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The World Bank

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IMPLEMENTATION COMPLETION AND RESULTS REPORT  
(TF-23723)

ON A

GRANT

IN THE AMOUNT OF SDR 5.6 MILLION  
(US\$ 7.4 MILLION EQUIVALENT)

TO THE

KINGDOM OF LESOTHO

FOR A

MALOTI-DRAKENSBERG TRANSFRONTIER CONSERVATION AND  
DEVELOPMENT PROJECT

June 24, 2010

Environment and Natural Resource Management Unit - AFTEN  
Southern Africa 1, Botswana, Lesotho, Namibia, South Africa, Swaziland - AFCS1  
Africa Region

## CURRENCY EQUIVALENTS

(Exchange Rate Effective Oct. 24, 2009)

Currency Unit = LSL

LSL 1.00 = US\$0.134

US\$1.00 = LSL 7.466

## FISCAL YEAR

April 1 – March 31

## ABBREVIATIONS AND ACRONYMS

|       |   |
|-------|---|
| CCF   | Community Conservation Forum  |
| COP   | Conference of Parties   |
| FMC   | Financial Management Committees                                       |
| GEF   | Global Environment Facility   |
| GEO   | Global Environment Objective  |
| GIS   | Global Information System   |
| GTZ   | Deutsche Gesellschaft für Technische Zusammenarbeit                   |
| ICR   | Implementation Completion and Results Report                          |
| LTDC  | Lesotho Tourism Development Cooperation                               |
| MDTP  | Maloti-Drakensberg Transfrontier Conservation and Development Project |
| METT  | Management Effectiveness Tracking Tool                                |
| MFLR  | Ministry of Forestry and Land Reclamation                             |
| MOLGC | Ministry of Local Government and Chieftainship                        |
| MoU:  | Memorandum of Understanding   |
| MRA:  | Managed Resource Areas  |
| MRC   | Managed Resource Committee  |
| MTEC  | Ministry of Tourism, Environment and Culture                          |
| PA    | Protected Area  |
| PAD   | Project Appraisal Document  |
| PCC   | Project Coordination Committee  |
| PCU   | Project Coordination Unit   |
| PDO   | Project Development Objective   |
| PIP   | Project Implementation Plan   |
| RMA   | Range Management Area   |
| RSA   | Republic of South Africa  |
| SLM   | Sustainable Land Management   |
| SNP   | Sehlabathebe National Park  |
| WWF   | World Wide Fund for Nature  |

|                      |                          |
|----------------------|--------------------------|
| Vice President:      | Obiageli Ezekwesili      |
| Country Director:    | Ruth Kagia               |
| Sector Manager:      | Idah Pswarayi-Riddihough |
| Project Team Leader: | Frauke Jungbluth         |
| ICR Team Leader:     | Frauke Jungbluth         |

**LESOTHO**  
**Maloti-Drakensberg Transfrontier Conservation and Development Project**

**CONTENTS**

**Data Sheet**

- A. Basic Information
- B. Key Dates
- C. Ratings Summary
- D. Sector and Theme Codes
- E. Bank Staff
- F. Results Framework Analysis
- G. Ratings of Project Performance in ISRs
- H. Restructuring
- I. Disbursement Graph

|   |    |
|---|----|
| 1. Project Context, Global Environment Objectives and Design.....                 | 1  |
| 2. Key Factors Affecting Implementation and Outcomes .....                        | 4  |
| 3. Assessment of Outcomes .....   | 8  |
| 4. Assessment of Risk to Development Outcome.....                                 | 12 |
| 5. Assessment of Bank and Borrower Performance .....                              | 12 |
| 6. Lessons Learned.....   | 14 |
| 7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners.....      | 16 |
| Annex 1. Project Costs and Financing.....   | 17 |
| Annex 2. Outputs by Component.....  | 18 |
| Annex 3. Economic and Financial Analysis .....                                    | 30 |
| Annex 4. Bank Lending and Implementation Support/Supervision Processes.....       | 31 |
| Annex 5. Beneficiary Survey Results .....   | 33 |
| Annex 6. Stakeholder Workshop Report and Results.....                             | 34 |
| Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR .....             | 35 |
| Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders .....           | 38 |
| Annex 9. Results of the Protected Area Management Effectiveness Tracking Tool.... | 41 |
| Annex 10. Photo Illustration of Project Component Achievements.....               | 45 |
| Annex 11. List of Supporting Documents .....                                      | 47 |
| MAP .....   | 48 |

| A. Basic Information   |            |                      |   |
|--|------------|----------------------|---|
| Country:   | Lesotho    | Project Name:        | Maloti-Drakensberg Transfrontier Conservation and Development Project |
| Project ID:  | P052367    | L/C/TF Number(s):    | TF-23723  |
| ICR Date:  | 06/24/2010 | ICR Type:            | Core ICR  |
| Lending Instrument:  | SIL        | Borrower:            | KINGDOM OF LESOTHO  |
| Original Total Commitment:   | USD 7.4M   | Disbursed Amount:    | USD 7.0M  |
| Revised Amount:  | USD 7.4M   |                      |   |
| Environmental Category: B  |            | Global Focal Area: B |   |
| Implementing Agencies:<br>Ministry of Tourism, Environment and Culture |            |                      |   |
| Cofinanciers and Other External Partners:                              |            |                      |   |

| <b>B. Key Dates</b> |            |                   |               |                          |
|---------------------|------------|-------------------|---------------|--------------------------|
| Process             | Date       | Process           | Original Date | Revised / Actual Date(s) |
| Concept Review:     | 04/28/1999 | Effectiveness:    | 02/26/2003    | 02/26/2003               |
| Appraisal:          | 01/10/2000 | Restructuring(s): |               |                          |
| Approval:           | 09/13/2001 | Mid-term Review:  | 08/19/2005    | 08/19/2005               |
|                     |            | Closing:          | 12/31/2007    | 12/31/2009               |

| <b>C. Ratings Summary</b>            |                           |
|--------------------------------------|---------------------------|
| <b>C.1 Performance Rating by ICR</b> |                           |
| Outcomes:                            | Moderately Satisfactory   |
| Risk to Global Environment Outcome   | Substantial               |
| Bank Performance:                    | Moderately Unsatisfactory |
| Borrower Performance:                | Moderately Satisfactory   |

| <b>C.2 Detailed Ratings of Bank and Borrower Performance</b> |                           |                                      |                           |
|--|---------------------------|--------------------------------------|---------------------------|
| Bank   | Ratings                   | Borrower                             | Ratings                   |
| Quality at Entry:  | Moderately Unsatisfactory | Government:                          | Moderately Unsatisfactory |
| Quality of Supervision:                                      | Moderately Unsatisfactory | Implementing Agency/Agencies:        | Satisfactory              |
| <b>Overall Bank Performance:</b>                             | Moderately Unsatisfactory | <b>Overall Borrower Performance:</b> | Moderately Satisfactory   |

| <b>C.3 Quality at Entry and Implementation Performance Indicators</b> |                   |                                 |               |
|---|-------------------|---------------------------------|---------------|
| <b>Implementation Performance</b>                                     | <b>Indicators</b> | <b>QAG Assessments (if any)</b> | <b>Rating</b> |
| Potential Problem Project at any time (Yes/No):                       | Yes               | Quality at Entry (QEA):         | None          |
| Problem Project at any time (Yes/No):                                 | No                | Quality of Supervision (QSA):   | None          |
| GEO rating before Closing/Inactive status                             | Satisfactory      |                                 |               |

| <b>D. Sector and Theme Codes</b>                   |                 |               |
|--|-----------------|---------------|
|  | <b>Original</b> | <b>Actual</b> |
| <b>Sector Code (as % of total Bank financing)</b>  |                 |               |
| Forestry   | 40              | 10            |
| General agriculture, fishing and forestry sector   | 10              | 40            |
| General public administration sector               | 20              | 20            |
| Other industry                                     | 10              | 20            |
| Other social services                              | 20              | 10            |
| <b>Theme Code (as % of total Bank financing)</b>   |                 |               |
| Biodiversity                                       | 20              | 20            |
| Export development and competitiveness             | 20              |               |
| Land administration and management                 | 20              | 30            |
| Other environment and natural resources management |                 | 30            |
| Participation and civic engagement                 | 20              | 10            |
| Rural non-farm income generation                   | 20              | 10            |

| <b>E. Bank Staff</b> |                             |                    |
|----------------------|-----------------------------|--------------------|
| <b>Positions</b>     | <b>At ICR</b>               | <b>At Approval</b> |
| Vice President:      | Obiageli Katryn Ezekwesili  | Callisto E. Madavo |
| Country Director:    | Ruth Kagia                  | Fayez S. Omar      |
| Sector Manager:      | Idah Z. Pswarayi-Riddihough | Agnes I. Kiss      |
| Project Team Leader: | Frauke Jungbluth            | Jan P. Bojo        |
| ICR Team Leader:     | Frauke Jungbluth            |                    |
| ICR Primary Author:  | Josef Ernstberger           |                    |

## F. Results Framework Analysis

### Global Environment Objectives (GEO) and Key Indicators(as approved)

1. To conserve this globally significant biodiversity of the Maloti-Drakensberg Mountains
2. To contribute to community development through income generation from nature-based tourism.

### Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications

#### (a) GEO Indicator(s)

| Indicator                           | Baseline Value  | Original Target Values (from approval documents)             | Formally Revised Target Values | Actual Value Achieved at Completion or Target Years   |
|-------------------------------------|---|--|--------------------------------|---|
| <b>Indicator 1 :</b>                | Lesotho and South Africa develop and approve a transfrontier conservation and development framework   |  |                                |   |
| Value (quantitative or Qualitative) | No transfrontier framework in place   | Plan approved and under implementation                       |                                | Plan approved and implemented   |
| Date achieved                       | 09/13/2001  | 12/31/2008   |                                | 12/31/2008  |
| Comments (incl. % achievement)      | Framework is in place and is being implemented - while sustainability on the Lesotho side is a concern, the Government has provided funding for the bilateral activities and meetings within the framework and action plan. 100% achieved |  |                                |   |
| <b>Indicator 2 :</b>                | Stakeholders work together to realize nature based tourism opportunities (to be redefined as 3 tourist nodes operational with additional 5000 tourists per annum per node)  |  |                                |   |
| Value (quantitative or Qualitative) | Sehlabathebe, Katse and Sani Pass poorly developed as tourist nodes within a transfrontier tourism plan   | Transfrontier eco-tourism strategy designed and implemented. |                                | Tourist nodes and strategy have been supported, however no data available as to number of tourists. |
| Date achieved                       | 09/13/2001  | 12/31/2008   |                                | 12/31/2009  |
| Comments (incl. % achievement)      | The expected tourism growth has not yet materialized. However, improved collaboration to market the bioregion as a viable tourism destination has been set in motion. 50% achieved.   |  |                                |   |
| <b>Indicator 3 :</b>                | 2 additional protected areas established by EOP   |  |                                |   |
| Value (quantitative or Qualitative) | Additional protected areas not identified   | Senqu and Liqobong established as protected areas            |                                | 2 additional protected areas have been established.   |
| Date achieved                       | 09/13/2001  | 12/31/2008   |                                | 12/31/2008  |

|  |   |   |  |                     |
|--|---|---|--|---------------------|
| Comments<br>(incl. % achievement)      | 100% achieved   |   |  |                     |
| <b>Indicator 4 :</b>                   | Conserve 172,000 ha of the Maloti Mountains 150,000 off reserve and 22,000 in protected areas |   |  |                     |
| Value<br>(quantitative or Qualitative) | About 6000 ha conserved and formally proclaimed   | 170,000 ha protected: reserve area and 20,000 of formally proclaimed area<br>150,000 ha off - reserve |  | Targets achieved    |
| Date achieved                          | 09/13/2001  | 12/31/2008  |  | 12/31/2008          |
| Comments<br>(incl. % achievement)      | 100% achieved   |   |  |                     |
| <b>Indicator 5 :</b>                   | 3 off reserve conservation areas identified and operational (Managed Resource Areas (MRA's))  |   |  |                     |
| Value<br>(quantitative or Qualitative) | MRA's not identified and not operational  | 3 operational MRA's   |  | 3 operational MRA's |
| Date achieved                          | 09/13/2001  | 12/31/2005  |  | 12/31/2009          |
| Comments<br>(incl. % achievement)      | 100% achieved, however by-laws pending  |   |  |                     |

**(b) Intermediate Outcome Indicator(s)**

| Indicator                              | Baseline Value   | Original Target Values (from approval documents)                                 | Formally Revised Target Values | Actual Value Achieved at Completion or Target Years                          |
|--|--|--|--------------------------------|--|
| <b>Indicator 1 :</b>                   | Transfrontier conservation area identified and implemented with South Africa (Sehlabathebe and Ukhahlamba Drakensberg National Park) |  |                                |  |
| Value<br>(quantitative or Qualitative) | Not established  | Formal institutional arrangements operational and transfrontier area established |                                | Transfrontier area established and bilateral management mechanisms in place. |
| Date achieved                          | 09/13/2001   | 12/31/2008   |                                | 12/31/2008   |
| Comments<br>(incl. % achievement)      | 100% achieved  |  |                                |  |
| <b>Indicator 2 :</b>                   | Conservation plan completed to conserve globally significant biodiversity in the Maloti mountains                                    |  |                                |  |
| Value                                  | Initial transfrontier plan   | 20 year  |                                | Transfrontier  |

|                                     |   |  |  |   |
|-------------------------------------|---|--|--|---|
| (quantitative or Qualitative)       | exists between the 2 countries as well as planning within each country to implement the strategy                            | transfrontier conservation and development strategy completed and under implementation supported by district planning system piloted in 1 of 3 districts         |  | conservation strategy approved and funding available to implement joint activities. |
| Date achieved                       | 09/13/2001  | 12/31/2008   |  | 12/31/2009  |
| Comments (incl. % achievement)      | 100% achieved   |  |  |   |
| <b>Indicator 3 :</b>                | Conservation plan completed to conserve globally significant biodiversity in the Maloti mountains                           |  |  |   |
| Value (quantitative or Qualitative) | Initial transfrontier plan exists between the 2 countries as well as planning within each country to implement the strategy | 20 year transfrontier conservation and development strategy completed and under implementation supported by district planning system piloted in 1 of 3 districts |  | Target achieved   |
| Date achieved                       | 09/13/2001  | 12/31/2008   |  | 12/31/2008  |
| Comments (incl. % achievement)      | 100% achieved   |  |  |   |
| <b>Indicator 4 :</b>                | Protected area management plans completed in four protected areas   |  |  |   |
| Value (quantitative or Qualitative) | Out of date protected area management plans exist for 3 protected areas. 6000 ha partially protected                        | 2 new protected area identified and together with the existing 3 parks all have up to date implementable management plans. 15,000ha protected                    |  | 15000 ha protected, management plans completed for 3 areas                          |
| Date achieved                       | 09/13/2001  | 12/31/2008   |  | 12/31/2008  |
| Comments (incl. % achievement)      | 100% achieved   |  |  |   |
| <b>Indicator 5 :</b>                | Conservation management plan implemented in Sehlabathebe National Park  |  |  |   |
| Value (quantitative or Qualitative) | Very little protected area management being implemented   | Sehlabathebe National Park has well developed  |  | Infrastructure in place including visitor's   |



|                                     |   |  |  |  |
|-------------------------------------|---|--|--|--|
|                                     |   | park infrastructure including visitor accommodation (20- 30 guests), and an environmental education center and program |  | accommodation - however, not yet operational - conservation management plan in place, but only partially implemented.  |
| Date achieved                       | 09/13/2001  | 12/31/2008   |  | 12/31/2009   |
| Comments (incl. % achievement)      | 70% achieved  |  |  |  |
| <b>Indicator 6 :</b>                | Conservation management outside of protected areas results in conservation of 22,000 ha (Botha Bothe, Qacha's Nek and Mokhotlong)   |  |  |  |
| Value (quantitative or Qualitative) | Conservation programs in the form of range management associations have existed but generally broken down. No community driven development exists to support natural resource management. | 150,000ha conserved through community conservation programs (ERMA's and Govt.)   |  | 150,000 ha conserved   |
| Date achieved                       | 09/13/2001  | 12/31/2008   |  | 12/31/2008   |
| Comments (incl. % achievement)      | 100% achieved   |  |  |  |
| <b>Indicator 7 :</b>                | Community involvement program results in establishment of 3 herder associations   |  |  |  |
| Value (quantitative or Qualitative) | Herder associations broken down in RMA areas  | 3 functional herder associations   |  | Herder associations as part of MRAs functioning and improvements in rangelands reported - however sustainability risk if by-laws on range management not approved in near future |
| Date achieved                       | 09/13/2001  | 12/31/2008   |  | 12/31/2009   |
| Comments (incl. % achievement)      | 100% achieved, but sustainability at risk.  |  |  |  |
| <b>Indicator 8 :</b>                | 10 nature based tourism businesses established  |  |  |  |
| Value (quantitative or Qualitative) | Businesses not yet identified   | 10 businesses operational  |  | Business operational - however with limited returns  |

|  |   |                 |  |              |
|--|---|-----------------|--|--------------|
| Date achieved                          | 09/13/2001  | 12/31/2008      |  | 12/31/2009   |
| Comments<br>(incl. % achievement)      | Establishment achieved 100% - increase in tourism and income from tourism not yet achieved. |                 |  |              |
| <b>Indicator 9 :</b>                   | Nature Conservation Act adopted and implemented   |                 |  |              |
| Value<br>(quantitative or Qualitative) | Draft act   | Act promulgated |  | Act in place |
| Date achieved                          | 09/13/2001  | 12/31/2008      |  | 12/31/2008   |
| Comments<br>(incl. % achievement)      | 100% achieved   |                 |  |              |

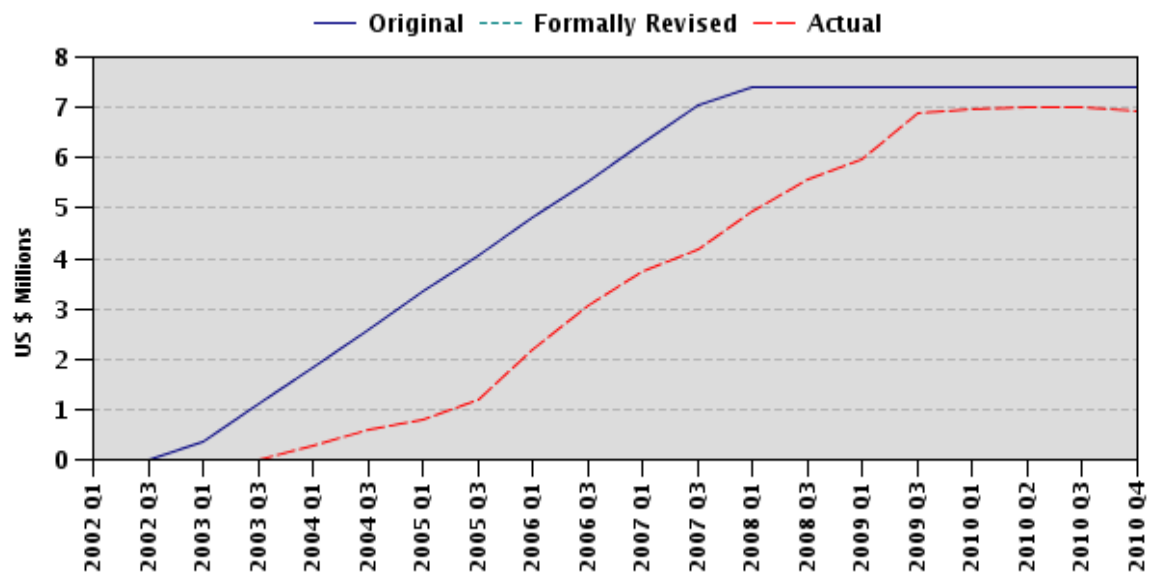
## G. Ratings of Project Performance in ISRs

| No. | Date ISR Archived | GEO                     | IP                      | Actual Disbursements (USD millions) |
|-----|-------------------|-------------------------|-------------------------|-------------------------------------|
| 1   | 01/05/2002        | Satisfactory            | Satisfactory            | 0.00                                |
| 2   | 03/08/2002        | Satisfactory            | Satisfactory            | 0.00                                |
| 3   | 10/08/2002        | Satisfactory            | Unsatisfactory          | 0.00                                |
| 4   | 02/04/2003        | Satisfactory            | Unsatisfactory          | 0.00                                |
| 5   | 04/17/2003        | Satisfactory            | Satisfactory            | 0.00                                |
| 6   | 11/25/2003        | Satisfactory            | Satisfactory            | 0.42                                |
| 7   | 05/29/2004        | Satisfactory            | Satisfactory            | 0.58                                |
| 8   | 11/28/2004        | Satisfactory            | Unsatisfactory          | 0.89                                |
| 9   | 06/29/2005        | Moderately Satisfactory | Moderately Satisfactory | 1.60                                |
| 10  | 12/21/2005        | Moderately Satisfactory | Moderately Satisfactory | 2.66                                |
| 11  | 05/28/2006        | Moderately Satisfactory | Moderately Satisfactory | 3.44                                |
| 12  | 12/01/2006        | Moderately Satisfactory | Moderately Satisfactory | 3.85                                |
| 13  | 03/20/2007        | Satisfactory            | Satisfactory            | 4.20                                |
| 14  | 12/21/2007        | Satisfactory            | Satisfactory            | 5.39                                |
| 15  | 05/28/2008        | Satisfactory            | Satisfactory            | 5.67                                |
| 16  | 10/30/2008        | Satisfactory            | Satisfactory            | 6.20                                |
| 17  | 05/26/2009        | Satisfactory            | Satisfactory            | 6.92                                |
| 18  | 06/25/2009        | Satisfactory            | Satisfactory            | 6.92                                |
| 19  | 12/14/2009        | Moderately Satisfactory | Moderately Satisfactory | 7.04                                |

## H. Restructuring (if any)

Not Applicable

## I. Disbursement Profile



## **1. Project Context, Global Environment Objectives and Design**

### **1.1 Context at Appraisal**

The background of the project was a long-term collaborative initiative between the Republic of South Africa (RSA) and the Kingdom of Lesotho (Lesotho) to protect the exceptional biodiversity of the Drakensberg and Maloti mountains through conservation, sustainable resource use, and land-use and development planning. The project focused on the Maloti-Drakensberg Mountains, which are situated along the 300 km eastern boundary of the Kingdom of Lesotho with the RSA. This area encompasses distinct landscape and biological diversity. It is rich in species and high in endemism. However, excessive livestock grazing, crop cultivation on steep slopes, uncontrolled burning, alien invading species and human encroachment threatened this asset.

The project was consistent with the GEF Operational Strategy for Biodiversity Conservation and specifically with O.P.4 (Mountain Ecosystems). The area is located within one of the 200 Global Ecoregions proposed by World Wide Fund for Nature (WWF); it has been designated as an Afromontane Regional Center of Endemism. The uKhahlamba-Drakensberg Park has been listed as a Wetland of International Importance under the Ramsar Convention, and a substantial part of the project area was proposed as a UNESCO World Heritage Site and Peace Park.

The project was consistent with 'Conference of Parties' (COP) guidance to encourage conservation and sustainable use of threatened habitats and endemic species within a vulnerable montane ecosystem. It responded to COP3 and COP4 guidance through capacity building for sustainable rangeland management. It fostered the ecosystem approach by promoting improved management and sustainable use across national boundaries and an altitudinal gradient of montane habitats under different management regimes, from protected areas to community rangelands. The project further responded to COP4 guidance by promoting incentive measures and community involvement in biodiversity management specifically to attain conservation objectives. It was expected that conservation co-management initiatives developed for the project area will prove relevant to other protected areas and community lands elsewhere. The project was designed to support new and innovative institutional measures to promote regional cooperation and exchange of expertise and to encourage sustainable livelihoods consistent with both biodiversity conservation and poverty alleviation with a particular emphasis on sustainable tourism. By building capacity for community conservation programs and alternative livelihoods based on nature-related tourism the project promoted more equitable sharing of benefits derived from biodiversity conservation and sustainable use.

While the ecosystem showed similarities on both sides of the border, there were considerable legal, social, institutional and economic differences between the two countries, which the project design recognized. Hence, a decision was made to design two separate projects following a common objective rather than implementing one project jointly by both countries.

For Lesotho the primary rationale of the Bank's assistance was to support Government's strategy of poverty reduction and its efforts to sustain macroeconomic performance through greater integration into the sub-regional economy. In this context, the Bank supported "a comprehensive approach to the natural resource environment". The project was expected to contribute to the overarching objective on furthering sub-regional integration thanks to its transfrontier nature. Collaboration with South Africa was expected to offer Lesotho access to a great deal of experience in protected areas management. With better access to the Maloti mountains from the

South African side, enhanced management and joint marketing, it was expected that Lesotho would tap into the considerable tourism flows already available on the other side of the frontier.

### **1.2 Original Global Environment Objectives (GEO) and Key Indicators**

The primary GEF objective was to conserve this globally significant biodiversity of the Maloti-Drakensberg Mountains. The secondary objective of the project was to contribute to community development through income generation from nature-based tourism.

The five key outcomes were:

- a) Globally significant biodiversity maintained and enhanced through protection for key habitats and indicator species.
- b) Expanded protected areas system in place with adequate buffer zones and community involvement.
- c) Sehlabathebe National Park in Lesotho formally established and conservation management and development plan agreed and under implementation;
- d) Community initiatives in nature-based conservation financially viable and benefit transfers working; and
- e) Joint declaration by the Government of Lesotho and South Africa of a transfrontier conservation area incorporating Sehlabathebe National Park, the uKhahlamba-Drakensberg Park, and additional areas as appropriate.

### **1.3 Revised GEO (*as approved by original approving authority*) and Key Indicators, and reasons/justification.**

The original objectives and indicators remained valid throughout the project and were not revised.

### **1.4 Main Beneficiaries**

The project was designed to target local communities as major beneficiaries (primary beneficiaries). Benefit transfer schemes were designed, so that a part of the increased tourism revenue would flow to surrounding communities. Nature-based tourism development was intended to benefit those directly employed in a diverse service industry as guides, hotel and restaurant employees, drivers, tourism agents, makers and vendors of crafts and so on, and those indirectly engaged in supplying the tourism industry with its goods and equipment. The conservation of globally significant biodiversity was expected to benefit everyone concerned with the preservation of the natural heritage, in line with GEF objectives (secondary beneficiaries). These would include international and national visitors coming to the conserved areas to enjoy recreational and aesthetic use-values, while non-users would derive option and existence value from their conservation. It was also expected that the project would generate insights into successful models of community-based biodiversity conservation, which could be replicated in other NRM projects, and hence benefit other target communities. In addition, land use in the project intervention areas was to be enhanced through an adapted Range Management Area (RMA) approach that was expected to increase local productivity on rangelands in defined areas of high biodiversity value.

### **1.5 Original Components**

*Component 1 – Project Management and Transfrontier Cooperation:* The component's objective was to establish strong bilateral coordination mechanisms to support the ecosystem management approach in the Maloti-Drakensberg area. A bilateral Steering Committee had been established for this purpose. A bilateral Memorandum of Understanding (MoU) was intended to define the parameters of cooperation. The project planned to provide funding for: (i) a bilateral collaboration forum; (ii) national Project Coordination Committees (PCCs); (iii) coordination offices in the Republic of South Africa (RSA) and Lesotho with full-time coordination, financial management

and procurement staff (PCUs); (iv) Financial Management Committees (FMCs) attached to these Units; (v) joint technical working groups to develop and implement action plans to focus on topics and issues of common interest; (vi) joint workshops to present results and achieve consensus work plans; (vii) communication linkages, including a GIS-based Knowledge Management system served by trained staff; and (viii) joint management activities related to fire protection, rescue service, staff training and nature-based tourism such as marketing, booking and visitor planning.

*Component 2 – Conservation Planning:* The component's objective was to build capacity for transfrontier conservation and development and allow for adequate planning, zoning, protection and management. A vision and strategy were to be prepared following stakeholder consultation and with the involvement of the relevant authorities on both sides of the border. Conceptual proposals for compatible land-use zoning derived in the preparatory phase needed to be negotiated and action plans needed to be prepared for implementation. This implied conservation planning at the landscape level, and was designed to be facilitated by appropriate professionals, and with the full involvement of the staff of the respective ministries and departments in both countries. It was intended to harmonize the approaches and activities of the major nature conservation management agencies and to establish a professional support team for biodiversity conservation maintaining effectiveness beyond the project lifetime, including the continuation of employment of specialist staff.

*Component 3 – Protected Area Planning:* The component's objective was to prepare detailed plans for existing protected areas and proposed conservation areas. Planning was to be carried out in phases, beginning with the overall development and zoning plans for each area, then preparing detailed management programs and finally addressing business planning and sustainability.

*Component 4 – Conservation Management in existing Protected Areas:*

The component's objective was to develop strategies to intervene and address continuing threats and residual impacts to protected areas (alien plant infestation, soil erosion, inappropriate fire management regimes, inadequate security, over-grazing, poor waste management and poor management of cultural resources). The component focused on the Sehlabathebe National Park (SNP) and included the construction of a new office building, a new nature interpretation facility, a dormitory for school groups, upgrading of skills among its staff, the employment of a resident ecologist, improvement of administrative, communication and power facilities, implementation of a fire management program, upgrading of fencing, rehabilitation and maintenance of management roads, paths and tracks and acquiring necessary vehicles for park management.

*Component 5 – Conservation Management outside of Protected Areas:* The component's objective was to improve conservation of natural resources on communal lands and promote sustainable use for range management areas. The project aimed to facilitate the establishment of Managed Resource Areas (MRAs) building on an earlier governmental program on range management.

*Component 6 – Community Involvement:* The component's objective was to enhance community involvement in the other components of the project by promoting stakeholder collaboration, ownership and responsibility for decisions and activities related to the project. The component was to build on the experience with community conservation programs in KwaZulu-Natal.

*Component 7 – Nature-based Tourism:* The component's objective was to promote local economic development through ecotourism to assure increased commitment to conservation. This

was to be achieved through empowerment, development of tourism attractions and products, and marketing and investment strategies.

*Component 8 – Institutional Development:* The component's objective was to assure sustainability of other results by providing for an adequate institutional structure to inherit and maintain them.

### **1.6 Revised Components**

Project components remained unchanged during implementation. However, as a result of experiences with the implementation of component 3 and 4 the implementing agency merged both components into a joint Protected Area Planning and Management component. The large number of eight components made implementation of this Project very complex to implement, however, a simplification was never formalized.

### **1.7 Other significant changes**

The design, scope, and implementation arrangements remained largely unchanged. The Project was affected by delays and cost changes. The Project was approved by the Bank Board in September 2001 and became effective only in February 26, 2003 mainly due to a number of effectiveness conditions, which could not be met in time. Weaknesses in managing procurement activities added delays during implementation and the project's closing date needed to be extended twice from December 31, 2007 to Dec. 31, 2008 and finally to Dec. 31, 2009. Unclear design and inappropriate cost estimates resulted in significant reallocation of project funds between components. The construction of the SNP environment centre was delayed and more costly than expected. The Government bridged the financing gap.

## **2. Key Factors Affecting Implementation and Outcomes**

### **2.1 Project Preparation, Design and Quality at Entry**

The project identification coincided with an intensive phase of collaborative efforts between Lesotho and the RSA in the highlands water sector, and the designers captured this unique window of opportunity to extend this cooperation into the joint nature and biodiversity conservation efforts for the globally important Maloti-Drakensberg transfrontier region. This project was complementary and supportive to this on-going political environment. At the same time the Bank's rural portfolio was increasingly being driven by interests in community participation, and so this interest significantly contributed to the concepts underlying participatory protected area management planning and involvement of local communities. The strategy was to achieve conservation through the recognition that biodiversity has a direct value and its conservation can only be achieved, when local communities participate and benefit from some of the generated value (e.g. thorough eco-tourism). The designers successfully captured these developments in an innovative project concept.

At the preparation stage the project had been planned and designed as one single project to be jointly implemented by Lesotho and the RSA. A realistic assessment of policy and institutional aspects resulted in a decision to separate the implementation into two individual projects to be implemented in parallel. In hindsight this turned out to be an important decision with far-reaching positive implications for national ownership. The differences in size and level of development would have otherwise posed major implementation challenges. Continuing with one project would likely have resulted in Lesotho feeling dominated by its stronger neighbor. However, when the decision was made, the designers failed to adjust the project documentation accordingly resulting in significant inconsistencies in the design documents and confusion during

implementation. For example the project costs and list of activities presented in the appraisal document combine both projects and the log-frame shows the combined figures rather than by country. The grant agreement was similarly affected by some false assumptions, since it was based on the same combined log-frame for both countries.

The large number of components created significant complexity. Many project activities could not be logically assigned to specific components. Cost tables with clearly specified and costed activities under each component were not made available to the implementers. The preparation of a practical Project Implementation Plan (PIP) was delayed and the PIP finally produced was of limited help to the implementers.

Lessons from other projects were referenced in the PAD, but were not always fully integrated in the design. For example, the ICR for the Lesotho Land Management and Conservation Project, which was closed ahead of schedule due to implementation problems, called for a 'need for careful and detailed preparation', 'a long-term time horizon' and encouraged early restructuring if implementation problems occur. The above mentioned shortcomings in the design for this Project and overly high expectations related to some of the project outcomes indicate that these lessons were not fully integrated.

Due to these design shortcomings the quality at entry is rated as moderately unsatisfactory despite the appropriate judgment of the favorable political environment at identification stage and the conceptual innovation, which helped to overcome some design shortfalls.

## **2.2 Implementation**

Several important project preparation and design tasks were made effectiveness conditions or were pushed into the early implementation stage including the preparation of a detailed PIP, a final agreement on a log-frame, the preparation of an M&E framework, and the establishment of a Project Coordination Unit (PCU). While leaving some design tasks unfinished is not uncommon in Bank lending, this project was clearly not ready for implementation, which proved risky due to the limited local capacity and lack of funding available to finish preparation activities. With no PCU in place at the time of project appraisal, the responsible parties to carry out these tasks were not identified. A delay of 1.5 years between Board approval and project effectiveness was therefore not surprising. During early implementation, significant efforts were made to revise project indicators and targets and the log-frame. However, no final agreement was reached. A mid-term review carried out in 2005 largely ignored these discussions and restructuring which would have benefited the project was not carried out.

Some of these shortcomings were compensated by the flexibility and determination of the PCU team, which tried to find its own way to set priorities and respond to the perceived needs of the project. A positive political environment, strong local ownership and conviction to do the right thing at the right time were success factors during this stage of project implementation. At the later stage however the PCU capacity was significantly reduced with key staff leaving due to the growing uncertainty about transitional arrangements. This severely affected staff moral and motivation.

## **2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization**

The Project was approved prior to the Bank's introduction of the Results Framework format. The log-frame of the Project failed to provide a concise design tool with clearly defined outcomes, indicators and measurable targets, which could have, in combination with an effective monitoring and evaluation system, supported management decisions. The project design did not include a M&E plan. The PAD stated that Component 1 (Project Management and Transfrontier



Cooperation) would address M&E through a six-monthly review of results. A short section on M&E in the PIP referred to five key development impact indicators pointing out that “a major task of the initiation phase will be the formalization of the logical framework of the project, including all activities and the measurable indicators of performance”. Following the mid-term review (MTR) a revised Results Framework was produced, showing revised targets. These revisions were never formally translated into a formal restructuring process.

The Key Indicators outlined at appraisal were in many respects highly ambitious (not atypical for GEF operations at the time). No baselines were identified at appraisal, and indeed, the capacity to prepare these baselines was largely non-existent and eventually became part of the protected area management plans. Several of the Key Indicators were extremely difficult to measure in the first place, and required systematic data collection. For example, it was highly unlikely that changes in maintaining endemic species or viable populations of threatened species (meaning changes in species endemism and size of populations of species) were to be evident over the relatively short life of the project, and the suggestion that these should be Key Indicators was entirely unrealistic. A significant innovation in performance monitoring was introduced during implementation. The so-called Protected Area Management Effectiveness Tracking Tool (METT) was originally designed by the Bank to meet GEF’s own concerns about performance monitoring. The METT was designed to assess performance at the site-level against six criteria for protected area management effectiveness identified by the World Commission on Protected Areas. The results from the METT at three reference sites are summarized in Annex 9. It continues to be used as a self-assessment tool. Baselines have been established at all the replication sites.

#### **2.4 Safeguard and Fiduciary Compliance**

The project designers took a cautious approach by triggering a wide range of safeguard policies, and the project was classified as Category B. However, as the nature of the Project was to enhance environmental quality and protect natural habitats and cultural heritage in the project area, the entire project was expected to have supportive and significant positive effect in all of these areas. In addition the full participation of local communities and specific benefit transfer mechanisms was a crucial design element and was based on community consultations and a social assessment. OP 4.36 (Forestry) and OP 4.09 (Pest Management) were triggered due to the project’s activities related to the clearing of invasive species in some areas. No herbicides but manual weeding/clearing techniques were used in the project and the invasive species clearance did not involve logging of forests.

Overall fiduciary compliance was appropriate and no fraudulent or corruption cases have been reported. Procurement under the project was compliant with relevant World Bank procurement procedures. Financial management was affected by delays in the consolidation of accounts. The required financial reports were not produced. This has affected management decisions and fund management throughout project implementation up to the closing the project accounts.

#### **2.5 Post-completion Operation/Next Phase**

Through a bilateral MoU, the Governments of Lesotho and South Africa are committed to continue conservation and development operations in the Maloti-Drakensberg region through implementation of a 20-year transfrontier conservation and development strategy developed under Component 2 of the MDTP. The Lesotho Government committed to the establishment of a permanent Secretariat. Unfortunately the process of transferring the responsibility for post-completion operations to a permanent Secretariat has not been fully achieved at the time of this ICR. The Parks Division of the Ministry of Tourism, Environment and Culture (MTEC) is proposed to take over this responsibility, but the appropriate staffing and funding is not yet in place. This puts the sustainability of MDTP achievements and implementation of the 20-year

strategy in jeopardy. However, the South African agencies are ready to play an active role and expressed their commitment to ensure that the coordination mechanisms in Lesotho are maintained at appropriate levels at all times.

There are no satisfactory operation arrangements in place for the facilities constructed by the project in the SNP. The visitors' arrival centre, constructed in 2007, remains unused. There is no clear decision on how the new Environmental Centre, which was ready for hand over to Government on February 10, 2010, will be operated. Attempts to find a private concessionaire were not yet successful, partially due to the financial crisis causing a significant downturn in tourism in the region. At the time of the ICR the Government was looking for an interim arrangement taking responsibility for the operation of the Centre. MTEC has named a number of people to guard the environmental centre but failed to prepare adequate plans, staffing and a budget to operate the Centre. However, support is provided by the World Bank-funded Private Sector Competitiveness Project, which supports a Concessions Task Team that is committed to expediting a new round of advertisements and negotiations aimed at contracting an operator to manage the Centre on behalf of Government.

The project has provided support to a number of nature-based tourism enterprises that it has helped rural people to establish. The prospects of further meaningful support following project termination are poor. Major reasons for the under-performance of nature-based tourism in the project area are: (i) poor planning and selection of the locations, which were not always strategically placed close to tourist routes, but according to political preferences; (ii) a lack of integration of these activities with other project components; and (iii) poor marketing of these tourist products. This is a long-standing national problem. There is no evidence that tourist products in the MDTP area or elsewhere in Lesotho will be adequately marketed in the near future.

Successful longer-term implementation of the approaches promoted by the project depends on an appropriate legal framework. The new Environment Act is a significant improvement in this regard and was produced with support from the project. Preparation of the Nature Conservation Bill was another important project contribution, although this legislation is yet to be enacted.

There are stronger prospects of sustainability for the community-based natural resource management approaches that the project has helped to develop. The Government remains committed to the management of rangelands and other natural resources by user groups, and the Ministry of Forestry and Land Reclamation (MFLR) can be expected to continue promoting Grazing Associations and supporting those that operate in MDTP areas. However, the more ambitious concept of Managed Resource Committees (MRCs) as umbrella user bodies managing resources on behalf of Community Councils and/or Principal Chiefs has not been wholeheartedly adopted, and the process of enshrining such arrangements in Community Council by-laws is yet incomplete. Without further external support, the MRC concept and its intended legal framework are likely to lapse at national policy level, although the three MRCs that the project helped to establish may continue to operate, with an emphasis on the range management function that Government will continue to support through Grazing Associations. Some external support will be provided by the four-year GEF-funded Sustainable Land Management Project that was recently approved and is likely to start operations in early 2010. Partly with the assistance of this new project, the MFLR can be expected to continue developing policy and legal arrangements for enhanced range management by resource users and their local government authorities.

### **3. Assessment of Outcomes**

#### **3.1 Relevance of Objectives, Design and Implementation**

The project has made a substantial contribution to biodiversity protection in Lesotho and has helped to raise public awareness and understanding of the importance of biodiversity conservation as well as improved national and bilateral institutional capacity and cooperation in Lesotho and the RSA. The project's global objectives, design components and implementation activities remain fully consistent with Lesotho's national conservation and management priorities and reflect strategic objectives and activities identified in the Bank's Country Assistance Strategy (CAS) at the time of preparation. They remain highly relevant to the Country Partnership Strategy (CPS) priorities currently under preparation in relation to environment and natural resource management, and to increasing the quality and effectiveness of public services.

#### **3.2 Achievement of Global Environmental Objectives**

To understand the significant outcomes and contribution of this project it is important to keep in mind that Lesotho ranks among 30 of the world's poorest countries and, when this project started, biodiversity and natural resources conservation were not of particular concern to local people and their awareness of the significance and value including the economic value of their natural resources was negligible. The project has made a major contribution in changing this situation. Natural resources and biodiversity conservation have become important items on the country's development agenda. Through this project the value of conservation and its potential for tourism and local livelihoods is well recognized both for formally protected areas as well as for outside areas through improved management of grassland areas. These areas form the basis for local livestock raising and the country's wealth in terms of water resources constituting two of the country's major sources of national income with tourism potentially becoming a third pillar.

The cooperation between Lesotho and RSA is well established and when the project completed implementation, bilateral cooperation between both countries was in place as evidenced through signing of the revised bilateral MoU and regular meetings by the Bilateral Steering Committee, the Security Working Group and the Joint Management Committee of the joint uKhahlamba Drakensberg and Sehlabathebe National Park. A bilateral security strategy was implemented to address cross border crimes. The strategy will continue to be implemented by a security working group consisting of members of security forces and conservation agencies from both countries.

Implementation of an overarching 20-year conservation and development strategy linked to national and SADC policies developed during the lifetime of the project has started (2008 – 2028). The strategy will be implemented through 5-year action plans. Following a biodiversity based sensitivity analysis completed in 2006, the project area has been increased to cover 24,306 km<sup>2</sup> (planning domain) with zoning into eight biodiversity implementation areas and a biodiversity and cultural heritage conservation guiding mechanism put in place. Biodiversity and cultural heritage assessments, with development of the accompanying conservation strategies provide important guidance in securing the natural and cultural heritage of the Maloti Drakensberg area.

When the project began implementation in 2003, there were three IUCN category II protected areas in Lesotho; Sehlabathebe National Park (SNP), Tšehlanyane National Park (TNP), and Bokong Nature Reserve (BNR). Of the three protected areas, only SNP was already gazetted. By now a system of protected areas covering 134,815 hectares, of which 14,299 hectares fall under the IUCN category II, is in place. All of these areas have appropriate management plans with implementation of priority actions initiated. However, a decreasing budget and human resource

allocation has put serious constraints on the management of all PAs in the country leading to a reduction in management effectiveness and overshadowing the project success. For SNP, which is the main PA under the project, this trend could be largely avoided, while other PAs clearly suffer from this situation. The results from the PA METT carried out in 2005 and repeated in 2009 reflect this situation with scores for TNP and BNR decreasing by about 12%, while SNP remained at about the same level as in 2005.

The preparation of a joint management plan and declaration of a transfrontier park between uKhahlamba Drakensberg Park World Heritage Site (UDP-WS) and Sehlabathebe National Park (SNP) is a major achievement under the Project. The transfrontier park is run by a Joint Management Committee (JMC) that meets quarterly with membership from the Lesotho Ministry of Tourism Environment and Culture and the South African Ezemvelo KwaZulu Natal Wild Life (EKZNW).

MDTP has facilitated ratification of the UNESCO 1972 Convention on World Cultural Heritage, which has led to the preparation of a nomination dossier for SNP to be on the World Heritage list as part of the UDP-WS. A draft nomination file was being finalized for submission to the UNESCO World Heritage Office in January 2010.

Conservation management has significantly benefited by the development and implementation of best practice guidelines for fire and grazing management. A joint vulture management plan is in place with an ongoing monitoring program undertaken by a task force for vulture conservation chaired by EKZNW. This group monitors threats to bearded and Cape vultures in the MDTP area.

Improved collaboration to market the bioregion as a viable tourism destination has been set in motion through the development of a bilateral tourism strategy, publication of the Maloti Drakensberg Route and Experience book, and completion of a SADC transfrontier conservation areas expedition highlighting salient features of the Maloti Drakensberg Transfrontier Conservation Area. Local groups have been equipped and trained to provide tourism services. While it is difficult to fully assess the impact of this project on tourism development with no data collected in this regard, it must be assumed at the time of the ICR preparation the Project has not yet met its high appraisal expectations in terms of direct income transfers to local communities.

### **3.3 Efficiency**

Not applicable. The Project was a stand-alone GEF project with a GEF grant and counterpart funding from Government of Lesotho. At the time the Project was designed neither financial nor economic analyses were prepared. No standard cost benefit or cost effectiveness parameters were calculated, and would be extremely difficult to calculate ex-post. However, while the project accounting provides only limited information on the actual investment under each component, it seems clear that the management costs have been significant, likely absorbing more than 20% of the investment costs. This high proportion of management costs is not uncommon for such projects in the region where staff salaries are high, and the two extensions have contributed to the significant management overhead costs of the project.

### **3.4 Justification of Overall Outcome Rating**

#### **Rating: Moderately Satisfactory**

The Project has largely achieved its development objectives and succeeded to put in place a system of protection and management of the globally significant biodiversity of the Maloti-Drakensberg Mountains. At project completion, however, one of the five expected outcomes has not yet been attained as the Project has not yet achieved significant income generation for local communities. In addition problems remain with sustainability of the outcomes and the future

operation and management of the parks and some of the facilities put in place under the Project. Considering the low starting point the overall project implementation is rated as **Moderately Satisfactory**.

### **3.5 Overarching Themes, Other Outcomes and Impacts**

#### **(a) Poverty Impacts, Gender Aspects, and Social Development**

The Project was not designed as a targeted poverty alleviation project. However, one of the design elements of the Project was to enable local communities to benefit from income generation activities around nature protection through the development of eco-tourism and through engagement in protection and conservation activities. The Project has prepared the ground for such income generation. However, except from direct employment in the implementation of project activities very little long-term income generation is yet to materialize. The tourism and conservation activities are at an early stage, but the concepts, plans, processes and institutions that the Project has built would be well suited to achieving significant poverty alleviation in the future, provided that continued efforts and funding stay in place, which is uncertain at this moment.

From a gender perspective, project operations have mirrored national conditions in Lesotho, which is currently ranked tenth in the World Economic Forum's Global Gender Gap Index of economic participation and opportunity. Women have been prominent in community resource management and income-generating institutions and activities supported by the Project, and have a significant voice in local decision-making – although range management remains a largely male preserve.

#### **(b) Institutional Change/Strengthening**

The Project has had a significant impact on transfrontier institutional development for biodiversity conservation, strengthening linkages and cooperation between environmental and security agencies in Lesotho and South Africa. Although modes of collaboration are likely to evolve and may be less intensive following project termination, these benefits are likely to be sustained. This is one of the Project's most important achievements.

At local level, project operations have mirrored established Lesotho traditions of community-based organizational development and resource governance. Within this framework, the Project's introduction of the MRC concept was a significant institutional innovation. User groups in the form of Grazing Associations, which are working with the local authorities having formal responsibility for natural resource management, have been Government policy since the early 1980s. The MRC concept expands on this by uniting a broader range of user groups (such as handicraft makers and traditional doctors who use medicinal plants) in an umbrella body that was intended to manage all natural resources on behalf of the legally empowered local authorities – Principal Chiefs in the high mountain grazing areas, and Community Councils elsewhere. With project support, three such MRCs were established and made promising progress, which has been continued since project field staff was withdrawn from all but one area. However, the MRC concept has not been fully accepted at national policy level, where the emphasis remains on forming Grazing Associations in Range Management Areas. While the existing MRCs may continue to operate in their local areas, the concept may not be replicated by Government elsewhere.

Although the Project did not achieve major institutional innovation at the national policy level with regard to community-based natural resource management, there were positive local outcomes in the development and operation of various resource management and income generation groups. Good progress was also made with the concept of Community Conservation

Forums, which predates the Project but which it helped to develop further. The further operation of these forums will depend on MTEC's commitment and ability to work with them in their respective protected areas. However, the Project certainly succeeded in raising the awareness and commitment of local institutions and resource users with regard to biodiversity conservation. Its strong and competent presence in the field in its three main districts of operation was an inspiration to government staff and to rural people, who genuinely felt that the Project was there to work with them and help them.

The sustainability of all these local level outcomes is not assured without ongoing social facilitation and technical support, which Government is not fully equipped to provide. Lesotho's experience over the last three decades has been that, although these community-based natural resource management concepts and institutions are viable, they are often challenged by local disputes that require external mediation and advisory support. The Range Management Division of MFLR is aware of this need and has created additional posts to help meet its vision of national coverage by Range Management Areas and Grazing Associations (although it has not yet been able to fill them all). The Project has helped strengthen these institutional concepts and developments, but further external support will be needed to extend their coverage and assure their sustainability.

In collaboration with GTZ, the Project supported the preparation by the Ministry of Local Government and Chieftainship (MOLGC) of a system of integrated community and district planning for Lesotho. The direct outcomes of that effort, undertaken in 2005, are hard to discern. Four further years of analysis, pilot programs and debate in MOLGC have not yet achieved a broadly understood, effectively operated or adequately resourced system of decentralized development planning. MOLGC is now understood to have retreated from the whole concept of a stronger planning and capital budgeting system for local authorities. The more direct opportunity in future will be to work sectorally with Community Councils, linking their plans and priorities directly to line Ministries' and related donors' capital budgets. The Project continued efforts to link the emerging MRA/MRC concepts into Community Council structures and procedures, but the erratic and uncertain development of the latter have precluded clearly sustainable results.

**(c) Other Unintended Outcomes and Impacts** (*positive or negative, if any*)

A number of initiatives have been taken by the project implementers, which were supportive to the Project but not fully anticipated in the project design. Most importantly the MDTP has facilitated ratification of the UNESCO 1972 Convention on World Cultural Heritage, which has led to the preparation of a nomination dossier for SNP to be on World Heritage list. A draft nomination file was being finalized for submission to UNESCO World Heritage Office in January 2010. In general the project implementers have given additional emphasis to the protection of cultural heritage with the recognition that nature and biodiversity conservation in Lesotho has close linkages with the nation's cultural heritage. Thus these initiatives have not only generated additional positive outcomes for cultural heritage protection, but have also been mutually supportive to the environmental objective of the Project.

**3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops**

No formal workshops were convened in conjunction with the preparation of this ICR. During the course of the Project, many stakeholder workshops were supported on a wide range of topics from discussions on resource management, legislation to zoning of particular conservation areas. A wide range of stakeholders, from national and local government staff to tourism based businesses and local communities benefitted from the project. Meetings with stakeholder groups during the ICR assessment work revealed a high level of community awareness with very active local groups and associations confirming the importance of the Project for these groups.

However, it also became clear that much of the expected income generation has yet to materialize.

#### **4. Assessment of Risk to Development Outcome**

##### **Rating: substantial.**

For this GEF project, the Risk to Development Outcome is assessed in terms of the global objectives, which comprise biodiversity, institutional and income benefits. The assessment is based on the following standard criteria:

- **Technical:** negligible to low. Proven technical conservation and natural resource management interventions have been designed under the project.
- **Financial:** high. The financial viability of nature-based tourism enterprises that the Project has promoted remains highly uncertain, due in part to inadequate marketing to date (and poor prospects of improvement in this regard). Financial flows through Government to the nature conservation and nature-based tourism sectors are not robust.
- **Economic:** low. The economic benefits from conservation are well documented and particularly high for the project areas providing significant downstream environmental benefits.
- **Social:** moderate. Community-based resource management institutions and income generating organizations have an established history in Lesotho, but that history is punctuated by social strife and consequent institutional dysfunction. Ongoing facilitation and support are necessary, but not adequately available. Support from the GEF-funded Sustainable Land Management (SLM) project over the next four years will help to build capacity and procedures for this purpose.
- **Government ownership/commitment:** substantial. Recent Government actions with regard to the Project's exit strategy and implementation of the 20-year strategy were significantly delayed and not strong enough indicating a dilution of the commitment that was earlier expressed. Government currently faces severe budgetary constraints, but should give priority to earlier commitments to the South African government and the World Bank.
- **Other stakeholder ownership:** moderate. The Project has not achieved any significant ownership by the private sector. There is real commitment by some elements at community level, but its sustainability is not guaranteed in the absence of ongoing facilitation and support.
- **Institutional support:** substantial. The viability and sustainability of institutional arrangements to promote nature conservation and effective natural resource management through national and local government structures remain uncertain.
- **Governance:** substantial. Current deterioration in governance at national and local levels in Lesotho is translated into weakening performance of state and community-based natural resource conservation and management institutions. The Project has had only local success in reversing these trends, and the durability of these improvements is not assured.
- **Natural disasters exposure:** negligible to low.

#### **5. Assessment of Bank and Borrower Performance**

##### **5.1 Bank**

##### **(a) Bank Performance in Ensuring Quality at Entry**

**Rating: moderately unsatisfactory**

While the relevance and political environment for the Project was well recognized and the concept of the Project was innovative, there were shortcomings in the preparation, design and appraisal of the Project as described in Section 2.1. These relate to the deficiency of the logical framework, a complex component structure without clear linkages between component outcomes and overall project objectives, a lack of appropriate project cost estimates, and inconsistencies in the design documents; -- all of this made project implementation challenging and caused delays throughout the Project. No quality at entry evaluation is recorded.

#### **(b) Quality of Supervision**

##### **Rating: moderately unsatisfactory**

Bank staff provided regular (generally twice per year) supervision inputs during project implementation. Findings and recommendations are documented in detailed aide memoires available for all years, with the exception of 2007, where there seemed to have been a gap in supervision. The supervision support appears mixed reflecting several changes in task team leadership over time. Project implementation shortcomings were identified during the supervision process; however, many recommendations remained general and were not followed-up consistently enough to resolve issues in a timely manner. The missions were relatively short (ranging from a few days to a week). This allowed only limited field work and problems identified during missions were often not fully solved. Particularly at the beginning and main implementation phase of the project a more intensive supervision process could have helped keep the Project focused and moving. At the critical investment phase restructuring was dragged on unnecessarily and finally not done and a quicker responsiveness might have avoided some of the delays related to key investments such as the environmental centre at SNP. The Bank recognized these issues and significantly improved supervision support during the project extension phases providing timely responses and practical solutions not only through formal supervision missions, but also through regular communication with the PCU in between missions.

Fiduciary aspects of the Project were supervised partly in conjunction with routine supervision missions and partly by regional procurement and financial management staff conducting separate visits to the country. Fiduciary issues were identified, but not followed up satisfactorily, e.g. the lack of regular FM reports or annual procurement plans. More hands on procurement and financial management training particularly at the early phase of the project could have avoided implementation delays. Social and environmental safeguarding aspects were handled by the task team leaders with recommendations reflected in various aide memoires. There are no indications of social safeguard issues under the project, but the task teams have taken a lightweight approach and little documentation is available on the monitoring of social safeguarding issues.

#### **(c) Justification of Rating for Overall Bank Performance**

##### **Rating: moderately unsatisfactory**

Overall Bank performance overall is rated as **Moderately Unsatisfactory** due to the described weaknesses in project design and supervision. However, these shortcomings did not significantly affect implementation to the extent that the project objective could not be achieved, but likely opportunities were missed to work more proactively on evolving conservation strategies and to more timely implement project activities with a higher likelihood of sustainability. During the extension phase the Bank team worked more proactively with the Government and the PCU to focus the Project on completing a number of key activities and on the consolidation of key outcomes. At that stage a strong and responsive relationship with the PCU was re-established, which strengthened project implementation. Unfortunately implementation of some key investments finished too late to provide adequate time for further project guidance on operative procedures (e.g. the SNP environmental center or the income generating activities of communities).



## **5.2 Borrower**

### **(a) Government Performance**

#### **Rating: moderately unsatisfactory**

By launching this project the Government of Lesotho has given high attention to the bilateral biodiversity conservation agenda between South Africa and Lesotho resulting in a first and subsequently renewed MoU between both countries and the agreement on a 20-year conservation and development strategy. MTEC provided the support for the PCU to adequately manage the Project and it provided the political environment for the national and bilateral conservation agenda. The Government was ready to grant additional funding bridging the financing gap caused by cost increases for the construction of the SNP environmental centre. However, considering the apparent difficulties to provide an operational budget for the center, a smaller construction, as recommended in the business plan, might have been a better choice. Unfortunately and despite repeated emphasis from the Bank side, the Government felt short in taking timely action with respect to the transitional arrangements setting up a functioning secretariat during the last year of project implementation as was agreed in conjunction with the project extension. The abrupt dissolving of the PCU disrupted a smooth transition and the failure to timely put an appropriate operational arrangement for the environmental centre in place threatens the value of the project's flagship investment. These late stage difficulties and the failure to secure adequate budgets and human resources for the management of the SNP and the implementation of the 20-year conservation and development strategy are putting severe implications on the sustainability of the project achievements with Government performance to be rated as moderately unsatisfactory.

### **(b) Implementing Agency or Agencies Performance**

#### **Rating: satisfactory**

Overall the performance of the implementing agency was very commendable. Selecting a core team of local staff backed up by international expertise the PCU developed the necessary technical skills to successfully implement this complex Project. In fact, the PCU has compensated for many shortcomings in the design by taking initiatives and working extremely hard to make the Project's interventions relevant and timely, recognizing the need to bring Lesotho's conservation agenda and protected area management standards up to international level. The PCU was staffed with technically competent and dedicated professionals, who have established excellent relationships with their South African partners and a broader community of conservation practitioners, including international organizations.

Mainly lack of experience has caused some delays in procurement processes and problems in financial management and project reporting. Solving financial management and accounting issues was delayed, which led to an accumulation of issues towards the end of the project.

### **(c) Justification of Rating for Overall Borrower Performance**

#### **Rating: moderately satisfactory**

The performance of the borrower is rated **Moderately Satisfactory** accounting for the shortcomings in putting adequate and timely transitional and operational mechanisms and budgets in place to provide more sustainability for the Project outcomes.

## **6. Lessons Learned**

Some key lessons learned from the Project include:

Transfrontier cooperation in biodiversity conservation can be achieved through parallel implementation that takes into account the uniqueness of the countries involved, while maintaining synergies for cross-learning and collaboration. Such a design allows sovereign decision making and gives sufficient freedom to choose specific implementation speed and processes, while generating the necessary level of national ownership. While the transfrontier cooperation was fully accomplished with significant transfer of knowledge from the advanced conservation and tourism experiences in South Africa, Lesotho was able to deliver on its own achievements. This appears a particularly suitable model in the context of countries that differ in size and development status.

Using the synergies in the overall development portfolio allows exploiting the full development opportunities of a project. This project has benefited from the transfrontier collaboration agenda between Lesotho and South Africa in the water transfer sector and extended this agenda to nature conservation. Similarly the Project would mutually benefit from other projects and programs. It has built the ground for private sector tourism development and in that area a linkage is desirable and emerging with the World Bank-funded Private Sector Competitiveness Project. Further mutual support could be envisaged in the area of resource management by the recently approved GEF-funded Sustainable Land Management Project and the new World Bank IFAD agricultural development project, which is currently under preparation.

Good project design and detailed preparation is necessary especially when local implementation capacity is low. The design should be simple and should take into account local institutional and human capacity. It is not advisable to expect major tasks to be completed between appraisal and effectiveness (e.g. condition of effectiveness). Moreover, such gaps indicate lack of readiness of the project.

A well prepared logical framework [results based monitoring framework] should be the backbone of the project design and should be fully agreed prior to project implementation. Such framework needs to clearly show the linkages between components and their outcomes with the overall development objective.

Objectives, indicators and targets need to be realistic, helpful for management and take into account the time-frame of project implementation. A baseline not only helps to measure success, but also disciplines the designers to pay attention to realistic and measurable indicators.

Long-term operational arrangements of investments should be carefully assessed before prior to entering into investments for buildings or infrastructure.

Restructuring of the project should be done as soon as a need arises.

Frequent changes in task management during project design and implementation can cause serious disruption, when task managers are leaving without finishing important milestone tasks. Examples under this project were the finalization and agreement on the logical framework at the design stage, the completion of the restructuring of the Project at mid-term or finishing the complex and time consuming design and procurement process of the environmental centre at the later stage of the Project.

Changes in task management require particular management oversight.

## **7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners**

### **(a) Borrower/implementing agencies**

The report highlights some issues that were faced during the early stage of the ICR preparation. Subsequently, the Lesotho Government through the Ministry of Tourism, Environment and Culture addressed the key concerns raised for the post completion phase of the project as follows:

(i) the Government is committed to the establishment of a permanent secretariat for the MDTP and has assigned the Division of Nature Conservation to be the key counterpart and implementer of the 20 year transfrontier strategy; (ii) the Government has committed M 16 million for 2010/11 for the management and operation of SNP and has strengthened the Parks Division by engaging temporary staff to be located in SNP. In addition, the Government concurs that the community income generation has not been achieved yet, however, is confident that a good foundation has been laid that will assure that benefits be realized in the near future.

### **(b) Cofinanciers**

Not applicable

### **(c) Other partners and stakeholders**

*(e.g. NGOs/private sector/civil society)*

No issues raised.

## Annex 1. Project Costs and Financing

### (a) Project Cost by Component (in USD Million equivalent)

| Components   | Appraisal Estimate<br>(USD millions) | Actual/Latest<br>Estimate (USD<br>millions) | Percentage of<br>Appraisal |
|--|--------------------------------------|---|----------------------------|
| <i>Project Management and<br/>Transfrontier Cooperation</i>    | 1.5                                  | 2.2   | 147%                       |
| <i>Conservation Planning</i>                                   | 0.6                                  | 0.7   | 117%                       |
| <i>Protected Area Planning</i>                                 | 0.5                                  | 0.7   | 140%                       |
| <i>Conservation management in<br/>existing Protected Areas</i> | 1.7                                  | 3.6   | 212%                       |
| <i>Conservation Management<br/>outside of Protected Areas</i>  | 1.0                                  | 1.1   | 110%                       |
| <i>Community Involvement</i>                                   | 1.6                                  | 0.9   | 56%                        |
| <i>Nature-based Tourism</i>                                    | 1.3                                  | 1.1   | 85%                        |
| <i>Institutional Development</i>                               | 0.2                                  | 0.3   | 150%                       |
|  |                                      |   |                            |
| <b>Total Project Costs</b>                                     | <b>8.4</b>                           | <b>10.6</b>                                 | <b>127%</b>                |

### (b) Financing

| Source of Funds                   | Type of<br>Cofinancing | Appraisal<br>Estimate<br>(USD<br>millions) | Actual/Latest<br>Estimate<br>(USD<br>millions) | Percentage of<br>Appraisal |
|-----------------------------------|------------------------|--|--|----------------------------|
| Borrower                          |                        | <b>1.1</b>                                 | <b>3.4</b>                                     | <b>309%</b>                |
| Global Environment Facility (GEF) |                        | <b>7.36</b>                                | <b>7.2</b>                                     | <b>98%</b>                 |

## **Annex 2. Outputs by Component**

### **Component 1 – Project Management and Transfrontier Cooperation**

The component's objective was to establish strong bilateral coordination mechanisms to support the ecosystem management approach in the Maloti-Drakensberg area. Key outputs under this component have been:

- Signing of a Bilateral Memorandum of Understanding (MoU).
- Establishment of National Project Coordination Committees (PCCs).
- Bilateral Steering Committee (BSC).
- Joint security task force.
- Joint bearded vulture protection group.
- A Project Coordination Unit (PCU) with supporting units for financial management and procurement.

**Rating: satisfactory.**

In many regards the outcome of this component has exceeded appraisal expectations and has put a well functioning transfrontier cooperative mechanism in place. A Bilateral Memorandum of Understanding (MoU) was signed on the 11<sup>th</sup> June 2001 and renewed and revised on December 1, 2008 to enhance cooperation between Lesotho and the Republic of South Africa. The MoU committed an area of 15,000 km<sup>2</sup> of which 6,000 km<sup>2</sup> was in Lesotho and 9,000 km<sup>2</sup> in RSA. Following biodiversity assessments in 2006, the MDTP planning area was increased to cover 24,305.6km<sup>2</sup> in Lesotho while 27,694.4km<sup>2</sup> is in South Africa.

Subsequent to establishment of national Project Coordination Committees (PCCs) in 2003, a Bilateral Steering Committee (BSC) was constituted. The former meets quarterly and when need arises, while the latter follows a six monthly schedule of meetings. At closure, the BSC has had 14 meetings while the PCC has had 48. The transfrontier collaboration with South Africa took place around the following issues: (i) development of a transfrontier conservation and development strategy; (ii) development of the Sehlabathebe-uKhahlamba Drakensberg Transfrontier Park as the prime transfrontier spatial initiative; (iii) development and implementation of a transfrontier tourism strategy; (iv) development and implementation of a joint security strategy; (v) addressing key threats to biodiversity and conservation such as fire and safety in the project area; and (vi) supporting key species conservation programs such as the bearded vulture program.

The joint security task force has become an important mechanism to address cross-border security issues such as smuggling, cattle thefts or tourist protection. This task force consisting of members of security forces and conservation agencies from both countries meets regularly or on special demand and is a valuable mechanism for both sides to address security issues.

A Project Coordinating Unit (PCU) located in the Ministry of Tourism, Environment and Culture (MTEC) was established with high level project management and institutional arrangements in place. Considerable emphasis was placed on establishing governance structures at district level with 3 district offices put in place to support ground level implementation. Unfortunately, at the later stage of the project the PCU apparently lost support from the ministry with several qualified staff leaving the office. The district offices were then used by District Environmental Officers (DEOs) from MTEC. These officers continued to serve as MDTP focal points and coordinated program activities at district level. Key members of the PCU were retained to assist DEOs and other program partners to implement outstanding Project activities. These included a Biodiversity

Planner, District and Community Councils Planner, Range Management Specialist, Protected Areas Management Specialist and Community Participation Specialist.

A GIS unit was run by a GIS Specialist from 2003 to September 2007. The functions of this unit were preparation of maps on request by other project sections, maintenance of the project website and general information management for the project data. When the specialist left, the GIS functions were managed with help from the Department of Environment Information Division accept website maintenance for which the services of a private company were employed.

A MDTP Exit strategy for Phase I has been prepared and is outlined in the bilateral MoU. The key elements of the strategy are: new institutional arrangements and coordination mechanism for subsequent phases of the Project; and a 20 year conservation and development strategy out of which 5 year action plans will be derived to facilitate the implementation of the strategy by implementing partners. The bilateral MoU commits both countries to maintain a secretariat to oversee implementation of the strategy. A shortcoming of this component however is that at the time of the ICR no clear institutional mechanism such as a national secretariat had been established with appropriate staff and funding to continue the transfrontier cooperative mechanism. During project implementation this function had been carried out by the PCU, which was not retained after project closure.

## **Component 2 – Conservation Planning**

The component's objective was to build capacity for transfrontier conservation and development and allow for adequate planning, zoning, protection and management. Key outputs have been:

- Completion of a biodiversity survey (2006).
- Identification of two new protected areas: one at Senqu Sources and one at Liqobong. The Senqu Sources Protected Area (SSPA) was delineated; the Liqobong Protected Area (LPA) was not. Due to resistance and disputes at Liqobong, it was decided not to proceed with development of that protected area during the current project period.
- Production of a 20-year transfrontier conservation and development strategy (agreed by the two governments in 2006), supporting technical studies and a summary publication.
- Development and agreement of a transfrontier security strategy for the project area.
- Development of a cultural heritage strategy for Lesotho.
- Production of a conservation plan for the Lesotho part of the Maloti-Drakensberg bioregion, including identification of eight Priority Biodiversity Areas and preparation of detailed conservation plans for five of these.
- Partial preparation of a bioregional zoning plan for the Maloti-Drakensberg Transfrontier Conservation Area (MDTFCA).

**Rating: moderately satisfactory.**

The outputs specified for this component by the PAD were largely achieved in Lesotho. The PAD envisaged that the Project “will supplement the resources of the nature conservation agencies to eliminate the backlog of conservation planning, and ensure a sound foundation for further planning and action”. This has been achieved. A series of high quality plans were produced for the bioregion. The development of cultural heritage strategy was an important step forward for Lesotho. Negotiation and agreement of the international security strategy was a further significant achievement.

A key outcome of the planning process was the expansion of the Project's thematic and spatial coverage in Lesotho. As the MTR noted, the Project was “positioned to support a far wider national sector reform of the protected area and natural resource management function in

Lesotho”. Spatially, the bioregional planning studies revealed, as the MTR stated, that “the Lesotho part of the broader Maloti-Drakensberg bioregion extends much further from the South African border than was recognized during project preparation. The bioregion within Lesotho has been expanded substantially and now covers the entire highlands grassland area, which is about two-thirds of the country.” The MTR indicated that it had no objection to this expansion, which was appropriate from a technical point of view but inevitably posed new challenges of prioritization, coordination and implementation to the PCU.

Despite substantial achievements, there were **moderate shortcomings** in implementation of the component.

Most of the planning work was done by consultants under contracts that lacked a strong capacity-building element. This had two consequences. First, capacity to do such planning is not significantly stronger in MTEC or other Lesotho institutions at the end of the Project than it was at the beginning. Secondly, as was pointed out in section 6 above, the technical sophistication of the planning processes and products renders them largely inaccessible to resource users and may impede clear acceptance and action by government authorities. Resource user participation was promoted during many of the planning processes, but the participatory biodiversity monitoring system that the PAD anticipated has not been developed. Discussion of biodiversity status assessment to support ICR preparation has again revolved around the availability of consultants. The PAD (Annex 2) intended that the Project would support the ongoing process of establishing and filling “posts for specialized [planning] functions”. MTEC efforts to establish such posts have been largely unsuccessful. The PAD envisaged “in some cases the continuation of employment of specialist staff, for which provision is being made in future planning”. It appears unlikely that specialist staff employed by the PCU will continue in employment with MTEC.

There was good progress in the participatory identification and formalization of the SSPA, but a parallel process at the LPA encountered problems that were largely beyond the Project’s control. There have been disputes over resource rights and management in the LPA area for many years, and it is not surprising that lack of local consensus made it impossible for development of that protected area to proceed.

It was unrealistic to expect, as the PAD logical framework appears to, that implementation of the biodiversity conservation program could be accomplished in full during the Project’s lifetime, partly because of the number of months available and partly because to implement such a program is infinitely more difficult than to design one. Local elements of the plans that were developed have been implemented, but the overall implementation of the 20-year strategy for the bioregion lies in the future. Capacity concerns in MTEC compromise confidence about this implementation. The strongest current area of implementation is the security strategy. The two governments are active in this regard, with good progress reported on the ground.

### **Component 3 & 4– Protected Area Planning and Management**

It was decided early in project implementation to merge these two components, as it seemed artificial to separate them. Their objectives were (i) to prepare detailed plans for existing protected areas and proposed conservation areas and (ii) to develop strategies to intervene and address continuing threats and residual impacts to protected areas (alien plant infestation, soil erosion, inappropriate fire management regimes, inadequate security, over-grazing, poor waste management and poor management of cultural resources) with a particular focus on the SNP. Key outputs have been:

- Strategic environmental assessment, zoning plan, official approval and management plan for the SSPA. However, Government currently lacks funds to staff or manage the area.
- Preparation of a management plan for the SNP (an unwieldy 480 page version produced in 2005 was revised into a more useable format).
- Preparation and agreement of a joint management plan for the SNP and the uKhahlamba Drakensberg Park World Heritage Site.
- Preparation of management plans for the Menkhoaneng and Botha-Bothe Plateau cultural heritage sites.
- Initial preparation of a general business planning framework for protected areas in Lesotho.
- Preparation of a business plan for the SNP.
- Limited reintroduction of indigenous plant species into the SNP.
- Initiation of some rehabilitation and development works proposed by the SNP management plan, including clearance of 10 ha of invasive plant species in and around the park and implementation of fire prevention measures. No fence rehabilitation has been achieved. Eight kilometers of road were rehabilitated in the park, along with 1 km of hiking trail. Five hiking trail bridges were built.
- Implementation of priority conservation actions, notably fire prevention measures and invasive species removal, in the Bokong Nature Reserve, the Tsehlanyane National Park and the Menkhoaneng and Botha-Bothe Plateau cultural heritage sites.
- Implementation of the transfrontier security strategy (see Component 2).
- An ecological study of the Maloti minnow and other fish in the Tsoelikane river (SNP).
- Construction of an arrival/visitor information centre and an Environmental Centre in the SNP.

**Rating: moderately satisfactory.**

The combined Components 3 and 4 focused on Lesotho's existing protected area (SNP) and on the new ones that the Project helped to develop. They involved more detailed development, management and business planning for these protected areas and the implementation of some of the actions set out in those plans. This implementation involved a number of physical interventions, such as fire control and the removal of alien vegetation; institutional actions, such as efforts through community structures to prevent illegal grazing; and infrastructural development. The latter included one of the Project's flagship activities: construction of a visitor arrival/information centre in the SNP (in 2007) and of a 72-bed Environmental Centre in the park. The Centre has been completed and was ready for handover to Government in December 2009, but the operational arrangements remain unclear at the time of the ICR.

There were **moderate shortcomings** in achievement of the results intended for this component. Much of the protected area planning was satisfactorily completed, although the initial management plan for the SNP was an extreme example of excess technical detail and had to be revised to a more useable format and length. The intended business planning for protected areas could only be accomplished for the SNP. Implementation of that business plan has so far not achieved the intention of the PAD (Annex 2) that "it will be necessary to fulfill promises that the protected area will generate greater benefits than the former use of the rangeland for cattle production".

Infrastructure development has been compromised by delays on the side of both the government and the World Bank (whose issue of 'no objection' statements for procurement took months longer than necessary). The SNP Environmental Centre has been completed about two years behind schedule and therefore could not deliver benefits during the project period and lacked



further technical support and supervision by the project. As was noted in section 2.5 above, a more serious concern is the ability of Government to operate the infrastructure that the Project has (belatedly) delivered. The visitor arrival and information centre has stood unused for two years and has begun to deteriorate, necessitating roofing repairs in October 2009. Original intentions to attract a concessionaire who would operate the Environmental Centre as a commercial venture have been unsuccessful. The business plan for the SNP did indicate that the Centre would be unlikely to prove commercially viable. New arrangements are now being made through the Concessions Task Team supported by the World Bank-funded Private Sector Competitiveness project (which also arranged the earlier invitations to express interest) for a revised approach to companies who could manage and operate the Centre on behalf of Government. Any such contract would require a budgetary commitment that MTEC appears unable to make at present. The Ministry has confirmed that it will put a skeleton team in place to care for the Centre after it has been handed over by the contractor, but there is likely to be some delay before the facility and the related visitor arrival/information buildings can begin to perform their intended roles.

Auxiliary smaller infrastructural development is absent. There are no signs on roads in Qacha's Nek district to show visitors where the SNP or other nature-based tourism facilities are, how long it would take to reach them, or what attractions are available in these areas. This shortcoming is symptomatic of a broader failing in implementation of nature-based tourism strategies for the protected areas that the Project has supported. The various facilities and attractions are not being marketed. It is therefore not surprising that they generate hardly any income for the intended beneficiaries or the broader economy.

Implementation of Components 3 and 4 is therefore rated as **moderately satisfactory**. Although the intended planning was largely accomplished to an appropriate standard, its value has been compromised by incomplete and delayed implementation and sustainability cannot yet be assured.

## **Component 5 – Conservation Management outside of Protected Areas**

The component's objective was to improve conservation of natural resources on communal lands and promote sustainable use for range management areas. The Project aimed to facilitate the establishment of Managed Resource Areas (MRAs) building on existing Government range management concepts and programs. Key outputs have been:

- Establishment of three Managed Resource Areas, at Khomo-Phatšoa (Qacha's Nek district), Mokhotlong-Sanqebethu (Mokhotlong) and 'Moteng (Botha-Bothe).
- Development of a management plan for each MRA.
- Development of MRA by-laws, which were submitted to the Minister of Local Government and Chieftainship but not approved. A process to integrate the Project's draft by-laws with generic MOLGC by-laws for natural resource management by Community Councils has been started (for Khomo-Phatšoa only) and will not be completed before project termination.
- Wetland management initiatives, including inventory, classification, erection of notice boards and collaboration with the Millennium Challenge Corporation and the Ministry of Natural Resources on preparation of a comprehensive wetland restoration program.

**Rating: moderately satisfactory.**

The Project's support for conservation management outside protected areas focused on the Khomo-Phatšoa, Mokhotlong-Sanqebethu and 'Moteng MRAs in Qacha's Nek, Mokhotlong and Botha-Bothe districts respectively. The activities actually included a major element of planning as well as management. The institutional dimensions of MRA management are discussed in section 3.5(b) above and under Component 8 below.

As such, the component developed in a rather different direction than the PAD had envisaged. The PAD (Annex 2) implied that conservation management outside protected areas would focus on Community Conservation Forums' activities in the vicinity of parks and reserves, including alien species control, enhanced operation of paths and tracks through conserved areas, sustainable livestock management and cultural heritage activities. The Lesotho project's response was that a broader effort would be needed to promote sustainable resource use across the highland region overall, with three MRAs as the model of how this could be done – building on the existing RMA approach of MFLR.

There were **moderate shortcomings** in the achievement of the intended results for this component. Preparation of the MRA plans developed into an excessively technocratic exercise, despite the Project's commendable emphasis on participatory planning with the affected resource users and various Government agencies. The Project also engaged well with the MFLR Range Management Division (RMD), whose technicians carried out much of the field survey of range condition and assessment of appropriate grazing strategies. The MRA plan documents that were ultimately produced consist mainly of technical background, including the range assessment survey findings and a lengthy 'operational framework' that unrealistically assigns tasks to a wide range of government agencies. Only about 5% of the document is actually a resource management plan, and that part focuses on rotational pasture management. (There is little direct reference to enhanced animal productivity, although better pastures should normally be conducive to it.) This kind of range management planning is familiar to local resource users and likely to be adopted and implemented sustainably by them. A relatively simple core of the MRA plans is therefore appropriate, helpful to resource users, and sustainable. The rest of the MRA planning effort is not likely to have lasting value, as the many agencies assigned responsibilities by the 'operational framework' are not likely to pursue them systematically and overall MRA implementation – beyond the core range management element – is not likely to be coordinated or monitored. The RMD, meanwhile, will continue to promote the development, planning and sustainable management of RMAs. This is an appropriate strategy that will be supported over the coming four years by the recently approved, GEF-funded SLM project and could be further developed in the medium term by the rural development and resource management intervention(s) that the World Bank and IFAD have recently begun to formulate.

The Project worked commendably to develop the formal role of MRCs as natural resource management agents of Community Councils, the local authorities with legal responsibility for this function outside the high mountain grazing areas that are still controlled by Principal Chiefs. It envisaged that, as provided by the Local Government Act, Community Councils with jurisdiction over (parts of) MRAs could develop natural resource management by-laws in consultation with MRCs. The by-laws would formally establish MRCs as Community Councils' agents in this regard. Intensive participatory efforts produced draft by-laws in all three MRAs, and these were submitted to the Minister of Local Government for approval as required by the Act. However, they have not been approved. MOLGC has meanwhile been developing generic by-laws for various local authority functions, including natural resource management. It will now be necessary to reconcile the bottom-up MRA by-laws that the Project helped to develop with the generic version. Over the last six months the Project has sponsored two workshops for this

purpose, but a final integration by the end of 2009 is only likely for the Khomo-Phatsoa MRA version.

It is of course premature to attempt an objective assessment of whether the preparation and implementation of conservation management plans outside protected areas have enhanced natural resource conditions or biodiversity status. Sustained effort would be needed over at least a decade before any claims of biodiversity impact could be empirically demonstrated. However, implementation of Component 5 is rated as **moderately satisfactory**. Key achievements were further reinforcement of resource user institutions and roles in sustainable range management and the broader understanding (but not formal policy or legal acceptance) that user groups should manage natural resources on behalf of the legally mandated local authorities. Shortcomings were the Project's ultimate inability to consolidate a sustainable, broader institutional approach to the integrated management of all natural resources rather than grazing only; the excessively technical and detailed approach to resource management plans; and the inability to give resource users' management role formal legal status. However, the latter issue may not necessarily be a problem for resource users and local authorities in the field. Local consensus and alliances may be a perfectly adequate basis for resource users and local authorities to work together sustainably, regardless of the official status of their arrangements.

## **Component 6 – Community Involvement**

The component's objective was to enhance community involvement in the other components of the Project by promoting stakeholder collaboration, ownership and responsibility for decisions and activities related to the Project. Key outputs under this component have been:

- Generation of environmental conservation and biodiversity awareness in communities and schools.
- Three Community Conservation Nurseries.
- The Mokhotlong Community Conservation and Development Trust (named Seinoli)

### **Rating: moderately satisfactory.**

*Extensive community awareness* has been generated through the Project. All communities visited by the ICR mission showed an in-depth understanding of the importance of the value of the natural heritage in the project areas and a strong commitment to protect these assets. Audio visual materials on key bio-diversity threats, natural heritage and tourism have been prepared for schools. However the use of these materials leaves scope for improvement as it has not regularly found its way into the curricula and is not being used in most schools.

*Three community nurseries* have been established under the Project - Matsatsaneng (Botha Bothe), Mateanong (Mokhotlong) and Makhoareng (Qacha's Nek). A 'starter pack' was provided by the Project to assist the nursery operation in its beginning. Since the operation of the nurseries started late, a short assessment on the operational situation was done and the findings were that only Makhoareng nursery was operational while the other two are still struggling to get started.

*A Community Conservation and Development Trust (named Seinoli)* was created in Mokhotlong with the objective to promote regeneration of the area through sustainable resource use and conservation as well as support for eco-tourism. The trust with fourteen members from various interest groups received training from the Project and has now been registered. To make this trust fully operational additional follow-up and resources would be useful. Attempts were made by the Project to link the trust with the UNDP GEF small grant scheme and help them to get trained in

preparing proposals due to delays in release of fund by Lesotho government. However this has not yet materialized.

While the direct outputs under this component remain moderate, it needs to be noted that community involvement was crosscutting throughout all project components and the approaches taken have been commendably and successfully practiced with community participation throughout many project activities. The Project has spent significant efforts to successfully involve communities in conservation planning, management and implementation. The indirect impact of this approach is certainly far more valuable than its direct outputs.

## **Component 7 – Nature-based Tourism**

The component's objective was to promote local economic development through ecotourism to assure increased commitment to conservation. This was to be achieved through empowerment, development of tourism attractions and products, and marketing and investment strategies. Key outputs under this component have been:

- An Assessment of Adventure Tourism Possibilities.
- Development of Tourism Strategies.
- Tourism plans for Sani Pass, Liphofung Cultural Heritage Site and SNP.
- Guidelines for Tourism related concessions involving Public Private Partnerships (PPPs)
- Community and private sector capacity building and training.
- Assessment of Tourism Birding Routes.

### **Rating: moderately unsatisfactory.**

A large number of activities have been carried out under this component and initiatives have been taken most importantly in the following areas:

*Adventure Tourism Possibilities:* Under the Project an assessment of adventure tourism possibilities in the three development nodes (Sani Top, Moteng and Sehlabathebe areas) was carried out. This assessment was followed up by training on adventure tourism for key actors who embarked on a trial run to promote adventure product and route they had developed during the training. Participants in the training included representatives of nature tour guides, B&B owners, a pony trekking committee, chiefs, community council and district tourism association. The training involved lectures, visits to the attractions, and planning sessions. In addition a scoping exercise for SNP resulted in the development of a hiking trail concept and provided the designs for the community-based construction work of the trails.

*Tourism Strategies:* A National Strategic Framework for Tourism was finalized with MTEC management and involvement of key stakeholders. The strategy addresses four major aspects for improving tourism industry in the MDTFCA: (i) product development, infrastructure, human resources and policies; (ii) investment; (iii) marketing; and (iv) management.

*Public Private Partnerships (PPPs) Tourism Guidelines and Concessions:* A National Framework for Issuing Concessions in the Tourism Sector was developed and approved by stakeholders. This is meant to promote private sector involvement and investment in the tourism industry. The LTDC is piloting implementation of the framework. The PPPs guidelines were developed to be used with the concessions framework to promote community, private and public sector partnerships.

*Community and private sector capacity building and training:* Tour Guides and Tour Operators involving 19 community members were trained in nature tour guiding and ecotourism; ten of which also received birding guide training. The former were involved in a four weeks intensive course by the Southern Africa Wildlife College; while the latter participated in a ten days of training by Birdlife South Africa. The National University of Lesotho through its different departments also provided nature based tour guiding training to all the guides equipping them with knowledge on Lesotho flora and fauna, cultural and living heritage, history and religion, Geology and Geomorphology, atmosphere, weather and climate, hydrology and wetlands, rock art and paleontology. The University of Free State (Qwa Qwa RSA) trained 11 tour operators for two weeks on areas of tour operation, organization of tours, business principles and marketing products. Some 81 handicrafts producers were trained in handicrafts production by local community experts in different areas such as pottery, weaving, and production of ornaments using locally found materials. Subsequent to the training producers formed associations and continue to produce regularly and display their produce at nature reserves like Liphofung while others sell products to tourists and in the villages. Some people running accommodation establishments were provided with skills in hospitality services. The training involved trainers from the Tourism School in South Africa and included; food management, housekeeping, customer care and cleanliness. A training evaluation report was produced following an evaluation of the training provided. Additionally, five homesteads were trained in Thamathu in the SNP tourism node. The homesteads are not yet realizing tangible benefits, but the LTDC has embarked on their marketing through production of a brochure and website. A total number of 33 Police and Immigration Officers from the ten districts were trained in tourism customer care and out of the 33, fourteen were further trained as trainers in order to provide similar training to their counterparts. District Tourism Associations (DTAs) were established in the three districts and 17 members undertook a study tour in the RSA.

*Tourism Birding Routes:* Birdlife South Africa consultants were appointed to develop a birding tourism feasibility study and development plan to facilitate birding tourism route in the project area. The scope of services involved the feasibility study, development plan and the training of birding guides. The report has been completed and 10 guides were involved in ten day training in birding guiding and also provided with equipment for effective operation. The MDTP Birding route marketing brochure was developed and a website link established to promote birding tourism in the project area. Subsequent to this, meetings with LTDC and MTEC Department of Tourism were held to discuss the implementation of the plan.

*Tourism plans for Sani Pass, Liphofung Cultural Heritage Site and SNP:* The Maloti adventure triangle route concept plan to link Lesotho and South Africa which includes the above tourism development nodes has been developed. This concept was approved by the BSC to serve as a product for 2010 and its implementation is in progress. Development of the route from Underberg to Mokhotlong has started on the South African side, and to help address the development of the first section of the route from the Lesotho side, bilateral cooperation was used to apply for funding to the value of M40 million from the African Renaissance Fund in South Africa. The M40 million has been granted and preparations are underway to start working on the road.

While the outputs and initiatives taken under this component are impressive an assessment of the extent to which these outputs have generated additional growth in the countries eco-tourism business is difficult. No corresponding data have been collected. Random interviews with some of the stakeholders revealed that the actual income, which has materialized from tourism activities remained behind appraisal expectations. Most of the local communities are ready to provide services; however they are not always well linked through a systematic promotion and advertisement program.

## Component 8 – Institutional Development

The objective of this component was to assure sustainability of other results by providing for an adequate institutional structure to inherit and maintain them. Key outputs have been:

- Establishment of Community Conservation Forums at the SSPA, the SNP, Menkhoaneng and the Botha-Bothe Plateau.
- Work on legislation for the sector, resulting in a new Environment Act and a Nature Conservation Bill.
- Managed Resource Committees for each of the three MRAs developed under Component 5.
- Early planning efforts to achieve a system of integrated community and district planning for Lesotho, largely submerged by subsequent years of uncertainty in MOLGC about decentralized planning systems.
- Review in 2008 of the system of Environmental Units in line ministries that is meant to support the work of MTEC. Recommendations of the study have not yet been implemented.
- Funding of degree programs for three Government staff, as well as short courses for seven Government staff and 12 project personnel.

### **Rating: moderately satisfactory.**

The Project's substantial institutional development achievements are reflected not only in the list above but also in its work under Components 1 and 5. There were three fields of institutional effort. The first concerned the development of **bilateral structures and procedures** for enhanced cooperation between Lesotho and South Africa in joint biodiversity conservation efforts for the Maloti-Drakensberg bioregion. Achievements in this regard constituted one of the strongest aspects of project performance (see Component 1 above). However, earlier commitments to maintain a secretariat in MTEC that would coordinate ongoing bilateral work with South Africa may not now be adequately fulfilled. Government intends that the Parks Division within the Ministry's Department of Environment should perform this function. This means that the Project's achievements are being invested in an agency whose institutional capacity remains wholly inadequate for such a role.

Work at **national level** comprised institutional capacity building, policy work and legislative development. The Project contributed a number of short- and long-term training programs for Government personnel as well as its own staff. But, at project termination, the capacity of MTEC to manage protected areas and the facilities within them remains inadequate. The PAD (Annex 2) envisaged that "Lesotho would upgrade its conservation management capacity to adequately manage not only the SNP, but also several areas that will be handed over to government from the Lesotho Highlands Development Authority (LHDA) during 2001". The Parks Division has still not absorbed the staff and functions associated with the northern protected areas (Tsehlanyane National Park and Bokong Nature Reserve) that were established with support from the LHDA. Although more personnel have been recruited, it still lacks a full complement of officers for management of the SNP. Proposals for an additional six technical staff and a similar number of unskilled personnel have been submitted to the Ministry of Public Service for approval, which has not yet been received due to budgetary constraints. Unless extraordinary measures are taken, these posts are unlikely to be filled before the 2011-12 financial year.

In a broader measure of support to the functioning of MTEC, the Project supported a 2008 study to investigate the resuscitation of the Environmental Units in line ministries. These units are

meant to assist the National Environment Secretariat in fulfilling its environmental assessment and monitoring functions in terms of the Environment Act. Enhanced performance in this regard should have various, mostly indirect benefits for biodiversity conservation in the country. The recommendations of the study have not yet been implemented, as MTEC was waiting for the Environment Act to be passed.

The preparation and enactment of the Environment Act was a significant achievement that builds a stronger legislative framework for biodiversity conservation in Lesotho. This should be complemented by enactment of the Nature Conservation Bill, a second law whose preparation was supported by the Project.

The Project also engaged with the decentralization and local government reform processes that have been under way in Lesotho for the last decade. The intention of its 2005 efforts to help MOLGC in building a system of integrated community and district planning was to clarify and strengthen the local institutional framework for natural resource management, which became the responsibility of Community and District Councils under the 1997 Local Government Act. Through this stronger framework, community commitment to biodiversity conservation should become more effective, and planning and capital finance arrangements for local conservation initiatives should be streamlined. In the event, however, the country's decentralization and local authority planning reforms have made slow and difficult progress, diluting the Project's early inputs. At project termination, and partly through project efforts, there is stronger awareness that natural resource management is the statutory responsibility of local government authorities; but there is no clearer way to resource the capital development aspects of that function. For the short to medium term it will be more effective to work sectorally, building cooperation and channeling development funds directly between line ministries (and their development partners) and local authorities.

The Project achieved a substantial amount of institutional development at **community level**. The four Community Conservation Forums (CCFs) proved to be a significant achievement, and represent an important and probably sustainable enhancement of awareness and commitment among rural people about the importance of conserving biodiversity. The future level of CCF activity will depend on the extent to which MTEC facilitates it. As noted in section 3.5(b) above, the three Managed Resource Committees that the Project helped communities to establish at Khomo-Phatšoa, 'Moteng and Mokhotlong-Sanqebethu were also important institutional achievements. They are valuable models of multi-sector user representative bodies that combine narrower interest groups such as grazing associations and handicrafts associations into a potential interface with the local government authorities that have statutory responsibilities for natural resource management. One MRC continues to receive advice and facilitation from the Project in late 2009. MDTP support to the other two was withdrawn when project staff left Botha-Bothe and Mokhotlong districts at the end of 2007. They continue to operate, although their strongest emphasis is on range management and their broader roles are now less evident. As was pointed out above, their sustainability will depend on Government's ongoing ability to provide advice and facilitation.

Despite strong performance at bilateral and community levels, constraints persist at national level. MTEC still lacks the capacity to fulfill its intended functions with regard to biodiversity conservation, especially the management of protected areas. While the Project helped to foster widespread community level awareness of biodiversity concerns and commitment to conservation, the sustainability of the institutional development achieved at this level will depend on ongoing support and facilitation from MTEC and MFLR, with the latter likely to continue support for grazing associations rather than the broader MRC concept. MFLR will be supported

in the latter role by the new GEF-funded SLM project. A potential range management element in the proposed joint World Bank-IFAD rural program could provide complementary support but might also continue advocacy for the broader integration of resource user groups into MRC-type institutions.



### **Annex 3. Economic and Financial Analysis**

Not applicable. The Project was a stand-alone GEF project with a GEF grant and counterpart funding from Government of Lesotho. At the time the Project was designed neither financial nor economic analyses were prepared. No standard cost benefit or cost effectiveness parameters were calculated, and would be extremely difficult to calculate ex-post.

## Annex 4. Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team members

| Names                        | Title                                | Unit  | Responsibility/<br>Specialty |
|------------------------------|--------------------------------------|-------|------------------------------|
| <b>Lending</b>               |                                      |       |                              |
| Jan Bojo                     | Sector Leader                        | EASER | Team lead                    |
| Christophe Crepin            | Lead Environmental Specialist        | EASER |                              |
| Cyprian Fisiy                | Director                             | SDV   |                              |
| Christopher Warner           | Sr. Technical Specialist             | ENVCF | Co-team lead                 |
| Anthony Hegarty              | Chief Financial Management Officer   | OPCFM |                              |
| V.S. Krishnakumar            | Regional Procurement Manager         | AFTPR |                              |
| Elisabeth Adu                | Director                             | LCSOS |                              |
| <b>Supervision/ICR</b>       |                                      |       |                              |
| Aberra Zerabruk              | Consultant                           | LEGAF |                              |
| Aziz Bouzaher                | Country Sector Coordinator           | ECSSD |                              |
| Bienvenu Rajaonson           | Sr. Environmental Spec.              | AFTEN |                              |
| Caroline L. Guazzo           | Procurement Specialist               | AFTCS |                              |
| Charles Annor-Frempong       | Senior Country Officer               | AFTAR | Team lead                    |
| Chitwabala J. Sikazwe        | Procurement Specialist               | AFTPC |                              |
| Christopher James Warner     | Sr. Technical Specialist             | ENVCF | Team lead                    |
| Edith Ruguru Mwenda          | Sr. Counsel                          | LEGAF |                              |
| Frauke Jungbluth             | Sr. Rural Development Economist      | AFTEN | Team lead                    |
| Gert J. A. Van Der Linde     | Lead Financial Management Specialist | AFTFM |                              |
| Henri A. Aka                 | Procurement Specialist               | AFTPC |                              |
| Jemima Harlley               | Program Assistant                    | AFCS1 |                              |
| Joao Tinga                   | Financial Management Analyst         | AFTFM |                              |
| John E. Ambrose              | Consultant                           | AFTU1 |                              |
| Jonathan Nyamukapa           | Sr. Financial Management Specialist  | AFTFM |                              |
| Josef Ernstberger            | Consultant                           | AFTEN |                              |
| Likeli Theresia Ratsethuntsa | Team Assistant                       | AFMLS |                              |
| Marie Bernadette Darang      | Information Assistant                | AFTEN |                              |
| Marie Helen Treppe           | Information Assistant                | AFTCS |                              |
| Melanie Jaya                 | Program Assistant                    | AFCS1 |                              |
| Meseret Kebede               | Program Assistant                    | AFTAR |                              |
| Miguel-S. da Silva Oliveira  | Finance Officer                      | CTRFC |                              |
| Modupe A. Adebawale          | Sr. Financial Management Specialist  | AFTFM |                              |
| Paul A. Burnett              | Finance Analyst                      | LOADM |                              |
| Phillip Brylski              | Country Sector Coordinator           | EASEN |                              |
| Rogier J. E. van den Brink   | Lead Economist                       | EASPR |                              |
| Salma Chande                 | Team Assistant                       | AFCS2 |                              |
| Sofia Odendaal               | Program Assistant                    | AFCS1 |                              |
| Stephen Turner               | Consultant                           | AFTEN |                              |
| Teresa De Jesus S. McCue     | Finance Analyst                      | LOADM |                              |
| Watson C. Chidawanyika       | Senior Rural Development Specialist  | AFTAR |                              |
| Wedex Ilunga                 | Procurement Specialist               | AFTPC |                              |

**(b) Staff Time and Cost**

| Stage of Project Cycle | Staff Time and Cost (Bank Budget Only) |   |
|------------------------|--|---|
|                        | No. of staff weeks                     | USD Thousands (including travel and consultant costs) |
| <b>Lending</b>         |  |   |
| FY98                   |  | 28.31   |
| FY99                   |  | 11.09   |
| FY00                   |  | 66.82   |
| FY01                   |  | 14.70   |
| FY02                   |  | 10.33   |
| FY03                   |  | 14.13   |
| FY04                   |  | 0.00  |
| <b>Total:</b>          |  | 145.38  |
| <b>Supervision/ICR</b> |  |   |
| FY00                   |  | -0.03   |
| FY01                   |  | 0.00  |
| FY02                   |  | 0.20  |
| FY03                   |  | 8.26  |
| FY04                   |  | 15.81   |
| FY05                   |  | 58.76   |
| FY06                   |  | 76.80   |
| FY07                   |  | 61.82   |
| FY08                   |  | 54.08   |
| FY09                   |  | 25.00   |
| FY10                   |  | 28.00   |
| <b>Total:</b>          |  | 328.70  |

**Annex 5. Beneficiary Survey Results**  
(if any)

(N/A)

**Annex 6. Stakeholder Workshop Report and Results**  
(if any)

(N/A)

## **Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR**

A draft Borrower's ICR (50 page document) is available on file. The following sections are extracted from the borrower's ICR un-shortened and unedited:

### **Quality at Entry**

'The project quality at entry is rated unsatisfactory due to design issues which must have been recognized before commencement. The design assumed that the stakeholders would be ready for implementation while there was a need for extensive sensitization and awareness to level ground for collaborative implementation. Hence, these resulted in need for more resources towards operations.

The designed wrongly assumed that the outcomes would be achieved by the end of the five (5) year period. However, for reasonable change/improvement to be recognized in biodiversity conservation, a longer period is required. To further compound the challenge, baseline assessments for biodiversity were done within the five years of implementation.'

### **Outcome/Achievement of Objectives**

'When the project completed implementation on December 31<sup>st</sup> 2009, bilateral cooperation between the two countries evidenced through signing of the revised bilateral memorandum of understating on 1<sup>st</sup> December 2008 and close collaboration between the Project Coordination Units (PCUs) was in place. A bilateral security strategy was implemented to address cross border crimes that may result in frustrating conservation and tourism efforts within the project area. The strategy will continue to be implemented by a security working group consisting of members of security forces and conservation agencies from both countries. The Maloti Drakensberg Transfrontier Conservation and Development Project MDTP) had also become a standing agenda item on the Lesotho/South Africa Joint Bilateral Commission on Cooperation (JBCC) meetings. The two countries were also publishing a joint newsletter dispatched every six months supported by a joint website for information dissemination.

Implementation of an overarching 20-year conservation and development strategy linked to national and SADC policies developed during the lifetime of the project has initiated. The strategy will be implemented through 5-year action plans until the year 2028 of which the first has commenced. Following a biodiversity based sensitivity analysis completed in 2006, in Lesotho the project area has been increased to cover 24305.6 km<sup>2</sup> (planning domain) with zoning into eight biodiversity implementation areas. It is important to note that, there was no biodiversity and cultural heritage conservation guiding mechanism before in this area – especially for Lesotho. However, the biodiversity and cultural heritage assessments, with development of the accompanying conservation strategies will from now onwards provide important guidance in securing the natural and cultural heritage of the Maloti Drakensberg Area.

When the project began implementation in 2003, there were three IUCN category II protected areas; Sehlabathebe National Park (SNP), Tšehlanyane National Park (SNP), and Bokong Nature Reserve (BNR). Of the three protected areas, only SNP was already gazetted. In terms of management, the PAs were using old management plans which were long overdue for revision. A WWF/World Bank protected areas management effectiveness toolkit was employed as a baseline tool on all three PAs in 2005. The result showed poor management – especially for SNP.

When the project phased out in December 2009, a system of protected areas covering 134815 hectares of which 14299 falls under the IUCN category II was in place. Old management plans for the protected areas had been reviewed and new management plans prepared for newly established PAs with implementation of priority actions initiated. Preparation of a joint management plan and declaration of a transfrontier park between uKhahlamba Drakensberg Park World Heritage Site (UDP-WS) and Sehlabathebe National Park (SNP) is one of the major achievements. The transfrontier park is run by a Joint Management Committee (JMC) that sits

quarterly with membership from the Lesotho Ministry of Tourism Environment and Culture (MTEC) and the South African Ezemvelo KwaZulu Natal Wild Life (EKZNW).

Not only has conservation management improved in SNP, but the MDTP has facilitated ratification of the UNESCO 1972 Convention on World Cultural Heritage, which has led to preparation of a nomination dossier for SNP to be on World Heritage list. A draft nomination file was being finalized for submission to UNESCO World Heritage Office in January 2010.

Conservation management has been enhanced through development and implementation of best practice guidelines for fire and grazing. A joint vulture management plan is in place with an ongoing monitoring program followed by a vultures task force chaired by EKZNW. This group monitors threats to bearded and cape vultures in the MDTP area.

Extensive awareness and capacity building on conservation and tourism have been created throughout the stakeholders in the project area with production of awareness materials and training of community members and officials. Improved collaboration to market the bioregion as a viable tourism destination has been set in motion through development of a bilateral tourism strategy, publication of the Maloti Drakensberg Route and Experience book, and completion of a SADC transfrontier conservation areas expedition highlighting salient features of the Maloti Drakensberg Transfrontier Conservation Area (MDTFCA).'

### **Major Factors Affecting Implementation and Outcome**

#### *Staff turnover*

'Although project performance remained satisfactory over its whole lifetime, it experienced a high official turnover. Initially the loss of the project Ecotourism Specialist rendered implementation of the tourism functions of the project difficult adding more work load on the Social Ecologist. Then the change in Principal Secretaries also saw a serious turbulence in achievement of agreed project milestones. Towards the end, most project staff filling key positions left due to unclear government position towards implementation of the project exit strategy. The GIS Specialist, Protected Areas Management Specialist, Procurement Manager, Project Coordinator, Project Ecologist (and Acting Project Coordinator), Project Accountant, Social Ecologist and Range Management Specialist all left for other posts in other organisations. The result was that the District Conservation from Qacha's Nek, the District Conservation Officer from Botha Buthe, and the Field Technician from Qacha's Nek remained the only technical officers of the project.'

#### *Project Area Terrain and Inclement Weather*

'The terrain in the project area is not easy to travel. Hence, it takes ample time to reach some areas, and this can also be dependent on prevailing weather with snow and rain resulting in considerable time loss.'

#### *Stakeholder Cooperation and Community Participation*

'During project preparation and initiation, it was assumed that stakeholder participation would be easy since awareness would have already been created. However, this was not the case since intensive awareness had to be created by the project. There was establishment of three district offices to facilitate community awareness and participation on the ground. This awareness process took ample time as some serious implementation could not take place without community buying in.'

#### *Delays in Issuing of Bank No-Objections*

'Delays in Bank responses with subsequent delays in issuing 'no objections' resulted with some of the activities seriously running behind schedule – especially the works contracts related to construction activities at SNP.'

#### *Delays in Government Budget Release*

‘Although the government budget is approved in April each year, the quickest time to have funds in the project account would be three (3) months. This delay was later augmented by the adoption of the Integrated Financial Management Information System (IFMIS) which caused a lot of havoc.’

### **Lessons Learned**

‘The MDTP project was very complex and broad. This is the reason why the implementers resorted to using pilot areas to try and achieve something. This was compounded by the fact that conservation is not an easy subject to deal with across multiple stakeholders. Extensive stakeholder awareness had to be undertaken which resulted in consuming a lot of time. Hence, in planning projects of this nature, two (2) years should be allowed for awareness creation and stakeholder buying in since one cannot just go ahead and implement without concurrence by the various stakeholders.

Since the MDTP is a bilateral initiative, this contributed to the complexity of project implementation. The two countries involved in the undertaking are not at the same economic level. South Africa is well ahead of Lesotho in terms of resources, conservation, and tourism development. The land tenure systems for the two state parties are different. However, in time the countries were able to work through these differences and achieve remarkable cooperation and build a worm relationship that ended up with good things happening.

Challenges arose internally regarding implementation of the exit strategy. May be in future, before signing the agreement, exit strategies should be well spelled out, and by signing the agreement, the borrower should be committing to implementation of the exit strategy. This in-turn may help in reducing misunderstandings that threaten sustainability at the end of the projects and in reduction of high staff attrition due to uncertain fate. Likewise, the four (4) months grace period given at the end of the projects to allow for proper closure of accounts and other technical matters should be agreed before project start.’



## Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders



Ministry of Tourism, Environment and Culture  
**National Environment Secretariat**  
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Maseru 100  
Lesotho

Tel: 266 22 311767

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MTEC/NES/PRO/2

21 May, 2010

Mr. Ruth Kagia  
Country Director  
World Bank Africa Region

Your Excellency Mr. Kagia

### **Re: Comment on ICR**

On October 19 to November 1, 2009, the World Bank conducted a Mission on Implementation Completion and Result Report (ICR) for the Maloti Drakensberg Transfrontier Conservation and Development Project (Grant No. P052367).

The main objective of the Mission, led by Ms Frauke Jungbluth (TTL) was to evaluate overall progress in achieving project developmental objectives, over and above to collect data for ICR. The Mission team was diligent and neutral in conducting its mission, as a result of which the project was assessed with consideration of both accomplishments and oversights.

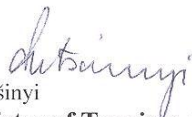
The report has been discussed with all project stakeholders. The Ministry finds that there is no need to place any restriction whatsoever on the publication of this report.

The Lesotho Government cherishes the collaboration afforded to it by the GEF and World Bank in conserving the Biodiversity of MDTFCA. We are aware that MDTP has laid a foundation for further work in order to ensure aspired global benefits of biodiversity of this region.

I sincerely wish to thank you and your colleagues for their hard work and dedication which contributed to proper implementation of this project. Your cooperation with Lesotho Government through my Ministry during hard times is highly acknowledged. We

look forward to collaborating in the preparation of second phase implementation and rollout phase of the project in the near future.

Yours Sincerely

  
L. Ntšinyi  
**Minister of Tourism, Environment and Culture**

## **Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders**

The ICR team shared a Draft ICR with the Lesotho Government and their comments are attached below:

### **Section A**

This report shows some hiccups that were realized during an infant stage of its preparation. These mostly appear under Post Completion Operation/Next Phase heading. The Lesotho Government through the Ministry of Tourism, Environment and Culture addressed the following in its effort to achieve agreed commitments.

- a. "The Lesotho Government committed to the establishment of a permanent Secretariat. Unfortunately the process of transferring the responsibility for post-completion operations to a permanent Secretariat has not been fully achieved at the time of this ICR".
  - Reference is made to our letter dated 9<sup>th</sup> July, 2009 stating that Division of Nature Conservation will take on the management and sustenance of activities beyond the external funding. The Division has resumed implementation of 20 year conservation and development strategy as per agreement.
- b. "The Parks Division is proposed to take over this responsibility, but the appropriate staffing and funding is not yet in place"
  - The Government has strengthened Parks Division by engaging temporary staff to man environment centre and arrival centre. This is further backed up by engagement of short-term services from ex-MDTP PCU member for the purpose of institutional memory. The Government has allocated budget amounting to M16.1 million for the year 2010/11.
- c. "Income generation for local communities"
  - It is acknowledged that community income generation has not been achieved yet, however a good foundation has been laid out and benefits will be realized in the near future.

## Annex 9. Results of the Protected Area Management Effectiveness Tracking Tool

To evaluate progress of protected areas achieving the objectives for which they were established and to maximize their potential, and to improve management processes, strengths and weaknesses of their management and the threats that they face need to be evaluated. The World Commission on Protected Areas provides an overarching framework for assessing management effectiveness of both protected areas, to give guidance to managers and others and to help harmonize assessment around the world.

Table 1 contains a summary of the elements of the WCPA Framework and the criteria that can be assessed<sup>1</sup>.

*Table 1: Summary of the WCPA Framework.*

| Elements of evaluation | Explanation   | Criteria that are assessed   | Focus of evaluation               |
|------------------------|---|--|-----------------------------------|
| <b>Context</b>         | <i>Where are we now?</i><br>Assessment of importance, threats and policy environment  | <ul style="list-style-type: none"> <li>- Significance</li> <li>- Threats</li> <li>- Vulnerability</li> <li>- National context</li> <li>- Partners</li> </ul>                               | Status                            |
| <b>Planning</b>        | <i>Where do we want to be?</i><br>Assessment of protected area design and planning  | <ul style="list-style-type: none"> <li>- Protected area legislation and policy</li> <li>- Protected area system design</li> <li>- Reserve design</li> <li>- Management planning</li> </ul> | Appropriateness                   |
| <b>Inputs</b>          | <i>What do we need?</i><br>Assessment of resources needed to carry out management   | <ul style="list-style-type: none"> <li>- Resourcing of agency</li> <li>- Resourcing of site</li> </ul>   | Resources                         |
| <b>Processes</b>       | <i>How do we go about it?</i><br>Assessment of the way in which management is conducted   | <ul style="list-style-type: none"> <li>- Suitability of management processes</li> </ul>  | Efficiency and appropriateness    |
| <b>Outputs</b>         | <i>What were the results?</i><br>Assessment of the implementation of management programs and actions; delivery of products and services | <ul style="list-style-type: none"> <li>- Results of management actions</li> <li>- Services and products</li> </ul>   | Effectiveness                     |
| <b>Outcomes</b>        | <i>What did we achieve?</i><br>Assessment of the outcomes and the extent to which they achieved objectives                              | <ul style="list-style-type: none"> <li>- Impacts: effects of management in relation to objectives</li> </ul>   | Effectiveness and appropriateness |

The Maloti Drakensberg Transfrontier Project (MDTP) facilitated protected area (PA) management effectiveness assessments for three of the Lesotho statutory PAs (one within the project and two outside project areas) with the help of the Management Effectiveness Tracking

<sup>1</sup> For a copy of the WCPA Framework or a more detailed summary please visit the WCPA web-site at: [www.iucn.org/themes/wcpa](http://www.iucn.org/themes/wcpa) or contact WCPA at [wcpa@hq.iucn.org](mailto:wcpa@hq.iucn.org)

Tool (METT), developed by Stolton *et al*, 2003 and 2007<sup>2</sup> which is based on the WCPA Framework and its criteria. The assessment exercises were undertaken between 2004 and 2009 in collaboration with the different conservation authorities responsible for each of the eight protected areas. The PAs for assessment were:

| Protected Area             | Area (ha) | Management Authority                         | Location             |
|----------------------------|-----------|--|----------------------|
| <i>Non-Project PAs:</i>    |           |  |                      |
| Tšehlanyane National Park  | 5,600     | Lesotho Northern Parks                       | Leribe District      |
| Bokong Nature Reserve      | 1,972     | Lesotho Northern Parks                       | Leribe District      |
| <i>Project PA:</i>         |           |  |                      |
| Sehlabathebe National Park | 6.475     | Ministry of Tourism, Environment and Culture | Qacha's Nek District |

**Evaluation Results:** The assessment clearly reflects a downward trend between 2005 and 2009 in management effectiveness for the Tšehlanyane National Park (12.5%) and Bokong Nature Reserve (11.5%), which can serve as comparison areas, while for Sehlabathebe National Park (SNP) this negative trend could at least be largely avoided with only marginally decreased management effectiveness by 1% (Table 2)<sup>3</sup>. However, it should be noted that the overall score of 40.6 for SNP is still low, if compared with the Northern Parks scoring over 55. Generally, most comments associated with lack of current effectiveness were associated with a serious lack of financial and human resources. It is abundantly clear that little progress can be made in improving PA effectiveness without a long term secure budget.

Table 2: Total management effectiveness scores over time for all eight PAs assessed through the METT.

| Protected Area             | Date      | Total Score (%) | Date       | Total Score (%) | Variance (%) |
|----------------------------|-----------|-----------------|------------|-----------------|--------------|
| <i>Non-Project PAs:</i>    |           |                 |            |                 |              |
| Tšehlanyane National Park  | 14/4/2005 | 66.67           | 25/11/2009 | 55.21           | -12.50       |
| Bokong Nature Reserve      | 14/4/2005 | 67.71           | 25/11/2009 | 56.25           | -11.46       |
| <i>Project PA:</i>         |           |                 |            |                 |              |
| Sehlabathebe National Park | 14/4/2005 | 41.67           | 28/11/2009 | 40.63           | 1.04         |

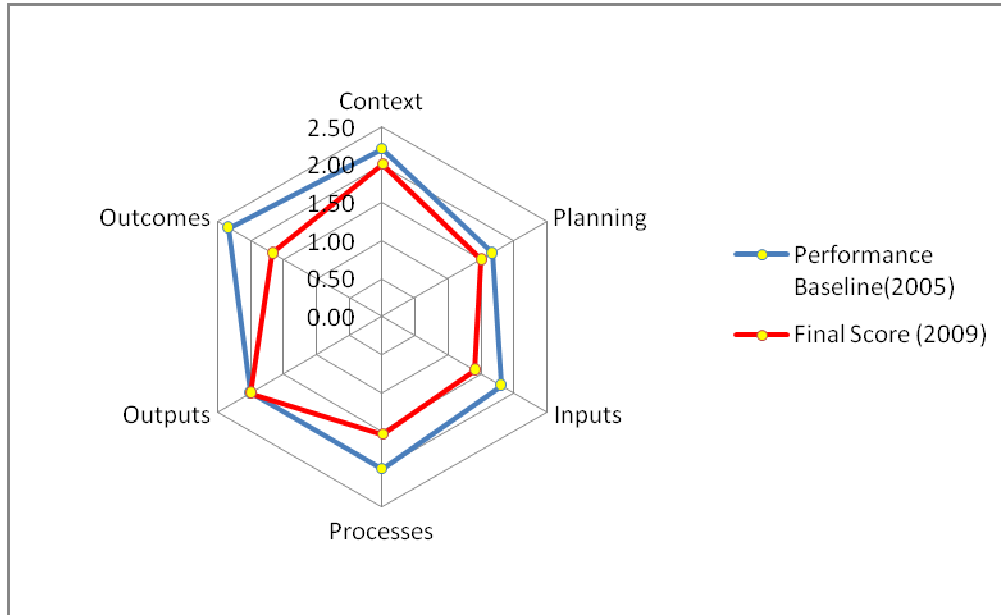
In addition to the comparison of the total scores, the ICR team created a series of radar diagrams to illustrate the performance of each of the three PAs against each of the 6 WCPA criteria over time. The results are summarized below in diagram 1-3.

<sup>2</sup> Stolton, S., Hockings, M., Dudley, N., MacKinnon, K. and Whitten, T. 2003 and 2007. Reporting Progress at Protected Area Sites: A simple site-level tracking tool developed for the World Bank and WWF. Prepared for the World Bank / WWF Forest Alliance.

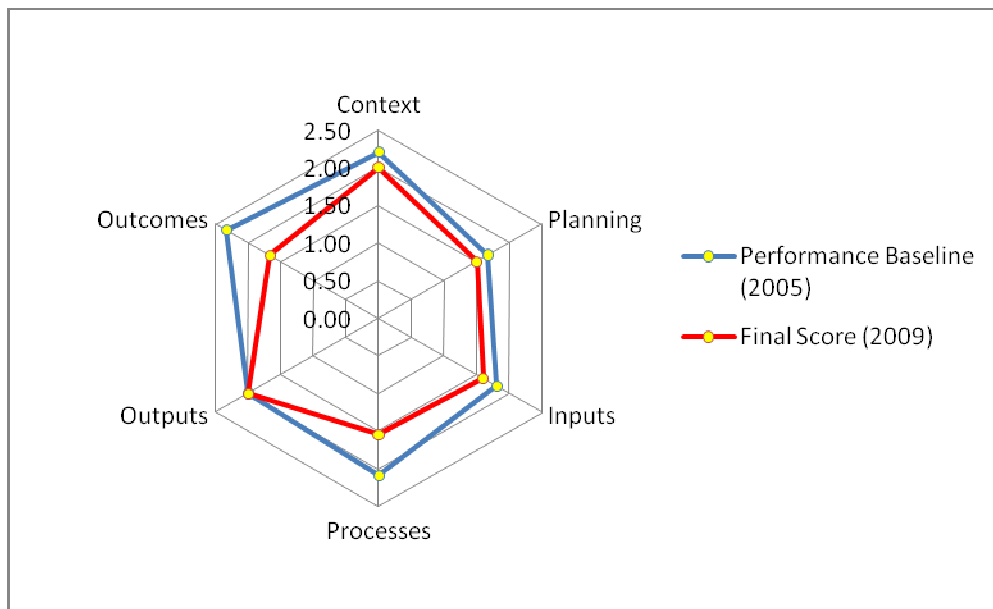
<sup>3</sup> It should be noted that the initial assessment carried out in 2005 took place at a relatively late stage in the project and cannot be considered a baseline. Important project activities, such as the preparation of a detailed management plan for SNP have already been accounted for in 2005. In addition it seems that the first assessment was done with a relatively positive approach overstating some of the management performance criteria, which makes comparison somewhat difficult.

Diagram 1 – 3: Management effectiveness performance over time against each of the 6 WCPA criteria (Baseline vs. Final Assessment) for all three PAs.

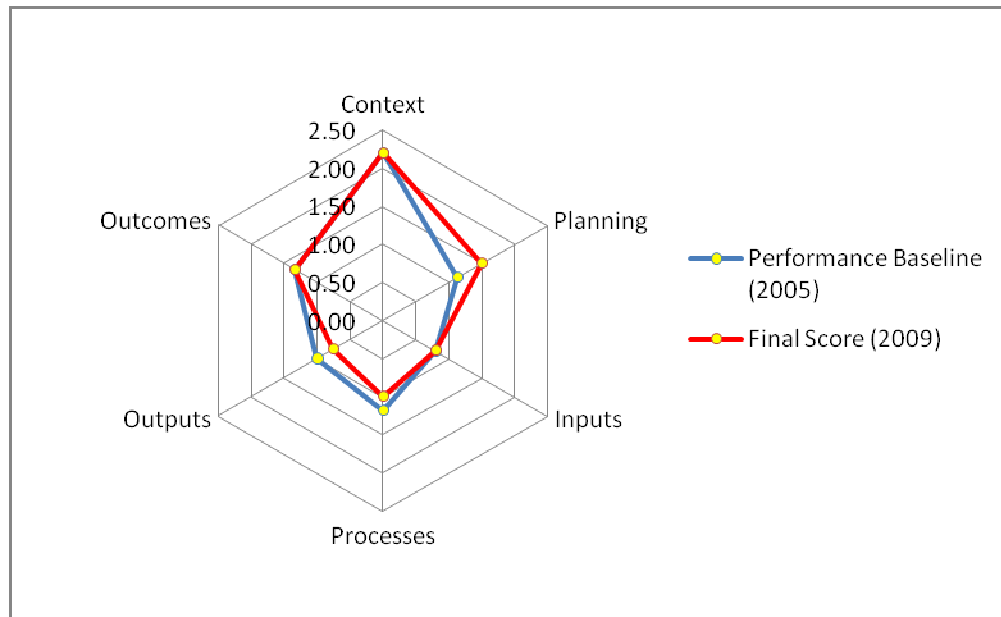
*Têshlanyane National Park (comparison area)*



*Bokong Nature Reserve (comparison area)*



*Sehlabathebe National Park (main project focus)*





## Annex 10. Photo Illustration of Project Component Achievements



Sehlabathebe National Park: Overall Impression (big picture), rock formations, new environmental centre constructed under the project, common wildlife (small pictures from left to right)





Community Nursery: Propagation of rare species under the Project



Common Soil Erosion Issues addressed by the Project's resource management activities

## **Annex 11. List of Supporting Documents**

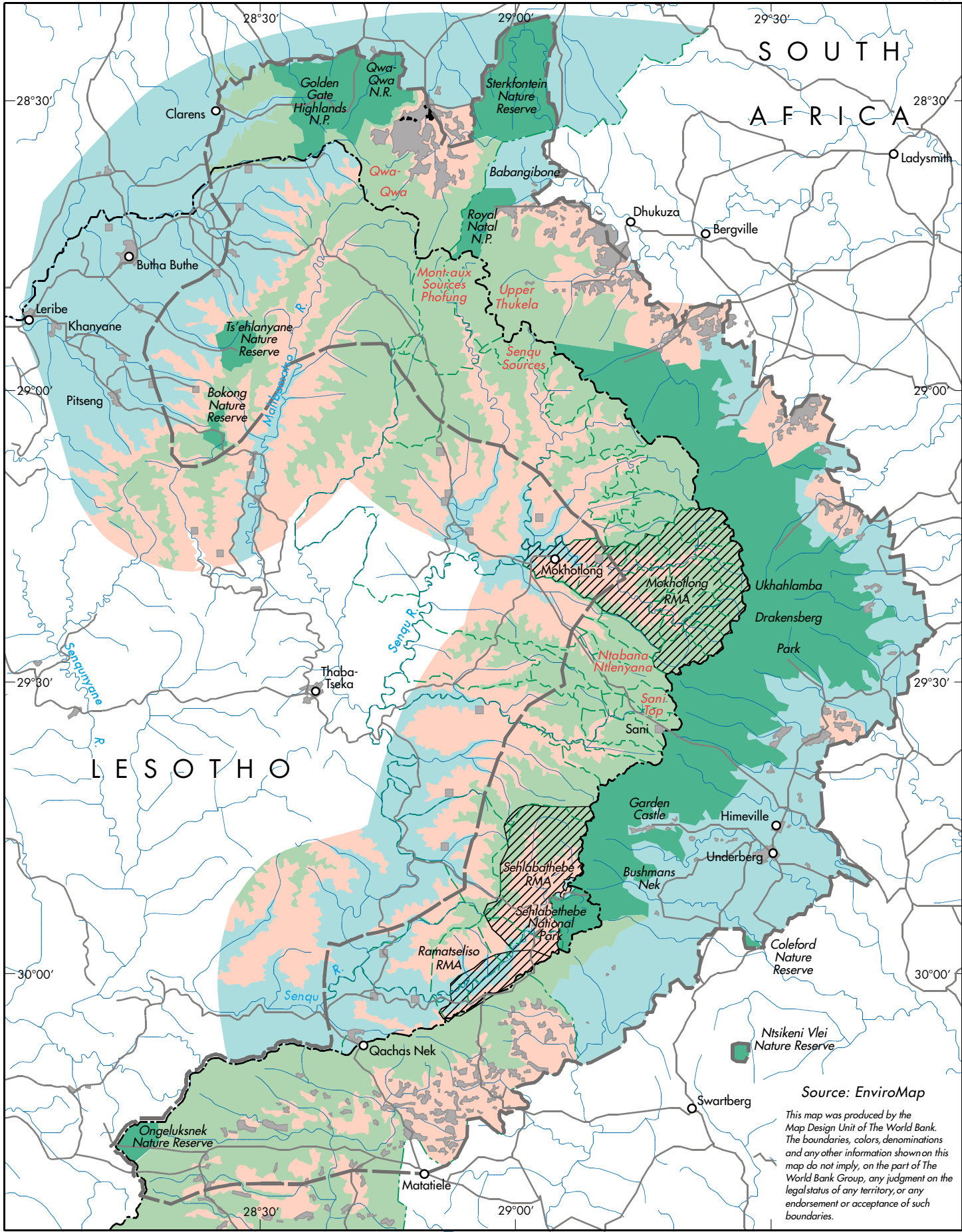
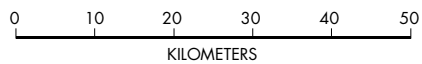
1. PAD Maloti-Drakensberg Transfrontier Conservation and Development Project (MDTP), 2001
2. Aide memoires, ISRs and Midterm Review.
3. Draft Government ICR
4. MDTP Independent Midterm Review
5. Tourism Business Review (2009)
6. PA Tracking Tool, 2005 and 2009 (Sehlabathebe National Park, Bokong Nature Reserve, and Tšehlanyane National Park)
7. MoU between the Government of the Kingdom of Lesotho and the Republic of South Africa in respect of the Maloti-Drakensberg Transfrontier Conservation and Development Area
8. 20 Year (2008-2028) Conservation & Development Strategy for the Maloti Drakensberg Transfrontier Conservation Area
9. Action Plan for Phase II of the MDTP (2008-2012)
10. Management Plan for Sehlabathebe National Park
11. Managed Resource Area Management Plans for Khomo-Phatšoa, 'Moteng and Mokhotlong-Sanqebethu





## SOUTH AFRICA / LESOTHO MALOTI-DRAKENSBERG CONSERVATION AND DEVELOPMENT PROJECT

- Sani Top** BIODIVERSITY PRIORITY AREAS
- COMMERCIAL AGRICULTURE, FORESTRY & GRAZING
- SETTLEMENTS
- VELD/GRAZING
- PROJECT PROTECTED AREAS
- COMMERCIAL/INDUSTRIAL
- SUBSISTENCE AGRICULTURE & GRAZING
- RANGE MANAGEMENT AREAS
- GRAZING BOUNDARIES
- PREPARATORY PHASE FOCUS AREA
- MAIN ROADS
- RIVERS
- PROVINCIAL BOUNDARIES
- INTERNATIONAL BOUNDARIES



Source: EnviroMap

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