

World Bank - Grant Reporting and Monitoring (GRM) Report

FOR OFFICIAL USE ONLY

Ref. TF022766
Printed On: 12/01/2006

Reporting Period: 01/01/2005 to 06/30/2005
Report Type: ICM by PM
Report Status: Approved

Assignment: TF022766

GEF2:OAXACA HILLSIDE MGMT. PROJECT (MSP)

GEFIA - GEF-IBRD AS IMPLEMENTING AGENCY

Task Team Leader: 00000051427 - James W. Smyle
Approving Manager: 00000012331 - Mark E. Cackler

Summary Information	
TF Status	ACTN
Recipient Country	Mexico
Executed By	Bank
Managing Unit	7632 - LC SER
Grant Start Date / Closing Date	07/06/1999 to 06/30/2005
Program Manager	Samuel G. Wedderburn
Orig. Grant Amount	714,830.00
Grant Amount	714,830.00
Outstanding Commitments	0.00
Cumulative Disbursements	714,578.00 as of 06/30/2005
Disbursed 01/01/2005 to 06/30/2005	0.00
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Outcome, Components, Program(GEFIA), ICM, Processing, Attached Documents, Disbursements, Internal Comments.

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OVERVIEW

Overall Assessments and Ratings

Grant Objectives:

GEF Targeted research objectives include the generation of : (a) field data on actual carbon sequestration associated with different production regimes associated with the milpa system , contributing to greater clarity on these broader scientific questions; (b) valuable information on the social variables involved in working effectively with indigenous and rural communities so that sustainable land-use systems, which integrate carbon sequestration objectives, are adopted in practice, and (c) operational guidance to assist the GEF in developing a portfolio to combat Land Degradation and to enhance Carbon sequestration in rural environments.

Overall progress from 01/01/2005 to 06/30/2005 with regard to Achieving Grant Objectives:

Rating: Highly Satisfactory(Previously Rated Highly Satisfactory on 12/31/2004)

Comment:

Project has successfully completed and closed on 30 June 2005, having achieved all its objectives.

Overall progress from 01/01/2005 to 06/30/2005 with regard to Implementation of Grant Financed Activities:

Rating: Highly Satisfactory(Previously Rated Highly Satisfactory on 12/31/2004)

Comment:

The project has successfully implemented and closed on 30 June 2005, having satisfactorily completed all agreed activities.

Grant follow-up and structure

Description and context of Grant:

None

Expected follow up (if any):

Comment on follow up:

The State of Oaxaca has committed \$600,000 to scale-up and replicate the project work. SAGARPA is interested in replicating the project experience in other states.

End Date of Last Site Visit:

Restructuring of Grant:

Not applicable

Critical Issues and Pending Actions for Management Attention

Summary of key issue and pending actions for management attention are listed below.

Critical Issues:

The project successfully completed all agreed activities. The ICR will be available before the end of the year.

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FINAL PROJECT AUDIT

By Whom: GRANT RECIPIENT
By When: 10/30/2005
Status: Pending
Date Resolved:

PROJECT COMPLETION REPORT

By Whom: GRANT RECIPIENT
By When: 12/30/2005
Status: Pending
Date Resolved:

OUTCOME

Comments on outcome achieved from 01/01/2005 to 06/30/2005

##Comprehensive and reliable C pools data including soil organic matter data (0-150cmdepth), root content, bulk density, above ground residues, C accumulation in wood trees and branches, C losses by runoff and soil erosion, for forest and agricultural lands have been incorporated in a database providing sound basis for C balance assessment in South Mexican Hillside environment
##C balance between early 1999 data and early 2005 data shows that 1) incremental C sequestration with peach trees contour lines amounts to about 3 ton C t/ha/yr, according local conditions, and 2) a C potential sequestration of about 0.5million ton C/yr in the 170,000ha suitable to new land management developed in the 3 selected regions
Surveys (2000 and 2005) show a growing willingness to change for the following reasons 1) fruit trees production in contour lines results in net cash income generation , 2) family auto subsistence capacity from improved milpa in between contour lines is increased , 3) soil fertility improvement and soil erosion control is ensured with the new system, and 4) the new system is overall less labor intensive than traditional slash and burn system 5) settled agriculture becomes an attractive economic option and environmentally friendly (less drudgery for men/women farmers, less risk of forest fires triggered by slash and burn agriculture).

Grant Outcome Indicators

Grant outcome indicators are listed below.

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FIELD DATA ON ACTUAL CARBON SEQUESTRATI

Baseline NO RESEARCH DATA

Value:

Date:

Progress to 3 ton C ha/yr with contour lines

Date:

Date:

Target Value: C balance established

Date:

VALUABLE INFORMATION ON THE SOCIAL VARIA

Baseline NO AVAILABLE INFORMATION

Value:

Date:

Progress to 69 grous from 46 munic. in 8 regions

Date:

Date:

Target Value: Growing willingness to change

Date:

COMPONENTS

Output and Implementation by Component

CAPACITY BUILDING/DISSEMINATION

Implementation Highly Satisfactory (Previously Rated Highly Satisfactory on 12/31/2004)

Rating:

Status: Completed

Planned Output: Courses, conferences, videos and publica

Actual Output: Activity succesfully completed

LOCAL ADAPTION

Implementation Highly Satisfactory (Previously Rated Highly Satisfactory on 12/31/2004)

Rating:

Status: Completed

Planned Output: Cost effective alternative technologies

Actual Output: Activity succesfully completed

INDIGENOUS COMMUNITIES SURVEY

Implementation Satisfactory (Previously Rated Satisfactory on 12/31/2004)

Rating:

Status: Completed

Planned Output: Socio-economic surveys in 1st and 5th yr

Actual Output: Activity succesfully completed

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REGIONAL ZONING

Implementation Rating: Highly Satisfactory (Previously Rated Highly Satisfactory on 12/31/2004)
Status: Completed
Planned Output: Land use system maps for the 3 regions
Actual Output: Activity successfully completed

CARBON SEQUESTRATION

Implementation Rating: Highly Satisfactory (Previously Rated Highly Satisfactory on 12/31/2004)
Status: Completed
Planned Output: Measure of Carbon and nutrient pools
Actual Output: Activity successfully completed

Comment on planned and actual Output

##Comprehensive and reliable C pools data have been incorporated in a database providing sound basis for C balance assessment in South Mexican Hillside environment
##C balance between early 1999 data and early 2005 data shows that improved C sequestration and a C potential sequestration in new lands in the 3 selected regions
##Surveys (2000 and 2005) show a growing willingness to change:
1) fruit trees production in contour lines results in net cash income generation , 2) family auto subsistence capacity from improved milpa in between contour lines is increased , 3) soil fertility improvement and soil erosion control is ensured with the new system, and 4) the new system is overall less labor intensive than traditional slash and burn system 5) settled agriculture becomes an attractive economic option and environmentally friendly (less drudgery for men/women farmers, less risk of forest fires triggered by slash and burn agriculture).

Comment on component implementation progress

The project is in its final stages and a Bank mission is currently in the field, working with the grant recipient, on structuring the MSP completion report. As a result of the generally, highly satisfactory performance, the government of the state of Oaxaca (where the project is being implemented) has committed Mexican pesos 5 million (approx. US \$600,000) in order for the project to continue and expand to new areas.

PROGRAM

Program Specific Ratings

1. Please rate public involvement HIGHLY SATISFACTORY
2. Please rate government commitment HIGHLY SATISFACTORY
3. Please rate safeguard performance HIGHLY SATISFACTORY
4. Please rate arrangements for sustainability HIGHLY SATISFACTORY

Program Specific Questions

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1. Please comment on additional resources leveraged
THE STATE GOVERNMENT OF OAXACA HAS COMMITTED AND ADDITIONAL \$600,000 TO
CARRY ON THE PROJECT WORK PAST THE CLOSING DATE.

ICM - IMPLEMENTATION COMPLETION MEMORANDUM

Outcome of completed Grant Financed activities

Outcome with regard to development / strengthening of institutions: Rated Substantial

Comment:

Strong emphasis on farmers and field technician capacity building

Outcome with regard to mobilization of other resources: Rated Substantial

Comment:

THE STATE GOVERNMENT OF OAXACA HAS COMMITTED AND ADDITIONAL \$600,000 TO
CARRY ON THE PROJECT WORK PAST THE CLOSING DATE.

Outcome with regard to knowledge exchange : Rated Substantial

Comment:

Active knowledge exchange was observed through:
The growing number of participating groups of farmers:
The development of a well defined and specific implementation and
dissemination strategy hinging on farmers field school, farmer-to-farmer
extension, inter regional:
The strong farmers# demand

Outcome with regard to client policy / program implementation : Rated Substantial

Comment:

During the period of its implementation, the Project has suffered 1) a
change in Federal and State administration, and 2) the cancellation of
the second phase of the Project Rural Development in Marginal Areas.
The Coordination team of the Project played a crucial role to overcome
the bureaucratic tangles and change in procedures resulting from these
changes. In particular, the CP supported field technicians with
individual loans for about 6 months , until the new procedures for the
payment of field tasks accomplished by field technicians (not receiving
monthly salary anymore) were implemented.

Overall Assessments and Lessons Learned

Main lessons learned:

Beyond the key factors and conditions already presented which explain
largely the success of the MSP, it should be stressed the importance of
the synergy among these factors. This synergy may well be associated
with 1) the enthusiasm of the Executing Agency which had the opportunity
to test, to learn and to validate their knowledge in direct contact with
farmers, and 2) the growing sense of hope in farming felt by indigenous
farmers# communities themselves. In addition most stakeholders, first
the farmers, the specialized and field technicians and, second the
local, State and Federal authorities were steadily and increasingly
captivated by the concept of sustainable land management under the new
flag #Carbon and Climate Change#. Something was visibly happening and it
was increasingly farmers approved, up to the point where farmers (Mixe

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region) demonstrate the willingness to pay for the land investment required, as long as a skilled technical assistance was available. It required 3 years to get these results displayed at field level (first fruit harvest), and so it cannot be enough emphasized how critical the time factor is, particularly when traditional land use change is concerned, which basically requires and means mindset change for all stakeholders. Here is where probably the task manager's role is central in his capacity to explain new concept and new approach in concrete terms, and to ensure that along the months and year the main objectives of the Project is not diluted if not lost.

Main recommendations to stakeholders:

Remarks rather than recommendations:

Local academic institutions were quite efficient in contributing to all the socioeconomic and impact surveys and to the dissemination of the project goals and objectives in local languages, particularly in the Mixe region where a majority of indigenous population does not speak nor understand Spanish.

State and Federal levels: good functioning of Technical Oversight Committee i) headed by high rank SAGARPA representative, Direction of Regional Programs, ii) with broad participation of all the main stakeholders, and iii) with capacity to make recommendations which were always taken seriously by authorities and the executing agency (CP).

Main recommendations to bank management:

MSP is supposed to be less demanding in terms of financial management and control. This is a fact, although there is often a natural trend from the financial officers to follow the full procedure of control and audits, which may become burdensome and very costly for a US\$750,000 5 year project. This was indeed one of the first MSP implemented in Mexico and all the participants from the Executing Agency and the World Bank have progressively learned how to make this MSP really performing, transparent and flexible.

Assessment of bank performance: Rated Satisfactory

Comment:

The project has successfully completed and an ICR will be submitted by the end of the year.

Assessment of cost effectiveness : Rated Highly Satisfactory

Comment:

Although this Project was a targeted research project with methodology development objectives, it has proved to be highly cost-efficient in terms of farmers' income improvement as reflected by the financial and economic evaluations of the recommended new land use system (MIAF)

Assessment of sustainability (likelihood of): Rated Likely

Comment:

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CARRY ON THE PROJECT WORK PAST THE CLOSING DATE.

Assessment of replicability: Rated Likely

Comment:

Replicability is likely given:

The growing number of participating groups of farmers:

The increased support from State and Federal agencies;

The development of a well defined and specific implementation and dissemination strategy hinging on farmers field school, farmer-to-farmer extension, inter regional:

The strong farmers# demand

PROCESSING

Manager's comments on this GRM report:

None

GRM report history - Requested on 07/07/2005, due on 07/31/2005

Action	Name	Status	Date
Created	Keiko Ashida Tao	Draft	09/15/2005
Changed	Keiko Ashida Tao	Draft	09/26/2005
Changed	Keiko Ashida Tao	Draft	09/28/2005
Submitted for Approval	James W. Smyle	Submitted	09/29/2005
Approved by Manager	Mark E. Cackler	Approved	09/30/2005

DOCUMENTS

None

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/1999	12/31/1999	0.00	0.00	0.00	0.00
01/01/2000	06/30/2000	0.00	0.00	328,809.00	328,809.00
07/01/2000	12/31/2000	0.00	0.00	328,809.00	0.00
01/01/2001	06/30/2001	0.00	0.00	328,809.00	0.00
07/01/2001	12/31/2001	0.00	0.00	393,142.00	64,333.00
01/01/2002	06/30/2002	0.00	0.00	600,434.00	207,292.00
07/01/2002	12/31/2002	0.00	0.00	600,434.00	0.00
01/01/2003	06/30/2003	0.00	0.00	600,434.00	0.00
07/01/2003	12/31/2003	142,960.00	142,960.00	607,027.55	6,593.55
01/01/2004	06/30/2004	328,809.00	185,849.00	600,209.00	6,818.55-
07/01/2004	12/31/2004	393,142.00	64,333.00	714,578.00	114,369.00
01/01/2005	06/30/2005	600,434.00	207,292.00	714,578.00	0.00

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INTERNAL COMMENTS

None