. Next step is to formalize link with MOUs
Improve conditions of Batwa people	SAR target: Assist the Batwa to achieve a better quality of life	Land for agriculture was purchased for Batwa families, Batwa received community development grants, a Batwa officer was hired to liaise with project and Batwa were represented on the LCSC

¹ End of project

There was no log frame exercise when the project was started.

Annex 2. Project Costs and Financing

Project Cost by Component (in US\$ million equivalent)

Project Cost By Component	Appraisal Estimate US\$ million	Actual/Latest Estimate US\$ million	Percentage of Appraisal
Subgrant Program	0.40	0.40	100
Trust Administration	1.40	1.40	100
Offshore Trust Management	0.51	0.51	100
Total Baseline Cost	2.31	2.31	
Total Project Costs	2.31	2.31	
Total Financing Required	2.31	2.31	

Project Financing by Component (in US\$ million equivalent)

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	Bank	Govt.	CoF.	Bank	Govt.	CoF.	Bank	Govt.	CoF.
Subgrant Program	0.31		0.09	0.31		0.09	100.0		100.0
Trust Administration	0.60		0.80	0.60		0.80	100.0		100.0
Offshore Trust Management	0.51			0.51			100.0		
TOTAL	1.42		0.89	1.42		0.89	100.0		100.0

Annex 3. Economic Costs and Benefits

N/A

Annex 4. Bank Inputs

(a) Missions:

by Missions.

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
Identification/Preparation	3/16/93	1	Sr. Ecologist		
Appraisal/Negotiation	Appraisal 9/20/93 Negotiations 3/3/94	2	Sr. Ecologist, Legal Specialist		
Supervision	7/13/95			HS	HS
	4/10/96	2	Env. Specialist, Sr. Ecologist	HS	HS
	7/9/96	2	Env. Specialist, Sr. Ecologist	HS	HS
	6/23/97	2	Env. Specialist, Sr. Ecologist	HS	HS
	5/18/98	5	Env. Specialist, Sr. Ecologist, Community Participation Spec., Conservation Finance Spec.	HS	HS
	8/27/99			HS	HS
	6/12/00	3	Env. Specialist, Sr. Ecologist	HS	HS
ICR	5/15/01	2	Env. Specialist, Sr. Ecologist		

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation	71.5	153.80
Appraisal/Negotiation	26.7	56.20
Supervision	44.9	150.16
ICR	12.6	42.04
Total	155.6	402.20

Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	Rating				
<input type="checkbox"/> Macro policies	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> Sector Policies	<input checked="" type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> Physical	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> Financial	<input checked="" type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> Institutional Development	<input checked="" type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> Environmental	<input checked="" type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA

Social

<input type="checkbox"/> Poverty Reduction	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> Gender	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> Other (Please specify)	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> Private sector development	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> Public sector management	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> Other (Please specify)	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA

Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

Rating

☐ Lending

☐ HS ☒ S ☐ U ☐ HU

☐ Supervision

☐ HS ☒ S ☐ U ☐ HU

☐ Overall

☐ HS ☒ S ☐ U ☐ HU

6.2 Borrower performance

Rating

☐ Preparation

☒ HS ☐ S ☐ U ☐ HU

☐ Government implementation performance

☐ HS ☒ S ☐ U ☐ HU

☐ Implementation agency performance

☒ HS ☐ S ☐ U ☐ HU

☐ Overall

☒ HS ☐ S ☐ U ☐ HU

Annex 7. List of Supporting Documents

- Uganda Bwindi Impenetrable National Park & Mgahinga Gorilla National Park Project Document (GEF Grant UG P002893) 1995
- Statement of mission objectives, back-to-office reports, supervision reports and aide-memoires 1995-2000
- Uganda Mgahinga and Bwindi Impenetrable Forest Conservation Trust Midterm Review, May 1998
- Disbursement database and reports - Uganda Bwindi Impenetrable National Park & Mgahinga Gorilla National Park Project (GEF Grant UG P002893). World Bank's Integrated Controller's System 1995-2000.

MAP SECTION

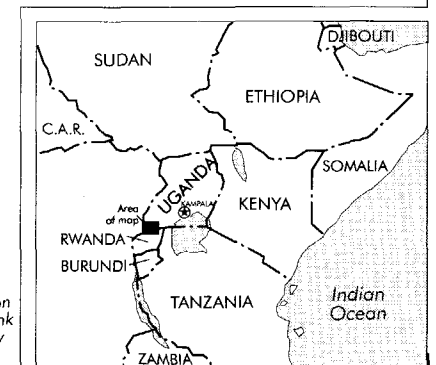
UGANDA MGAHINGA AND BWINDI IMPENETRABLE FOREST CONSERVATION TRUST Project Area

- PRIMARY BITUMEN ROADS
- PRIMARY GRAVEL ROADS
- - - UNSURFACED ROADS
- ~ RIVERS
- SELECTED TOWNS AND VILLAGES
- DISTRICT CAPITALS
- ★ NATIONAL CAPITAL
- DISTRICT BOUNDARIES*
- SUB-COUNTY BOUNDARIES
- IN PROJECT AREA ONLY (approximate)
- INTERNATIONAL BOUNDARIES

*District names coincide with district capitals.



0 25 50
Kilometers



The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.

IBRD 25291 R

January 1995