

**Document of
The World Bank**

Report No.: 39859

PROJECT PERFORMANCE ASSESSMENT REPORT

REPUBLIC OF UGANDA

**BWINDI IMPENETRABLE NATIONAL PARK AND MGAHINGA GORILLA
NATIONAL PARK CONSERVATION PROJECT
(GET GRANT NO. 28670 UG)**

May 25, 2007

*Sector, Thematic and Global Evaluation Division
Independent Evaluation Group (World Bank)*

Currency Equivalents (annual averages)

Currency Unit = Uganda Shillings (USh)

19xx	US\$1.00	USh00.00
2001	US\$1.00	Ush1780

Abbreviations and Acronyms

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

Fiscal Year

Government: July 1 – June 30

Director-General, Independent Evaluation	:	Mr. Vinod Thomas
Director, Independent Evaluation Group (World Bank)	:	Mr. Ajay Chhibber
Manager, Sector, Thematic and Global Evaluation Division	:	Mr. Alain Barbu
Task Manager	:	Mr. John Redwood

IEGWB Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEGWB annually assesses about 25 percent of the Bank's lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEGWB staff examines project files and other documents, interview operational staff, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

Each PPAR is subject to internal IEGWB peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. IEGWB incorporates the comments as relevant. The completed PPAR is then sent to the borrower for review; the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEGWB Rating System

IEGWB's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEGWB evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEGWB website: <http://worldbank.org/ieg>).

Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, and Operational Policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. *Possible ratings for Outcome:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Risk to Development Outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for Risk to Development Outcome:* High Significant, Moderate, Negligible to Low, Not Evaluable.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for Borrower Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Contents

PRINCIPAL RATINGS	V
KEY STAFF RESPONSIBLE	V
PREFACE	VII
SUMMARY	IX
1. BACKGROUND	1
2. PROJECT DESCRIPTION	3
PROJECT OBJECTIVES	3
PROJECT COMPONENTS	4
ORGANIZATIONAL STRUCTURE	4
3. PROJECT IMPLEMENTATION	6
4. PROJECT ASSESSMENT AND RATINGS	7
OUTCOME	7
Relevance	8
Efficacy	9
Efficiency	19
RISK TO DEVELOPMENT OUTCOMES	21
BANK PERFORMANCE	22
BORROWER PERFORMANCE	24
MONITORING & EVALUATION: DESIGN, IMPLEMENTATION, AND UTILIZATION ..	25
5. LESSONS LEARNED	27
ANNEX A. BASIC DATA SHEET	31
ANNEX B. ADDITIONAL INFORMATION	33
ANNEX C. PERSONS MET IN UGANDA	35

PRINCIPAL RATINGS

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Highly Satisfactory	Moderately Satisfactory	Satisfactory
Institutional Development Impact**	High	High	_____
Risk to Development Outcome	_____	_____	Moderate
Sustainability***	Highly Likely	Likely	_____
Bank Performance	Highly Satisfactory	Satisfactory	Satisfactory
Borrower Performance	Highly Satisfactory	Highly Satisfactory	Satisfactory
M & E			Modest

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEGWB product that seeks to independently verify the findings of the ICR.

**As of July 1, 2006, Institutional Development Impact is assessed as part of the Outcome rating.

***As of July 1, 2006, Sustainability has been replaced by Risk to Development Outcome. As the scales are different, the ratings are not directly comparable.

KEY STAFF RESPONSIBLE

<i>Project</i>	<i>Task Manager/Leader</i>	<i>Division Chief/ Sector Director</i>	<i>Country Director</i>
Appraisal	Agnes I. Kiss	Sushma Ganguly	Francis X. Colaco
Completion	Nathalie W. Johnson	Roger C. Sullivan	James W. Adams

PREFACE

This is the Project Performance Assessment Report (PPAR) prepared by the Independent Evaluation Group (IEG) for the *Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation Project* (P002893). The Project created the Mgahinga Bwindi Impenetrable Forest Conservation Trust (MBIFCT) which was the first conservation fund to be supported by the GEF in Africa. Launched in May 1991 during the “Pilot Phase” of the GEF, the project was approved by the Board in January 1995 and became effective on July 12, 1995. After a one year extension, the Project closed on December 31, 2000.

The PPAR examines the entire history of the MBIFCT from project preparation to mid-2006. It is based on reviews of the Project Document, Bank files on project preparation, appraisal, and negotiation, the Grant Agreement, available supervision reports and the Mid-Term Review, a USAID evaluation, and materials and annual reports (1997-2002/2002-2005) prepared by MBIFCT, interviews with key Bank staff, and the results of an IEG Mission to Uganda in June 2006. The mission interviewed key staff at the MBIFCT and the Uganda Wildlife Authority, park wardens, and community members affected by the project, as well as representatives of NGOs and GOU officials.

The cooperation and assistance of GOU officials, the World Bank Country Office in Kampala, the staff of the MBIFCT and UWA, and other stakeholders is gratefully acknowledged.

Following standard IEG procedures, copies of the draft PPAR were sent to the GOU for review and comment, but none were received. .

SUMMARY

The Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation Project was designed to contribute to the preservation of two important Ugandan parks that together contain globally significant ecosystems and extremely rare flora and fauna, including the endangered mountain gorilla. Its specific objective was to establish the Mgahinga Bwindi Impenetrable Forest Conservation Trust (MBIFCT) to provide long-term financing for park management activities, specialized research, and small development projects for local communities surrounding the two parks. The project sought to test the use of a trust fund for these purposes, and to enhance community ownership of the mechanism by assuring a high-level local stakeholder participation in the decision-making processes of the trust. The MBIFCT became effective on July 12, 1995 with a GEF grant of US\$ 4.3 million invested in the Trust Fund. During its first seven years of operation, co-financing secured from USAID (US\$890,700) and the Government of the Netherlands (DGIS) (US\$ 2.7 million) enabled the initial investment in the Trust Fund to grow virtually unimpeded. With closing of the DGIS grant in 2003, the Trust has begun drawing regularly on income from the Fund. The World Bank closed the project on December 31, 2000.

After ten years of operation, the MBIFCT can be judged a success. Even though its record may not be perfect, the project's overall outcome is satisfactory and it has met most of its specific objectives effectively. Conserving biodiversity in the two parks is directly relevant to the global environmental objectives of the GEF and to the development strategy of the Ugandan Government. Due to a sound co-financing strategy and good management, the Trust Fund has grown over the ten years of its existence from US\$ 4.3 million to approximately US\$ 6.8 million, but is still shy of the US\$ 7.5 million projected for long-term stability. Moreover, the MBIFCT's Trust Management Board (TMB) and Local Community Steering Committee have proven to be innovative, community-driven mechanisms for allocating and disbursing small development grants. Even though achievement of the project's research and park management objectives has been modest, the cumulative effect of the Trust's community development grants, especially the participatory process of awarding grants, has made a substantial contribution to local awareness and commitment to park protection.

The main reservations clouding this otherwise positive assessment have to do with (a) the difficulty of determining the extent of the project's impacts on biodiversity conservation in the parks, a weakness derived, in part, from its only modest efforts at monitoring and evaluation (M&E), and (b) the unintended consequences of the project's co-financing strategy. While there is no question that the project achieved its specific objective of establishing a Trust mechanism that, as intended, has effectively made grants for community development, parks management and research, evidence regarding the impacts of these grants is limited. The Project Document emphasized the importance of M&E and offered guidance for the design of a system. The Trust did establish procedures for gathering information on its outputs, but, despite repeated encouragement from the Bank, the Trust never designed a systematic method for determining impact of its activities. Although the Ecological Monitoring Program has made it possible to identify some trends in the health of the parks, the absence of a well-functioning M&E system for the Trust operation itself limits the extent to which trends can be attributed to MBIFCT activities.

The Bank's co-financing strategy helped establish the MBIFCT immediately as a significant actor, providing it with administrative and operating funds to begin grant-making immediately, while simultaneously allowing the capital fund room to grow unburdened by draw downs for these costs. But the strategy also postponed the date when the TMB would begin draw downs on the trust fund. As a result, the fund did not pursue the proactive fundraising that would be needed after the DGIS resources were consumed. Now that the MBIFCT is predominantly dependent on income from the trust, it has to reduce its funding for research and park management and tighten its operating expenditures. The long-term effect of this is unclear, but, in the short run, it will reduce the project's scope and impact.

The project clearly demonstrates that a Trust Fund can provide a stable source of funding for activities aimed at biodiversity conservation. It also shows that the legitimacy and effectiveness of a trust is enhanced by incorporating key local and other stakeholders in decision making regarding its overall management and grant making. But these key lessons must be accompanied by some caveats, most importantly:

- Careful consideration should be given to sizing and managing the assets of the Fund so that it can generate sufficient income to cover program operational and administrative costs for a sufficient length of time to ensure the agreed conservation gains.
- Securing initial co-financing for the start up of a Fund offers an effective way of for testing fund managers and investment strategies while allowing time for the Fund to reinvest gains unburdened by draw downs on income. However, to avoid distorting expectations and encouraging donor dependence, the co-financing strategy should not involve more annual funding than will be available from the trust fund in the future.
- A conservation trust must be prepared to accept that, if the trust's grant-making operations are based on local community participation and decision-making, priority will be given to local development and community welfare needs over strictly biodiversity conservation objectives.
- A trust aimed at funding small grants for community development and/or productive activities must recognize that grant implementation and oversight may require heavy inputs of technical support. This assistance should be considered part of the development mission and operational budget of the Trust rather than a narrow administrative function.
- Unless an early, deliberate and sustained effort is made to install and implement M&E systems in a project, they will take a back seat to immediate operational needs. Funds and staff should be assigned to M&E early on.
- For innovative projects like the MBIFCT, the Bank should invest heavily in defining and securing agreements and in structuring the administrative, legal, and financial aspects of the project during project preparation so that the Trust can begin operations immediately upon becoming effective.

Vinod Thomas
 Director-General
 Evaluation

1. BACKGROUND

1.1 During the past 20 years, Uganda has become a model of growth and stability in sub-Saharan Africa. Following over a decade of dictatorship and civil strife, the government of the National Resistance Movement set the country on a path to recovery that has shown impressive results. Although Uganda remains one of the poorer countries in Africa, it has made advances on many fronts, including in the management of environment and natural resources. Since 1986, the Government of Uganda (GOU) has pursued a disciplined development strategy that produced growth rates of 6.9 percent during the 1990's (compared to 2.2 percent for sub-Saharan Africa as a whole) and a respectable 5.5 percent growth rate from 2000 to 2005.¹ The country also has made progress on reducing poverty and improving social welfare, although there are still notable differences between urban and rural areas. At 2.8 percent per year, the population growth rate is still exceptionally high. Despite the rapidly growing population, the proportion of the population living below the poverty line declined from 56 percent in 1992 to 34 percent in 2000. Social indicators also improved over the past decade, according to the 2004 Poverty Eradication Action Plan (PEAP). The country's ranking in UNDP's Human Development Report improved from 154th out of 173 countries in 1994 to 144 out of 177 countries in 2005.

1.2 The period from 1990 to 2006 also produced a marked improvement in the GOU's capacity to manage the country's environment and natural resources. In August 1990, the government launched a National Environmental Action Plan (NEAP) process to identify critical environmental problems facing the country and to propose comprehensive policy, legal, and institutional frameworks. The findings and recommendations of the NEAP, which was completed in 1995, reflected a broad consensus derived from a multi-stakeholder process involving specialized consultants and participants from government, business, universities, NGOs, and civil society. The NEAP laid the foundation for the National Environment Management Policy in 1994 and the National Environment Statute (NES)², which established the legal framework and institutional arrangements for environmental management in Uganda. The semi-autonomous National Environment Management Authority (NEMA), linked to the Ministry of Water, Lands and Environment, was established in 1995.

1.3 Along with the creation of NEMA, Uganda has put in place an array of environmental and natural resources legislation, policies, regulations, and programs: in 1995, the Constitution was amended to make protection and management of the environment an explicit responsibility of the State; the National Environment Act was enacted in 1995 to foster sustainable development; and new legislative acts have been passed on water (1995), wildlife (1996), forestry (2003) and mining (2003). Uganda also adopted legislation to regulate waste, wetlands, water, mountain areas and noise, and

1. Joint Assistance Strategy for the Republic of Uganda (2005-2009) Report No. 34310-UG, World Bank-et-al, December 14, 2005.

2. Now the National Environment Act Cap 153

issued policies and procedures for environmental assessments and audits. Responsibility for implementing these policies falls to the various sector ministries and agencies, with NEMA in a coordinating and monitoring role.

1.4 The international donor community and the World Bank in particular, has been the driving force behind creation of much of Uganda's institutional framework for environmental management and conservation. Donors and NGOs, especially USAID, heavily backed NEAP preparation. The World Bank supported the development of NEMA through two successive investment projects - *Environmental Management and Capacity Building Project* (EMCB I & II). Bank and GEF funding also supported the two phases of the *Protected Areas Management and Sustainable Use* (PAMSU) Project. Additionally, the Bank invested heavily in building regional capacity to manage Lake Victoria. As Bank funding for these projects comes to a close, project-implementing agencies are working to assure the financial sustainability of these projects through regular funding from the GOU budget, as well as additional donor support. According to the *Joint Assistance Strategy for the Republic of Uganda for 2005-2009*, sector wide lending is anticipated for 2009 to support the natural resources management mandates of Ugandan environmental institutions as well as direct funds to activities related to agriculture, land use, water and wetlands, and urban environment.

1.5 The *Bwindi Impenetrable National Park and the Mgahinga Gorilla National Park Conservation Project* (P002893) was the earliest effort of the Global Environment Facility and the Bank to address the conservation of protected areas in Uganda. The Project was designed to contribute to the preservation of two of the country's most biologically diverse and unique tropical forests. The Bwindi Impenetrable National Park (BINP), which covers 331 km², is the largest tract of natural forest remaining in Uganda, and is the only area in East Africa containing an unbroken ecological continuum of lowland and transitional and montane forest. BINP is extremely rich in mammalian diversity. The park is home to some 120 species, including the mountain gorilla, and is equally rich in the variety of bird species (330). Though much smaller at 48 km², the Mgahinga Gorilla National Park (MGNP) is part of the Virungas Mountain Range that also encompasses Zaire's Virungas National Park and the Parc National des Volcans in Rwanda. MGNP is one of the few areas in Uganda that contains Afro-montane and Afro-alpine vegetation, as well as a number of rare species, such as the golden gueron monkey and eleven endemic species of birds. The parks are also critical water catchment areas, and contribute to climate regulation in the country. Because of the presence of the mountain gorillas, the potential for tourism is high at both parks.

1.6 In 1991, the Government of Uganda raised the protected status of both areas from forest and game preserves to national parks, and transferred their management from the Forest and Game Department to the Uganda National Parks Agency (now Uganda Wildlife Agency). This led to resettlement of the population living in the areas and a ban on agricultural activities, logging, gold mining, harvesting of non-timber products. Despite the bans, from surrounding communities that must find alternative livelihoods to those derived from forest resources continue to put pressure on the park. Addressing these pressures provided the underlying rationale for the Project.

2. PROJECT DESCRIPTION

2.1 The Bwindi/Mgahinga Conservation Project set up a trust fund to provide incremental support for a three-pronged strategy for biodiversity conservation in these two important parks. The Fund was launched with a US\$4.3 million GEF grant that is managed by the Mgahinga and Bwindi Impenetrable Forest Conservation Trust (MBIFCT). The following section describes the overall goals and specific objectives of the project, its main strategic components and the administrative and operational structure of the Trust.

PROJECT OBJECTIVES

2.2 The objectives of the *Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation Project* are set forth most succinctly in the statement that appears in Schedule 2 of the Global Environment Trust Fund Grant Agreement between the Government of Uganda and the IBRD (March 7,1995). The statement reads:

2.3 “The objectives of the Project are to support biodiversity conservation in BINP and MGNP through: a) incremental support for park management and related research activities; and b) financing grants to assist local community groups to develop socio-economic activities which will provide alternative means of meeting needs which were traditionally met by harvesting forest resources or to build community support for conservation.”

2.4 The Project Document also makes clear, however, that one of the principal objectives of the project is to establish and test a Trust Fund and an the institutional mechanism (the Trust) for overseeing the management of the Fund and managing grant-making operations for local community development, parks management and research.

2.5 In its description of the M&E and supervision strategy, the Project Document (Annex 7) elaborates on both of these central objectives:³

- To promote the long-term conservation and biodiversity value of the BINP and MGNP, including but not limited to their populations of mountain gorillas and other endangered species.
- To promote community development and enhance community welfare in direct support of conservation objectives;
- To demonstrate a novel, highly participatory, institutional mechanism for allocating and disbursing funds for conservation programs;
- To test the appropriateness and effectiveness of a trust fund as a financing mechanism for conservation.

3. Annex 7 p 1. ” M&E Strategy and Supervision Plan “ Uganda: Bwindi Impenetrable National Park and Mgahinga National Park , Project Document 1995

PROJECT COMPONENTS

2.6 The Project's biodiversity conservation strategy rests on three main components to be funded by income from the Trust Fund. These strategic components are:

2.7 **Community Development:** The main objective of the trust is to fund community based socio-economic development projects for the communities adjacent to the parks; 60 percent of the net annual program income was to be directed at these projects.

2.8 **Research:** The second line of activity, for which 20 percent of the income would be allocated, is for research on ecological and socio-economic issues of importance to management of the parks and their relationship with adjacent communities. The UNP and MBIFCT agreed that the Institute for Tropical Forest Conservation would coordinate the research program.⁴ The ITFC and others would submit proposals to the Trust Management Board (TMB) and its Technical Advisory Committee.

2.9 **Park Management Activities:** The remaining 20 percent was allocated to support operations related to the management of Bwindi and Mgahinga national parks, such as improved patrolling, demarcation of park boundaries, and the preparation of management plans. In a Memorandum of Understanding with MBIFCT, Uganda National Parks stipulated that it would submit funding proposals that were in keeping with the its annual work programs.

ORGANIZATIONAL STRUCTURE

2.10 The MBIFCT structure and operational modalities are spelled out in the Trust deed and by-laws and in an accompanying Trust Administration Manual (TAM). The Trust has five major elements:

- **Trust Fund.** The capital fund of the Trust was established with an initial GEF grant of US\$ 4.3 million. Management of these funds, which are invested off-shore, is undertaken by an international investment firm selected by the TMB. The desired aim of the Trust and its asset managers is to maintain the real value of the capital fund in perpetuity at a level that will cover grant disbursements, management fees and administrative costs.
- **Trust Management Board.** TMB has overall responsibility for MBICFT. Its voting members are the legal trustees of the capital fund, and have decision-making responsibility over the Trust's policies and operations. The TMB is responsible for approving the investment strategy of the asset manager, reviewing and approving grant proposals, oversight of the administration of the Trust program, and maintaining productive relationships with other organizations

4. During project preparation in 1993, the Institute for Tropical Forest Conservation (ITFC) and the East African Wildlife Society organized a workshop that produced a preliminary research agenda for the project. Eligible research included surveys and monitoring of key indicator species of ecosystem quality, evaluation of sustainable forestry in multiple use areas, and ways of reducing the impact of wild animals on crops in multiple use areas or buffer zones.

involved in conservation and park management. The Board is structured to promote cooperation among stakeholders having direct interests in the conservation and management of the BINP and the MGNP.⁵

- **Local Community Steering Committee.** The LCSC is the representative body that screens all proposals for community development grants and the principal vehicle both to raise community awareness about the Trust and to communicate community concerns to the TMB. The LCSC helps mobilize support for conservation, and oversees the implementation of community projects to ensure their sustainability. The LCSC has authority to approve grants below US\$ 1000 without going to TMB. LCSC members serve for two-year terms although provisions were made at the start of the project to revise the selection process and the rotation of the members on the committee.⁶
- **Technical Advisory Committee.** TAC was established to provide TMB with expert advice on program priorities and review the technical quality of proposals brought to the Board. TAC also helps conduct environmental and social impact screening of project proposals referred to it by the Trust Administration Unit (TAU). Members of TAU are selected on the basis of their professional expertise in fields such as tropical forest ecology, economics, sociology, microfinance, agriculture or law that may be of relevance to the projects being considered for funding.
- **Trust Administration Unit.** TAU is the operational arm of MBIFT. Working under the direction of a Trust Administrator, who reports to TMB, TAU staff is responsible for implementation of the trust program and management of its administrative and financial activities. TAU is responsible for regular monitoring and evaluation of trust operations, and receives and reviews proposals, monitors

5. The voting members of the Trust included: (i) government agencies: Uganda Wildlife Authority, Forest Department; (ii) local communities: one representative from each of the three administrative districts bordering the parks: Kisoro, Rukungiri and Kabale. The Local Community Steering Committee selects these representatives; (iii) local and international NGO: one representatives from each of the active NGOs involved with the conservation of the Parks, such as CARE and the Wildlife Clubs of Uganda; and (iv) research institution: Institute of Tropical Forest Conservation /Mbarara University; and private sector / tourism industry. Non-voting members were generally representatives of GOU agencies and international donor organizations with an interest in the operations of the MBIFCT. These include GOU Ministries of Finance and Economic Planning; Justice; Tourism, Wildlife and Antiquities, and USAID and the DGIS. The Trust Administrator is a non-voting member of TMB.

6. As originally designed, the composition of the LCSC includes the following members:

- 1 warden from each park-BINP and MGNP,
- 12 community representatives appointed by the Resistance Council 3 (sub-district) governments in the area (3 voting members);
- 2 representatives from local women's groups;
- 1 representative of the Batwa community;
- 1 member from Institute for tropical Forest Conservation;
- 1 representative of the CARE/DTC project;
- 1 member of the International Gorilla conservation Project;
- 1 representative of the Mgahinga Gorilla National Park Project.

their implementation, maintains relations with community organizations, NGOs and GOU agencies, provides technical assistance, and conducts educational programs and training. TAU and the LCSC were to be the main interface between the community and the Trust. The project intended for the TAU to maintain a small staff, and to carry out its responsibilities, as much as possible, through cooperative arrangements with other agencies and NGOs working in the area of the parks, such as CARE/DTC and the wardens of the UNP. The procedures and operational modalities of the TAU were detailed in the Trust Administration Manual.

2.11 Project Financial Structure and Budget. The financial analysis underlying project design indicated that for the Trust to achieve its objective of being self-perpetuating, the initial investment of US\$ 4 million would have to grow to approximately US\$ 7.5 million and produce a rate of return of 8.5 percent. The PAD indicated that, with this level of capital at this rate of return, 3 percent of income could be reinvested to maintain the real value of the capital fund, leaving some 5.5 percent to be apportioned among asset management fees, administrative costs, and a minimum annual sum of US\$ 100,000 to be disbursed in grants.⁷

3. PROJECT IMPLEMENTATION

3.1 The MBIFCT was the first conservation fund supported by the GEF in Africa. The project concept was approved in May 1991 during the “pilot phase” of the GEF. The first phase of project preparation, which was financed through the GEF’s Pre-Investment Facility (PRIF), was approved in March 1992. The PCD was completed in July 1993, and the project was approved in January 1995. The project became effective on July 12, 1995. Project implementation can be described in three phases:

3.2 During the first period, the Bank established the Trust Fund with a GEF grant of US\$ 4.3 million and secured an initial grant of US\$ 890,700 from USAID to help launch project operations for the first two years (1995-1997).⁸ This support enabled the initial investment in the Trust Fund to grow unimpeded, while MBIFCT became operational. At

7. The PAD presented a five year budget for the project, as well, as alternative financial projections for a 30 year period. After the initial two-year start up phase, the analysis showed administrative costs (including the cost of technical assistance and monitoring and evaluation) starting at approximately US\$ 200,000 per year and growing at a rate of 3%. It was expected that the approximately 2:1 ration of administrative costs to grant disbursements would be assessed at mid Term Review to determine the most effective ways to reduce the administrative cost.

8. The Bank’s Team considered launching the Trust Fund with a larger initial investment, but chose not to for a number of reasons. The main one was that the Fund was the first “pilot” project in Africa, and the GEF and the Bank were reluctant to commit too large a sum to an untried country. Also, there was a desire to avoid overloading the absorptive capacity of the relatively small and poor population that would be receiving grants, as well as an inclination to keep the program modest so as not to make it too tempting a political or bureaucratic target.

the end of this period, USAID completed an evaluation of the Trust, which contributed to the Bank's Mid-Term Review in May 1998.⁹

3.3 From the end of 1997 through 2003, MBIFCT operated with a US\$ 2.7 million grant from the Government of the Netherlands (DGIS), as well as funds from the UN Foundation (US\$ 240,500). The Trust expanded its grant making under the DGIS grant, which also enabled the capital of the Fund to continue to grow, although the stock market soured after September 11, 2001, reducing the total gains of the fund during the period. The Trust issued a report covering its activities for the period 1997-2002 that summarized achievements in all areas.¹⁰

3.4 The current phase of operations began in 2003 following the close of the DGIS grant. Since then, the MBIFCT has begun drawing on Trust Fund income to finance its activities. In order to continue operations within a more constrained budget, TMB has deliberately narrowed the scope of the Trust's operations to focus on developing the capacity of communities surrounding the parks, rather than new support for research and park management. Though stable at the time of the PPAR, the MBIFCT is in a moment of transition. Unless the value of the Trust Fund increases, the Trust either will have to indefinitely maintain the narrower focus for its program, or convert to a sinking fund so that it may draw down larger annual sums to finance its three original priorities at higher levels.

3.5 The World Bank closed the Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation Project on December 31, 2000, two years before DGIS funding ended. The Implementation Completion Report (ICR) is dated June 28th, 2001.

4. PROJECT ASSESSMENT AND RATINGS

4.1 This assessment will concentrate on the overall outcome of the project, the risks that may undermine this outcome, the performance to date of the Bank and the Government of Uganda, and the quality of the design and implementation of the monitoring and evaluation program accompanying the project.

OUTCOME

4.2 The overall rating for the outcome of the MBIFCT Project is satisfactory. While one is tempted to rate it more highly on the grounds that it has met all its immediate objectives, it has not done so without some reservations. The general picture is quite positive. The conservation objectives and strategies of the project are certainly directly relevant to the aims of the GEF and the development goals of Uganda. The Trust Fund

9. Frank E. Muhereza et.al., Report of the evaluation of the Mgahinga and Bwindi Impenetrable Forest Conservation Trust (MBIFCT) February-March 1998, USAID

10. Mgahinga and Bwindi Impenetrable Forest Conservation Trust, Report 1997-2002

has been managed prudently and effectively. The trust organization has been well administered; its grant making processes have been participatory and community driven. One also can argue that the cumulative effect of the trust program has improved the lives of the people affected by the project, increased their awareness of the importance of conserving the biodiversity of the parks, advanced research on biodiversity trends, and provided stop-gap support to the UWA for park management activities.

4.3 However, there are some issues that cloud this picture. First, despite the MBIFCT's favorable reviews from those interviewed about the impacts of the project, the effectiveness of the Trust's strategy for biodiversity conservation is difficult to ascertain. Community development grants raise public awareness about the importance of conserving the parks. But evidence of positive trends in the ecological health of the parks exists side by side with signs of continuing illegal activity. This makes it difficult to determine whether either trend can be attributed to successes or failures of the project. Furthermore, the Trust is only one of several actors addressing conservation issues in the parks and the M&E efforts have not been targeted well enough to differentiate between the achievements of the Trust and those of others. Second, the otherwise sound co-financing strategy the Bank pursued may have unintentionally weakened the incentives for the TMB to prioritize fundraising for the future. This has led to the current, more constrained financial situation of the Trust, which may weaken the Trust's future contribution. The Bank tried to address this issue in its supervision missions to little avail.

4.4 None of these reservations negate the central achievement of this GEF pilot project, to establish a unique Trust. The Trust has been running effectively for ten years. One cannot expect a US\$ 4.3 million dollar fund to solve all the problems of the Bwindi and Mgahinga parks. Despite difficulties, the MBIFCT has established itself as a transparent source of community-driven funding for conservation related activities that it set out to be.

Relevance

4.5 At the conception of this project in the early 1990s, its overall goal and specific objectives were as relevant to the global aims of the GEF and the development objectives of Uganda as they are today. They were also high on the Bank's priorities for the country. Preserving unique ecosystems is part of the GEF's central mission as set forth in the UN Convention on Biodiversity. For the Government of Uganda, halting the deforestation and loss of wildlife that was degrading the parks would not only advance conservation goals, but would also preserve irreplaceable assets that would attract tourism to the country. At the time project preparation began, the technical work then underway for the NEAP had identified the degradation of protected forests and the biodiversity loss as major critical issues facing the country. These priorities guided the Bank's activities in the country as well. They appeared in the 1990 President's Report in Support of the Uganda Agricultural Sector, which explicitly supports the GOU's rationale for developing the NEAP and commits the Bank to providing technical assistance to strengthening the GOU's capacity for environmental management. The Bank's 1995 Country Assistance Strategy (CAS) reaffirmed the focus on improving the environmental management capacity of the government and its capacity to manage national parks more effectively. Subsequently, two major Bank efforts, one aimed at strengthening the

Uganda Wildlife Authority (UWA) and the other at building up the National Environmental Management Authority (NEMA) are hallmarks of the Bank's commitment to strengthening environmental capacity. Later Country Assistance Strategies (1997, 2000) and the 2005 Joint Assistance Strategy for Uganda continue to prioritize strengthening environmental management and regulation and improving the park system in the country.

4.6 The objectives of the project also focused on issues of particular relevance to protected areas management in Uganda. Given the length of time it takes to reverse natural processes of degradation, establishing a mechanism to provide a steady and continuous source of funding was essential. Uganda National Parks (now UWA) was weak financially and technically, and even though other donors and NGOs were working in the parks, their funding was limited. A conservation trust was a logical means to this end, and the GEF already had some experience using Trusts instruments in Bhutan and Peru. Similarly, making grants available to the local population surrounding the parks for community development and livelihood activities responded to the need to reduce local communities' dependence on natural resources within the parks.

4.7 At the time, supporting research and park management activities also responded directly to the needs of the UNP (UWA). Because the UNP faced very severe budget constraints, the need for operational support was urgent. Once the Bank's PAMSU Project was fully underway however, this type of support became less relevant and the MBIFCT rightly suspended it. At the time, the UNP also needed to gain scientific knowledge about the fundamental trends affecting the parks. While Makerere University, the Institute for Tropical Forest Conservation, and international NGOs were conducting various research projects; the UNP could not continuously support the type of extensive baseline research required. In this regard, creating a steady and stable source of funding for research, free of the vagaries of politics and bureaucratic budget cycles, was also an urgent need.

4.8 Finally, for the Trust to succeed it needed to be deeply rooted in the community and directly engage the various stakeholders interested in its operations. Applying this approach was especially relevant in the case of Uganda because of the high priority given to decentralization by the GOU.

Efficacy

4.9 In assessing the efficacy of the MBIFCT Project, it is important to distinguish between the overall, long terms goal of the project and its more immediate objectives. As noted earlier, the overall goal of the project was to support biodiversity conservation in the Bwindi and Mgahinga national parks. The immediate objectives of the project were to establish the institutional mechanism that could provide that support on a long-term basis. At the time, the GEF viewed conservation trust funds as promising mechanisms, and the driving interest of the GEF and the Bank was to establish such a fund in Uganda to see how it could be applied in an African setting. Within this context, the PPAR first asks how effectively the project met these immediate objectives, as setting up the Trust and ensuring its effective performance was the Bank's primary concern and a necessary precondition for advancing its ultimate goal.

4.10 The Project's immediate objective was to **establish and test a Trust Fund as a financing mechanism for conservation**. This objective has been met. The Fund was established and has been managed well. The Fund attracted additional donor funding, and grown at an acceptable rate. However, the Fund has yet to reach the level that will allow the MBIFCT program to be self-sustaining. Under the management of the first asset managers engaged by the TMB, the Trust Fund grew from US\$ 4.3 million in 1995 to US\$ 7.3 by the end of 1999. It began to depreciate in 2000, however, reaching a low of US\$ 5.5 million at the end of 2002. Part of this decline can be attributed to the impact of the events of September 11, 2001 on financial markets. The decline may also be due in part to the relatively cautious investment strategy pursued by the asset managers. The fortunes of the Trust Fund began to recover in 2002, rising to US\$ 6.283, 909 by the end of FY2005.¹¹ While part of the growth is attributable to favorable growth in the US and international US stock markets, it also reflects the performance of the new asset managers engaged by the Trust in July 2004. The Trust Fund has diversified its portfolio to hold a higher percentage of equities, and has grown by approximately 12 percent since the change in management, according to the MBIFCT *Three Year Report* – June 2002-June 2005 (See Annex C for Summary of Fund Performance 1997-2005).

4.11 In developing the fund, the Bank and the Trust pursued an effective transitional strategy that permitted the initial investment to grow toward the desired level by reinvesting generated income rather than drawing down on it for the operations of the Trust. As we've seen, this strategy involved including in USAID money (US\$ 890,700) to fund the first two years of the Trust's operational costs, and later encouraging DGIS (US\$ 2.7million) to provide substantial follow-on support. The two grants enabled the Trust to operate for over seven years without major draw downs from the Trust income.

4.12 Other donors have also contributed to the operations of the Trust. For instance, the UN Foundation provided US\$ 240,500 through FAO for the Enterprise Development Project for the period from January 2001 to May 2004. CARE /Uganda also provided a small grant of US\$ 26,018, and the Royal Netherlands Government made additional grants amounting to US\$98,050 to the program.¹² The collaborative relationships the Trust maintains with CARE, the Institute for Tropical Forest Conservation, the UWA and international NGOs indirectly help to defray the operational costs of the program. The Trust has also acquired additional funding to cover administrative expenses by renting out office space in the new MBIFCT headquarters it built in Kabala.

4.13 The MBIFCT began withdrawing steadily from the Fund in 2003, although it had drawn out an amount of US\$ 318,924 on a one time basis in 2001. Withdrawals were made in FY 2003, 2004 and 2005 for US\$ 215,593, US\$ 149,043 and US\$ 112,145 respectively. By the end of 2005, as donor funds began running out, the Trust Management Board decided to cut back its administrative and program costs commensurately to the level permitted by what the Fund actually produced. It also

11. Trustee's Report and Financial Statements, Mgahinga and Bwindi Impenetrable forest Conservation Trust (MBIFCT), 30 June 2005

12. MBIFCT- 3 Year Report June 2002-June 2005 p.5

decided to devote a high priority to developing and implementing an effective fundraising strategy to defray a larger proportion of operational and administrative costs.

4.14 Throughout the life of the project, the Bank worked closely with the TMB on oversight of the management of the Fund. It helped develop and signed off on the investment strategy of the Asset Managers, it provided orientation to the TMB on exercising its fiduciary responsibilities regarding the Fund, and at the Mid-Term Review it engaged the TMB in a thorough discussion of the Fund's performance. Under Bank supervision, as well as after the close of the Bank Project, the TMB and the Asset Managers have pursued prudent investment strategies consonant with best practice for these types of Funds.

4.15 In the future, the financial health of the MBIFCT will depend on three main factors: the growth and stability of the investment fund itself, the success of the TMBs efforts to raise additional program funds, and the ability of the TMB and the Trust Administration Unit to reduce and control the administrative costs of its operations. On the first indicator, the Fund itself has performed well, and, after some prodding from the Bank, the TMB has taken a more aggressive role in overseeing the Fund Managers. Barring a dramatic or prolonged slump in international financial markets, the Fund should continue to perform at acceptable levels.

4.16 However, there is no evidence so far that the Trust Management Board has succeeded in mounting an aggressive fundraising strategy. As early as the Mid-Term Review, the Bank's Project Team pushed the TMB to develop a strategic plan and fundraising strategy. The TMB did produce a strategic plan after the MTR, as well as a Sustainability Plan in 2002-2005, but its subsequent fundraising efforts have been less vigorous. At one point, the Trust hired a consultant whose end product was of little use. More recently, according to the Three Year Report, the Trust solicited proposals for fundraising assistance from a number of firms, none of which proved acceptable. The TMB has made some modest proposals to donors. The Trust is working with the UWA to secure a dedicated fee from tourist visits to Gorilla sites, and it is receiving rental income from the headquarters building that has just been completed in Kabale. At the time of the evaluation however, it had not been successful in securing any large source of funding. In short, it is still too early to tell whether the income produced by the Trust Fund will support the levels of grant making that are expected of the Trust in perpetuity. Otherwise, the Trust will have to convert to a sinking fund approach meet its projected level of grant-making, or will have to lower its sights to live within its means.

4.17 The Project also set out to **establish an innovative, community-driven mechanism for allocating and disbursing funds for conservation**. The design and operation of the MBIFCT has substantially met this objective, as its main elements –the TMB, LCSC, and TAU - have been effective at enhancing the ownership and participation of stakeholders in the management and grant-making activities of the Trust. Ultimately, the MBIFCT is rooted deeply in the community and has increased awareness about the need to protect the parks.

4.18 The Trust Management Board has served as an effective forum for balancing the interests of the public and private stakeholders involved in the oversight and management

of the Trust. Its membership includes most of the key actors involved in the conservation of the parks, such as the Uganda Wildlife Authority, Forest Department; representatives of Kisoro, Rukungiri, and Kabale districts, key NGOs, the tourism sector; the Institute of Tropical Forest Conservation/Makerere University, and key GOU ministries of Finance and Economic Planning, Justice and, Tourism and bilateral donors. According to people consulted for the PPAR, the interplay of these stakeholders has been productive. It has facilitated oversight of the Fund's performance and the operations of the Trust, enhanced the transparency of the process for the selection of grants, and protected the Trust from becoming the captive of one institutional interest or another.

4.19 The Local Communities Steering Committee is the other body expressly designed to root the Trust's grant-making process in the will of the community. With over 12 members appointed by sub-district governments (LRC3), representatives of local women's groups and the Batwa community, as well as park wardens, and members of the ITFC, CARE/DTC, and the International Gorilla Conservation Project, among others, the LCSC represents the diverse stakeholders in the catchment area of the parks, giving them a direct voice in the development and selection of projects to be funded by the Trust.

4.20 The performance of the LCSC also has been effective. The Committee was considered "perhaps the most mature of the Trust's unit" according to the MTR. By the time of the PPAR, the LCSC had gone through three grant making cycles and met some 29 times to consider the selection of projects, project performance, future selection procedures, the selection of LCSC members, and issues such as the representation of women and the Batwa community on the committee and to participate in the preparation of the MBIFCT's Sustainability Plan. As a result of the MTR in 1998, the chairman of the LCSC became member of the TMB ensuring a more direct and permanent relationship between the two bodies.

4.21 While the LCSC remains a highly effective vehicle for expressing community priorities to the Trust and giving the community sense of ownership of its program, it has been criticized on occasion. One line of criticism is that the project was too driven by community rather than conservation related priorities (an understandable bias given its representative character). Another criticism is that the Trust's members needed to be more active in communicating the aims of the MBIFCT to their constituencies; and a third is that members might be too susceptible to local political pressures. Starting with the MTR, efforts have been made to address these concerns. As new members rotate onto the Committee they receive training regarding to assessment and monitoring of projects, outreach to community constituents, and coordination with local government offices. Representatives of the TMB and the TAU were sensitive to the need to fend off political pressures and keep the operations of the LCSC open and transparent.

4.22 The Trust Administration Unit plays a critical role of providing technical and administrative support to the LCSC, as well as the TMB. At the outset, it was expected that the TAU would be a relatively lean unit, relying on other outside organizations such as CARE/DTC, the ITFC or field based NGOs to implement community programs and research. These organizations turned out to have capacity constraints of their own, however, and, by the time of the MTR, it became clear that the TAU staff was stretched thin, especially since the demand for technical assistance on the design and

implementation of community development projects was much higher than anticipated. Following the MTR, additional community liaison staff was added to the unit, and Project Engineers were contracted to help design and implement community construction projects. Although the TAU has suffered from staff turnover related to salary issues and several instances of corruption, it has administered the operations of the Project effectively and efficiently, receiving and reviewing proposals for the TMB, monitoring their implementation, providing technical assistance, maintaining relations with community organizations, NGOs and GOU agencies, conducting educational programs and coordinating training activities. As noted earlier, the community project staff has been cut back recently following the TMB policy that such positions only be filled when outside funding exists. As things stand now, the TAU is functioning well while keeping operational costs under control.

4.23 Once established, the overall goal of the MBIFCT was to **support biodiversity conservation in BINP and MGNP though, a) incremental support for parks management and related research activities, and b) financing grants to assist local community groups to develop socio economic activities which will provide alternative means for meeting needs which were traditionally met by harvesting forest resources or to build community support.**” While there is little doubt that the Trust has been effective at channeling funds for these purposes, thereby substantially meeting its immediate operational objectives, it is not clear how much grant-funded activities have contributed to conservation of biodiversity in the two parks. As noted earlier, this has to do with real difficulties of attribution related to the number of actors involved in park conservation, the relatively small size of the MBIFCT grant program, and the deficiencies of the Project’s fragmented M&E system. Nevertheless, a review of community development and research and parks management will examine the magnitude of the Trust’s grant making, whether the activities funded met the criteria intended by the Project, and the evidence that exists about their impact on the conservation of BINP and MGNP.

4.24 In keeping with its mandate, the MBIFCT has given highest priority to supporting **grants for community development during** the past ten years. Responding to community needs articulated through the LCSC, the program has concentrated on the low-income population living in 54 parishes of the districts immediately surrounding the parks such as Karamu, Kisale and Kisoro. Broadly speaking, the focus of grant making has embraced three areas: a) social welfare, infrastructure, education and training; b) productive enterprise; and c) programs explicitly addressed to the needs of the minority Batwa community. Funding for these grants came through USAID, DGIS, the UN Foundation/FAO program, and, more recently, from Trust Fund income.

4.25 Although no consolidated summary of grant-making was made available for the PPAR, a rough accounting can be made based on the MBIFCT two annual reports. There have been three cycles of grant making since the beginning of the project. In the first cycle some 50 projects were funded, most of which answered basic community welfare and infrastructure needs - school classrooms, health units, and a women’s training center. A second round of funding under the DGIS grant supported a variety of projects aimed at productive alternative livelihood activities such as bee-keeping, passion fruit cultivation, coffee growing and tree nurseries, as well as community infrastructure involving the

construction of classrooms, water tanks and latrines, two high-school level science laboratories, a girls' dormitory, a vocational training centre for women, eight health units, and solar power for a remote health unit which required refrigerated storage for vaccines. The report issued by the Trust for the period 1997-2002¹³ indicates that a total of 90 projects had been funded by both cycles.¹⁴

District	Primary schools	Health units	Agro projects	Solar	Drama	Secondary schools	Communal water tanks	Social center	Roads
Kanungu	7	3	26		3	1		1	1
Kabale	6	3	6		1	1	1		1
Kisoro	9	3	10	1	1	1	4		
Total	22	9	42	1	5	3	5	1	2
US\$	275,043	7,247	31,092	5,771	6,791	89,032	7,247	15,009	1,887

4.26 The MBIFCT's *Three Year Report-June2002-June 2005*, which includes a third cycle of grant-making, presents a pattern more heavily focused on training and technical assistance for improving livelihoods through small scale agricultural activity. The report gives a calculation of approximately how many people have been reached by technical training for mushroom growing (895), beekeeping (173), fish farming (1), handicrafts (36), and for the installation of 269 efficient stoves. Assistance was provided for planning woodlots, Irish potatoes, rice and passion fruit, and for the purchase and consolidation of land. In addition grants were given for dramatic events and radio spots (1260) to raise consciousness about the importance of conserving biodiversity in the parks.¹⁵

4.27 Responding to the needs of the Batwa community is also a priority of the MBIFCT community development program.¹⁶ The Bata people were an indigenous ethnic group that was expelled from the parks in 1991. Although the Batwa had not owned land in the conventional sense before then, a special study required by the Bank showed that what they most aspired to was having land of their own, rather than remaining day laborers, economically dependent and exploited by the majority of the

13. Ibid p.11

14. The community development activities of the Trust were supplemented by the Community Enterprise Development Project (EDP), funded by a US\$240,500 grant from the United Nations Foundation. The EDP applied FAO's Market Analysis and Development Methodology (MA&D) to help agricultural producers identify and develop viable enterprises Site. The project enabled a number of producers to identify projects around Bwindi, analyze their viability, develop business plans for their implementation, and receive training for getting them up and running. The types of enterprises deemed most viable were community tourism, handicraft making, mushroom growing, bee keeping and growing passion fruit. By 2003, a small number of producers had begun work on three sites in Bwindi.

15. MBIFCT Three Year Report June 2002-June 2005 pp.8-14.

16. The foundation of the Batwa component of the Trust's program was established in the 1996 study prepared by K. Kabanankye and E Wiley at the request of the Bank.

population. The Batwa wished to reassert their customary rights to the use of certain forest products by gaining legal access to protected forests for certain activities. The MBIFCT sought to integrate the Batwa more effectively into the Trust's programming and decision-making processes, promote their education, and improve their livelihoods by leasing land for distribution to Batwa families and providing them with the technical assistance and supplies needed to work the land effectively.¹⁷ The MBIFCT positively impacted the Batwa, integrating them into the program and the LCSC more directly and helping to weaken the prejudice that has historically beset them. The Batwa feel that the Trust is addressing their needs, but one also must recognize that improving their condition is a slow process that involves factors outside the purview of the Trust.

4.28 The record shows that the MBIFCT has made numerous grants for community development. Questions remain as to whether these grants met the criteria originally set forth for this component of the project and whether they supported the biodiversity conservation goals of the project.

4.29 The criteria set forth in the Project Document for determining project eligibility were that they (i) be proposed by established local community groups, (ii) have a demonstrable positive impact on the conservation of the parks and their biodiversity, (iii) were consistent with the policies and park management plans of Uganda National Parks (UNP), (iv) meet social and environmental soundness, equity, and transparency criteria, (v) include a matching contribution in cash or kind by the proponent, and (vi) include arrangements for accountability and long-term sustainability.

4.30 Overall, the TMB, the LCSC and the TAU have ensured that approved grants met the eligibility criteria. They have vetted the groups making the proposals, coordinated with other institutions working in the parks, and through the TAU in particular, provided for the technical support to undertake environmental and social due diligence of the proposals. In sum, this review unearthed little criticism of the overall grant-making process.

4.31 The process did depart from the criteria on two counts, however. First, a large number of the 50 projects approved in the first round were focused on "social welfare" rather than on productive enterprise based on biodiversity resources. The health posts, schoolrooms and community well projects approved in this round were legitimate expressions of the community's interests, but they did not have a "demonstrable positive impact on the conservation of the parks and their biodiversity", and they were not socio-economic activities that provided an alternative to harvesting natural resources from the

17. The LCSC had three Batwa representatives; uniforms and school supplies were distributed to some 500 Batwa children; two Batwa drama groups were trained to carry out community education presentations on conservation and eco-tourism subjects; a number of water and sanitation projects were aimed at Batwa communities. The land component of the project settled approximately 232 households on some 326 hectares of land purchased for lease under the program. The objective of the program was to purchase 400 hectares for approximately 403 households. The program covers the districts of Kisoro, Kabale and Kanungu. The experience of the program showed that continuous support for 1-2 years had to be provided to households in the form of seed, tools and emergency foods to enable them to establish themselves firmly as farmers.

parks, as called for in the Project's statement of objectives. Second, the requirement for matching contributions was relaxed, as experience showed it often placed an excessive burden on the project proponents.

4.32 The Bank and the MBIFCT resolved the first issue at the time of the MTR by recognizing that so-called "social welfare" projects indeed answered a pressing community needs and recommending a future approach that sought a balance between this type of project and productive activities related to biodiversity conservation. The reasonableness of this approach is underscored by subsequent reviews that credit the project with increasing the community's overall support for the MBIFCT and its mission. Indeed, it would seem quite contradictory to advocate community-based decision-making only to reject its results. A look at the summary chart above of the DGIS period indicates that a balance was achieved between the two types of projects by the end of the second cycle of grant-making: for the 90 projects underway in 2002, 47 percent were classified as agro-based and 57 percent fell under categories covering health or education.

4.33 According to Bank supervision reports, the rate of disbursement for the first round of grants was relatively slow, in part because of technical implementation problems and issues tied to matching contributions. To solve the first problem, the TMB/TAU decided to use project engineers to oversee project implementation. It was determined that the cause of the second problem was that many communities were not able to supply the contribution they had agreed upon because often it involved materials (i.e. lumber, sand or bricks) that were not readily available locally. For many communities, the combined cost of the materials plus transportation was more than they could bear. The TMB resolved this problem by limiting the counterpart contribution to labor or materials that were known to be available to the local community. By preserving the concept of a matching contribution from the beneficiary, the TMB adhered to commonly accepted good practice for community development programs.

4.34 The impact of the MBIFCT's community development strategy is difficult to quantify with the data available to the PPAR. As highlighted previously, the project did not construct a comprehensive socio-economic baseline for an M&E system that would have made it possible to track changes in the economic situation of project beneficiaries and determine whether they still rely on resources from the parks for their livelihoods. The project's annual reports do provide data on outputs, but little hard data permitting an analysis of the causal relationships between the activities of the Trust and trends in the conservation of the parks.

4.35 A recent World Bank/GEF Post Implementation Impact Assessment of the Project does offer more qualitative evidence that the community development grants have had a positive impact on the well-being and attitudes of the beneficiaries.¹⁸ Interviews conducted with local stakeholder in five communities surrounding the parks, showed strong appreciation for the social infrastructure projects funded by the MBIFCT, positive

18. Le Groupe-conseil baastel Itée, Draft Report, Post Implementation Impact Assessment, The Bwindi Impenetrable National Park and Mgahinga Gorilla national Park Conservation Paroject, (21 December 2005) p. 14-43.

changes in incomes from grants for productive projects, and positive attitudes about the benefits of conserving the parks. Another study carried out by the ITFC in 2004 interviewed park staff and local villagers in 19 villages around the parks about attitudes toward conservation of the parks. The survey showed 67.4 percent of the respondents perceived benefits from the parks compared to 62.4 percent in a 1992 survey. The two factors cited most frequently as causing changes in the respondents' attitudes were the support given for agricultural projects and MBIFCT community welfare projects.¹⁹

4.36 While these surveys show positive benefits for the beneficiaries of MBIFCT grants, they are inconclusive with respect to drawing links between these benefits and trends in the parks. Studies done by the ITFC under the Ecological Monitoring Program show that there have been no net losses in forest area in BINP and MGNP since the MBIFCT was established. The studies also show that the gorilla population has increased from 300 in 1997 to 320 in 2002.²⁰ But the same studies show evidence that illegal activities (bee harvesting, tree cutting, and small scale hunting) have increased particularly in the periphery of the parks. Some observers argue that the increase in illegal activity is not an actual increase, but the result of better monitoring and policing of existing activity by the UWA. Others point out that it is generated by poor members of the community who have not yet benefited from MBIFCT programs. In either case, it seems clear that existing data doesn't permit an unqualified conclusion about the impact of the MBIFCT program.

4.37 Even with an effective M&E program in place, it would be difficult to directly attribute changes in the conservation of the parks to the MBIFCT Project. Other forces have also played a major role. During the past ten years, the GOU has removed most of the population from the parks; the UWA's ability to manage and police the parks has improved with considerable help from the Bank's PAMSU Project; the country's economy has grown, and conflict has diminished bringing more tourists to the area and more interest in its protection. Moreover, the MBIFCT is only one of several important actors on the scene. As shown in the Table 2, of the World Bank/GEF Post Implementation Assessment report, the Bwindi Trust has provided only US\$ 699,944 in trust fund donations to the parks between 2004-2006, while other organizations are mobilizing considerably more: i.e. USAID's Prime West Project (US\$ 17,000,000); DANIDA (US\$ 4,000,000), and the MacArthur Foundation/GEF project with Wildlife Conservation Society (US\$ 1,220,000).²¹ The Trust's community development activities are part of this mix, but the Trust is not necessarily responsible for all activity in the parks.

4.38 A similar conclusion can be made about the Trust's **support for park management and research**. As expressed in the Grant Agreement, the project did not

19. IBID p 33.

20. McNeilage et al., Census of the mountain gorilla population in BINP, Uganda.

21. P 25, Le Groupe –Conseil Baastel Itée, Draft Report- Post Implementation Impact Assessment: Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation Project (21 December 2005)

pretend to provide more than “incremental” support for these ends, but one must still ask whether project activities contributed to the underlying objective. With regards to **park management**, the original intention behind the Trust’s support was to focus on activities more directly related to planning and capacity building rather than logistics, equipment, and capital construction. Early on, however, it began apparent that UNP (UWA) was financially too weak to cover its basic operational needs. These weaknesses were acknowledged at the time of the MTR, and the Trust, USAID and DGIS all agreed that support would be given to stop-gap operational measures until the UWA’s budgetary situation improved. For instance, under the DGIS grant, US\$ 80,313 went to Bwindi for activities such as the renovation of two outposts and a dormitory, construction of information sign, and the purchase of vehicles, tents, bicycles and a laptop computer. Mgahinga Gorilla National Park received some US\$ 60,253 for construction of a warden’s house, a vehicle and a water tank. A much smaller sum, US\$ 9,447 went to UWA for workshops, meetings and supplies for the development of management plans for both parks.²²

4.39 Although the Trust’s support to park management activities – separate from research – focused mainly on stop-gap measures, it nevertheless had a substantial impact on the operations of the UNP given the financial needs of that institution at the time. With the advent of the World Bank’s PAMSU Project, MBIFCT support to UWA has become modest, at best, and, more recently has been suspended completely.

4.40 The **research** component of the Trust aimed to provide information for managing the parks and to contribute to knowledge about regional and global biodiversity. The evolution of the Trust research programs can be divided into two phases: the first covering the period from project effectiveness to the beginning of DGIS, and the second covering the period of the Ecological Monitoring Program begun with DGIS funds.

4.41 Once the MBIFCT started up, the Institute for Tropical Forest Conservation (ITFC) identified five projects that fit within the agreed upon research framework and priorities and solicited proposals for them from university student researchers. The first five projects cited in the 1997-2002 Trust Report covered such subjects as (a) small animal communities along an elevation gradient of the BINP, (b) an assessment of the status of the exotic species and natural vegetation types of MDNP, and (c) the status of carnivores in the BINP.²³ In August 1998, the MTR questioned whether the emphasis of the research program should be so heavily weighted toward the biological sciences rather than issues related to social and economic issues and sustainable use. Noting that a variety of other institutions had conducted research on species, conducted a census of gorilla populations, and collected biodiversity baseline data, the MTR suggested that the MBIFCT seek to collaborate more closely with the ITFC on the Ecological Monitoring Project (EMP) that it just had initiated with the funding from the DGIS.

4.42 The EMP run by the ITFC is the main vehicle through which the MBIFCT contributes to research and monitoring of the parks. The EMP, which began in 1997,

22. Ibid p.16

23. P 16-17 Mgahinga and Bwindi Impenetrable Forest Conservation Trust: Report 1997-2002

seeks to determine the reduction of threats to BINP and MGNP and changes in the conditions of the forests. After the MTR, the MBIFCT indeed funded research that dovetailed nicely with the coverage of the EMP under the DGIS grant some US\$ 66,406 was directed at 13 research projects. One was an assessment of granting local people restricted access to BINP resources as a means of reducing the level of illegal activity and unsustainable resource use in the park, another examined the patterns of crop raiding by bush pigs in order to identify strategies to control their destructive activity, and a third analyzed the impact of forest dynamics in Bwindi. All of these studies potentially contributed to the development of baselines and management strategies for the park and the EMP monitoring agenda.

4.43 Initially, the biodiversity research activities of the Trust made only a modest contribution to achieving the goals of biodiversity conservation. The Trust was only one of several institutions funding research on the parks. But the Trust's support for the ITFC's implementation of the EMP made a more substantial contribution. Implementing the EMP has not only strengthened the ITFC but also benefited the UWA by helping it establish more robust, albeit fragmented baseline information, and examine alternative management approaches for the park. Unfortunately, at the time of the evaluation, continued funding for the EMP from the Trust was uncertain.

Efficiency

4.44 In general, one can conclude that the MBIFCT has met its objectives with substantial **efficiency**, although no formal benchmarks for measuring efficiency were built into the Project's analysis. The PAD does not document an ERR or a cost benefit study for project alternatives, nor do such analyses appear retrospectively in the ICR. Nevertheless, there is evidence that within the bounds it set for itself the project was efficiently run.

4.45 The genesis of the MBIFCT was not based on detailed cost-benefit evaluations of strategic alternatives for conserving biodiversity in the parks. Rather, the decision appears to have been made based the international importance of their gorilla populations, ecology, and their tourism potential. Similarly, the decision to use a GEF grant to create a Trust Fund was based on an early appreciation of the fragility and financial weakness of existing Uganda National Parks agencies, and a consensus among the NGO and other donors operating in the area, that what was most needed was a source of long-term, stable financing, and interest in the growing experience with conservation funds. The financial analysis undertaken focused on building 30 year scenarios to project the conditions under which a Trust Fund could become self sustainable while generating a minimum sum to cover grants and operational expenses for grants.

4.46 A first indicator of efficiency can be sought by asking how well the Fund has performed. In general the Trust has performed relatively well. As we've seen, the Fund grew from US\$ 5.8 million to US\$ 7 million between 1997/1998 and 1999/2000, dropped to US\$ 5.5 million and has gradually recovered to US\$ 6.8 million in 2005/2006. The Asset Managers have performed well and the overall rate of return for Trust during the last three years has been 12.9 percent, according to the 2002/2005 annual report.

4.47 A second measure of efficiency lies in the administrative performance of the MBIFCT, particularly that of the TMB and the Trust Administration Unit. Over the years, the Bank worked closely with the TMB and the TAU to help then improved their management of the Trust. The board has become increasingly diligent in performance of its fiduciary and oversight functions and the TAU has become increasingly adept at coordinating the operations of the Trust and the LCSC, managing administrative and budgeting processes, rationalizing administrative and financial recordkeeping activities, and providing support to the TMB for the discharge of its duties. At the beginning of the project the ratio of operating costs to grants seemed high during the start up period, but as the Trust gained experience, it gained greater control over these costs, in part by recognizing that technical support to project development and implementation needed to be accounted for separately from purely administrative costs. After reviewing the overall cost of the grant-making program, the Bank's June 2000 supervision mission calculated administrative costs for the program at 26 percent of the total and acceptable proportion given the rate of disbursements at the time.²⁴ Following the close of the DGIS grant, the TAU found itself over-staffed and had to cut back in order to bring its administrative costs in line. According to Trust's Financial Statements for the period ending June 2005, the ratio that year dropped to 2:1 from a high of 4:1 the year before.²⁵ A detailed audit of the ten years of trust operations will reveal whether or not current patterns are the beginning of a salutary trend. Such an audit was not available to the PPAR team.

4.48 Some complaints have arisen concerning the amount of time the trust takes to develop, approve and implement grants. In part, this reflects the participatory deliberative process of the LCSC, and in part it reflects lack of capacity among the recipients of grants and the length of time it takes to provide adequate technical assistance and supervision or certain types of projects. While the efficiency of the grant-making process might be improved by more streamlined, less participatory procedures, an action of this sort would undermine the objective of making the program as community-driven as possible.

4.49 One very important reason the Fund has been able to grow was the deliberate strategy of securing funds from USAID and the DGIS to cover the operations of the Trust. On the face of it, one cannot fault this strategy. It allowed the Trust to launch its programs immediately and maintain a significant level of grant making for those years. However, it also may have created a level of dependence on donor funding that had the pernicious effect of both lessening the pressure to control operational costs and devoting time to crucial fundraising tasks. Now that the levels of outside support have diminished and the Trust must draw from the income of the Fund, the TMB has been forced to reduce the size of the staff and suspend two types of grant making. This is a radical lowering of expectations for the Trust that could adversely effect its reputation, and will undoubtedly narrow the effective range of its operations.

24. P 6 Aide Memoire, Supervision Mission, June 12-23 2000

25. P 14 Bwindi Mgahinga Conservation Trust FY2004/2005 Annual Report

RISK TO DEVELOPMENT OUTCOMES

4.50 At present, the overall risk to the development outcomes of the project appear to be **moderate**, but given the long expected life of the Trust the situation could change in the future. The most important risk facing the MBIFCT is financial. The risk has two dimensions, one external and one internal. The very viability of the Trust's activities depends on the health and stability of external international financial markets that are driven by factors that certainly lie beyond the Trust's control. The Bank and the Trust took steps early on to mitigate these risks by placing the Trust's funds under the management of experienced, internationally known funds managers. So far this has proven fruitful. Notwithstanding the Fund's decline in value in 2001/2002, it has recovered and grown at a reasonable rate. In addition, the TMB has developed the skills and procedures that enable it to do a competent job of overseeing and auditing the managers of the Fund. While the risk of negative swing in the international financial market is real, the Trust has the elements in place to cushion its impact.

4.51 A related risk is that the growth of the Fund will not be robust enough to fulfill the original targets for a self-sustaining program. The performance of the Fund to date indicates that's the overall goal can be reached. It remains to be seen whether the TMB and the TAU can contain the costs of operations and also raise additional program funds to respond to the expanding demand for community grants, as well as for the research grants that were suspended during the past year. Management efforts appear to have kept cost under control by cutting staff that cannot be covered by program funds, but this also creates the risk that the Trust will be unable to respond to demand. Based on the field visits, this does not appear to be a substantial risk, but it is one that must be assessed periodically by the management of the Trust.

4.52 Should the MBIFCT not live up to its expectations for financing community development grants, there also is a danger that the stakeholder support so firmly expressed through the LCSC will erode. This is not only a question of meeting existing demand, but also of being able to respond to the demand of a growing population that has been attracted to the area around the parks by the prospects of benefiting from the growth of tourism or from the very programs funded by the Trust and others. The community's sense of ownership of the Trust might prove to be very fragile if funding for the programs becomes too small. The commitment of other stakeholders, such as the ITFC could also deteriorate if the Trust's other programs are cut back or suspended for long.

4.53 There are two more generalized threats that pose a risk. One is the additional population attracted to the area around the parks. Not only might this population overwhelm the Trust's grant making capacity, but it might bring increased pressure to bear on the natural resources of the parks themselves, reversing the positive trends that have been reported. Containing such an eventuality falls to the UWA and other government agencies. Increased demographic pressure could undermine one of the Trust's primary contributions.

4.54 Finally, the Trust has benefited from sustained support and collaboration from the GOU. While there is no reason to suspect that support might be withdrawn, bureaucratic competition or pressure from other agencies working on conservation might threaten the

autonomy of the Trust. As most of these agencies are already represented on the TMB, the likelihood of this happening is negligible, but in a potentially volatile political landscape, it cannot be ignored completely.

BANK PERFORMANCE

4.55 Overall, the Bank's performance in support of the preparation and implementation was **satisfactory**. The Bank Team worked well with the GOU in developing an innovative project that was well defined and rooted in the community, and it provided regular support to the people charged with its implementation. By the time the Bank brought its responsibility for its project to an end, the project was prospering with the support of the DGIS and it seemed to be addressing the critical financial and administrative issues raised during Bank supervision. That a number of these issues still persist five years after the close of the Bank's commitment may have more to do with the style and character of the TMB than failures in the Bank's performance.

4.56 Although the Project did not undergo a QAG review, its **Quality at Entry** was **highly satisfactory**. Throughout the process of identification, preparation and appraisal of the MBIFCT project, the Bank's worked closely with the GOU and with a special Task Force that oversaw the technical planning and design of the project. The Task Force included key stakeholders such as CARE Uganda, WWF, the Institute for Social Science Research of Makerere University and the Institute for Tropical Forest Conservation, along with the Bank Team. Representatives of GOU agencies, such as the Ministry of Tourism, Wildlife and Antiquities, Uganda National Parks, the Forestry Department, USAID and other international donors, local NGOs and community representatives were also routinely involved.

4.57 The technical studies developed as part of the planning and design process were comprehensive, particularly given the innovative "pilot" character of the project, and the fact that information on the environmental issues facing Uganda were only just beginning to be developed for the NEAP. The concept of the Trust, had to be adapted from experience from outside Africa, such as the Bhutan Trust Fund for Environmental Conservation and the Foundation for Eastern Carpathian Biodiversity Conservation, which was a trilateral effort involving projects in Poland, the Ukraine and the Slovak Republic. The Bank also drew from its experience with community wildlife projects, small business credit schemes and rural community development programs in Africa. The Bank relied on sources such as WWF International, the International Gorilla Conservation Project, and the Institute for Tropical Forest Conservation for information on the economic and socio-cultural conditions and trends affecting the parks. The project complemented these studies with the preparation of special technical working papers on the ecological, conservation and economic aspects of the parks and the surrounding communities²⁶ and the results of the study of the economic value of the Bwindi Impenetrable Forest National Park to the local communities in the area prepared by

26. Working Paper #2, Ecological, Conservation, and Economic Aspects.

Makerere University.²⁷ In addition, the Bank required that the GOU prepare an acceptable Resettlement/Compensation Plan for the people affected by the incorporation of the Mbwa River Tract in the Bwindi Impenetrable Forest National Park. A special Indigenous Peoples Plan was needed to address the situation of the Batwa communities, native forest dwellers who, having been expelled from Bwindi when it became a Forest and Game Preserve in the 1930's, remained marginalized. Along with these technical studies, the Task Force and the Bank conducted numerous public consultations to inform communities about the objectives of the project, gather input for its design, and secure community support for its approval.

4.58 The overall process of preparation and appraisal was such that much of the project's substantive architecture already had either been built or would be in place as a condition of project effectiveness by the time the proposal for the MBIFCT was submitted for approval to the Board of the Bank. The trust deed and by-laws had been agreed upon and the Trust Management Board was established. The Trust Administration Manual, which covered the policies and procedures of the Trust, grant eligibility criteria, EIA procedures and requirements, and guidelines for the operation of the LCSC, the Technical Advisory Committee and the Trust Administration Unit, had been fully reviewed and approved. The TMB had selected an Asset Manager for the Trust Fund and approved its investment strategy. The UNP and the TMB agreed on a MOU. The Bank's conditions regarding the preparation of a Resettlement Plan and an Indigenous People's Plan were met, and the Bank and TMB had reviewed and approved the first year work programs for the TAU, which included the research grants and UNP requests to be funded. Finally, an agreement was also reached beforehand with USAID over funding the first two years of the MBIFCT's operations.

4.59 The **quality of the Bank's supervision** of the MBIFCT project was **satisfactory**. Given the innovative character of the Trust, supervision was frequent, involved quite thorough reviews of the project's administration and operations, and produced recommendations that reflected a flexible and realistic understanding of the factors affecting the project. From 1995 to its closing at the end of 2000, the MBIFCT project was subject to frequent supervision visits by a number of parties. The Bank team conducted 10 formal supervision missions during the period, and a number of informal visits that took place while staff was working on associated operations such as PAMSU I/II and capacity building for NEMA. In addition to these Bank missions, representatives of USAID and the Royal Netherlands Government also reviewed the project during the periods covered by their support.

4.60 Although supervision is known to have been comprehensive, the documentation available to the PPAR from Bank databases to substantiate this conclusion was limited to the aide-memoirs for the Mid Term Review and a mission in June 2000 shortly before the

27. Makerere University, Institute for Environment and Natural Resources, MUIENR Baseline Study 1993

close of the project.²⁸ Had a complete set of records been readily available to IEG, the achievements of the entire supervision efforts would have been more apparent.

4.61 The MTR helped clarify the strategic focus of the trust program, it challenged the TMB to be more assiduous in exercising its internal fiduciary and fund-raising responsibilities, and it pushed the TAU to be more aggressive in getting a comprehensive M&E program in place. The impact of the Bank's recommendations was spotty. They did guide the TMB and the TAU to more effective management of the program and oversight of the Trust, but they did not produce a sense of urgency with regard to future fundraising. Although the TMB did produce a strategic plan and hire a consultant on fund raising at one point, they had not followed through with a vigorous fundraising program after the end of the DGIS grant. In this regard, the Bank may have done the Trust a disservice after the June 2000 Supervision mission by downplaying the urgency of a comprehensive fundraising strategy because, at the time, the financial performance of the Fund appeared to make it less imperative to raise significant new capital for the Fund. Similarly, the Bank's push to meet the M&E expectations for the program may not have been vigorous enough to produce an energetic, positive response from the TMB and TAU. Unfortunately, the TMB's sluggish response to some of the Bank's recommendations meant that several critical issues – fundraising and M&E - remained unresolved by the time the Bank ended its formal involvement in the project.

BORROWER PERFORMANCE

4.62 In the case of the MBIFCT project, the role of the GOU cannot easily be separated from the role of the implementing agency as several GOU agencies are represented on Trust Management Board of the MBIFCT, which in turn, is the implementing agency for the project. For purposes of this evaluation, however, we will treat the performance of the government as separate. The overall rating for Borrower performance is **satisfactory**. The GOU made a serious commitment to making the project work from the very beginning, and the MBIFCT, which is the Implementing Agency, has managed the project relatively well.

4.63 The performance of the GOU and local government was **highly satisfactory** throughout the preparation and implementation of the MBIFCT project. Committed to making its first GEF grant a success, the GOU facilitated agreements for financial and technical support for project preparation, expedited the provision of information and data to the best of its ability, and collaborated closely with the Bank to complete the detail legal and financial work that made it possible to have the trust deed, the by-laws and the Trust Administration Board (including the Trust Administration Manual) formally agreed upon before the project became effective. Moreover, by the time the project was launched in 1995, the GOU had satisfied the Bank's conditions regarding the preparation of a Resettlement Plan and an Indigenous Peoples Plan, and the institutionally weak Uganda National Parks had completed an MOU with the TMB and defined its requirements for the first years' work program. The novelty and complexity of the Trust concept caused

28. A review of Bank electronic information databases, as well as archival files did not produce a complete, chronologically ordered set of aide memoirs for the Supervision missions.

some delays in reaching agreements, and the weaknesses of Uganda National Parks, which lacked technical and logistical capacity, as well as financial resources, reduced its ability to contribute fully to the preparation of the project. The government's participation in MBIFCT, as the implementing agency for the project has been cooperative, constant and effective. Local government in the form of the Local District Councils has also played an active role. Community representatives on the TMB, as well, as on the Local Community Steering Committee are appointed by the LDC3 that has carried out this role in a responsive manner.

4.64 The MBIFCT is **the implementing agency** for the project. As a whole, the performance of the Trust and its several institutional components has been **satisfactory** throughout the implementation of the project. The TMB has been diligent in the exercise of its fiduciary oversight of the Fund managers and the grant making process, and, after some prodding from the Bank, it has tightened its supervision of the TAU, seeing that acceptable accounting policies and procedures have been put in place. As noted earlier, the MBIFCT has been weaker in the areas of long-term strategic planning, fundraising, and creating an evaluation system to guide the overall development of the Trust. The TAU has administered the grant making process in a responsive manner and established good systems for tracking the status of grants and facilitating technical support. While the TAU has suffered from high staff turnover in the past, it had become more stable, albeit smaller, at the time of the evaluation. Finally, the performance of the Local Community Steering Committee has been a key to the project's success as a community-based grant-making mechanism. It has been diligent in its selection of projects for grants and its oversight of the grant implementation process. Over the years the LCSC has shown itself able to reflect on its own role, change its rules in order to include expand its membership and make it more diverse, and secure a seat for its chairman on the TMB.

MONITORING & EVALUATION: DESIGN, IMPLEMENTATION, AND UTILIZATION

4.65 The *Monitoring and Evaluation Strategy and Supervision Plan* (Annex 7 of the PAD) was the basis for evaluating the project. At the time, neither the World Bank nor the GEF called for the development of a log frame as part of project appraisal so no such analysis of the interrelationship between the project's objectives and planned inputs, outputs and expected outcomes and impacts was spelled out with specific indicators in the Project Document. Later, a log frame was retrofitted for the ICR but it provided little more than a retrospective list of stated intentions and objectives achieved, a sort of log frame as self-fulfilling prophecy.

4.66 The overall M&E performance of the MBIFCT is **modest**. Bank guidance and supervision on M&E design failed to move the TMB and TAU to implement a comprehensive system, but some of the elements of a system were put in place and produced useful data about the outputs and financial performance of the Trust. Moreover, the DGIS grant enabled the MBIFCT to support the ITFC's more formal, but fragmentary monitoring of the ecological and socio-economic trends in the parks. Absent an agreed upon approach with clear measures of outcomes and impacts, the overall contribution of these various M&E elements cannot be judged substantially.

4.67 The Project Document did offer general guidance for the **design of an M&E system** but did not offer a definitive scheme that could be put into practice from the outset. The intention was that the guidance set forth in the Project Document, which later was reflected in the Trust Administration Manual approved as a condition of project effectiveness, would be the framework for the M&E system that the MBIFCT would design and implement once the project got underway. Judging from the Project Document that went to the Board, the guidance was too broad to steer the MBIFCT to a detailed systematic approach to M&E without additional support from outside specialists. As such, the contribution of the design to a useful M&E system must be considered **modest** at best.

4.68 In a formal sense, the MBIFCT did not **implement** a comprehensive system for monitoring and evaluating the performance of the Trust. The absence of such a system is underscored in both the Mid-Term Review and the Aide Memoir of the final Supervision Mission conducted in June 2000. The MTR notes that specific performance indicators and targets were not yet fully defined and points out that the TMB and the TAU has not initiated any systematic performance or impact monitoring of the program and its three component parts.²⁹

4.69 The absence of a comprehensive system does not mean that nothing was done with regard to M&E. With considerable prodding from the Bank, the TMB has become more thorough in its review of the performance of the Trust Fund, reporting from the investment managers has been steady and complete, internal accounting systems have improved steadily, and the TAU and the LCSC have instituted systems for tracking grant-making and project implementation activities that have established a substantial store of information on the operations of the Trust. The two annual reports issued by the Trust for 1997-2002 and 2002-2005, respectively, provide a very good record of the Trust's activities. The research program has also provided data and information useful to the monitoring and evaluation of the parks.

4.70 The Ecological Monitoring Program is the most effective M&E instrument funded by the MBIFCT. The EMP seeks to determine the reduction of threats to the forests in BINP and MGNP and the changes in the conditions of the forests. The EMP has made a substantial contribution to the UWA's and others ability to monitor trends in Mgahinga and Bwindi. Even though the program, strictly speaking is under the ITFC and not the MBIFCT, the latter's funds have kept it going until recently. In the future, securing regular funding for the EMP will be a major challenge for the Trust, as well as ITFC. Even though the EMP's contribution to the implementation of the M&E program for the parks can be considered substantial, the advances made in implementing M&E of the specific activities of the Trust can only be rated as **modest**.

29. P 19-20, Midterm Review Aide Memoir , Uganda: Mgahinga and Bwindi Impenetrable Forest Conservation Trust

M&E Utilization

4.71 At this stage, it is difficult to draw definitive conclusion about the usefulness of M&E to MBIFCT. The uneven, fragmented M&E activities that do exist have produced some useful products: careful monitoring of the financial performance of the Trust Fund and its managers led to a decision to change investment strategy and investment managers; the information that the TAU routinely gathers on grant-making and project implementation has allowed for the publication and distribution of detailed annual reports that inform the community and the variety of stakeholders effected by the Trust; and the products of the EMP have deepened available knowledge about the factors influencing changes in the parks. What is not clear, however, is what the overall impact of the MBIFCT has been on the welfare of the affected community and the health of the biodiversity of the parks. The recent Post Implementation Impact Assessment was only able to draw on individual topical studies and interviews with beneficiaries to analyze the impact of the Trust program because no formal, comprehensive M&E system had produced critical data on indicators and causal linkages explaining the program's impacts.³⁰ A more diligent and urgent response to the Bank's intentions on M&E would have made this much easier.

5. LESSONS LEARNED

5.1 The lessons learned from the experience of the MBIFCT over the past 10 years are related to the fundamental premises of the project, its structure, the focus of its activities, the co-financing strategy, project preparation and supervision, and the integration of M&E into its routine operations.

5.2 Not surprisingly, the PPAR's appraisal of the overall outcome of the MBIFCT echoes the findings of a comparative review of 13 conservation trust funds that the GEF completed in 1999. A quote from the summary of that review, which included the MBIFCT in Uganda, captures much of what emerged in the PPAR:

5.3 “The team found that trust funds have impressive accomplishments in the areas of (a) supporting protected areas, including enabling the creation of new national parks, expansion of existing areas, and providing basic ‘resources security’ for their operations, (b) generating and managing financial resources, (c) enabling the participation of civil society in resource conservation, (d) increasing the level of scientific research applied to conservation issues, (e) and increasing public awareness of conservation issues. Uncertainty remains, however, about trust funds ability to demonstrate long-term biodiversity conservation impact. In part, this is due to the difficulty of measuring conservation impact, and of attributing impact to a particular intervention, particularly

30. World Bank/GEF Impact Assessment: The Bwindi impenetrable National Park and Mgahinga Gorilla National Park Conservation Project Draft Report, 21 December 2005.

over the short term. It is also true that trust funds generate relatively small amount of resources relative to conservation needs.”³¹

5.4 As we have seen, the MBIFCT can be considered a success, and the lessons we can draw from it offer useful guidance for the future. The projects main lessons are examined below.

5.5 The MBIFCT project set out to demonstrate whether a Trust Fund could provide a stable source of funding for biodiversity conservation activities. The experience of the MBIFCT shows that this certainly can be done, but this central lesson is colored by a number of critically important caveats, each one of which constitutes a lesson in its own right:

5.6 Careful consideration should be given to managing the assets of the Fund so that it can continue to generate sufficient income to cover the costs of the program at the expected level for a sufficiently length of time to produce the agreed upon conservation gains. The financial scenarios generated by the Bank for the MBIFCT established valuable targets and scenarios for guiding the managers of the Fund.

5.7 Funds invested and managed offshore by internationally respected investment managers, nevertheless require thorough and regular oversight from the Bank and from the Boards/Managers of the Trust. This is important for building the capacity of the Board/Managers, and for ensuring acceptable performance on the part of the Fund Managers.

5.8 Securing initial co-financing for the start up period of the Fund offers an effective way of for testing fund managers and investment strategies, while allowing time for the Fund to reinvest gains unburdened by draw downs on income for administration and operations. This provides vital breathing room for a fund to grow, especially if it is undersized at the outset.

5.9 A co-financing strategy should not involve more funding than the Trust Fund eventually will be expected to provide for administration and operations in order to avoid distorting long-term expectations about the operations of the Fund. Readily available donor support can create a lack of urgency on the part of Board/Managers with regard to controlling administrative costs or future fund raising. The program priorities of the Trust may also become too donor driven. The Bank and should work closely with Trust managers to plan for the Trust’s transition away from dependence on donor support.

5.10 The effectiveness of a trust is enhanced by incorporating key stakeholders in decision making about its overall management (TMB) and grant making operations (LCSC). Such participation increases the legitimacy of the trust and deepens the community’s sense of ownership of its fundamental goals, as well as its specific program activities.

31. GEF, Evaluation Report #1-99, Experience with Conservation Trust Funds, Washington D.C. 1999.

5.11 If priority is given to community participation in grant-making, local community development needs will take precedence over biodiversity conservation activities not directly tied to livelihood objectives. A conservation trust must be prepared to accept the trade offs required in these cases, as long as they ultimately enhance the community's appreciation and support for the overall conservation mission of the trust.

5.12 A trust aimed at funding small grants for community development and/or productive activities must recognize that the implementation and oversight of these grants may require heavier inputs of technical support and time than originally expected. These technical assistance activities should be considered part of the development mission and operational budget of the trust rather than a narrow administrative function.

5.13 The MBIFCT's strategic focus on community development, research and support for park management activities were too ambitious to withstand the tight budget constraints imposed on the project after the termination of the DGIS grant. When the project was conceived the logic behind this focus was clear. For future projects, however, it would be more prudent to begin with a narrower focus that could be sustained in the face of changing circumstances rather than be forced to suspend or eliminate funding others come to depend upon.

5.14 Unless an early, deliberate and sustained effort is made to install and implement M&E systems in a project, M&E will take a back seat to immediate operational needs. While the Trust has maintained and developed the information required for financial and administrative audits and record keeping on grant making, it repeatedly delayed developing the means to measure the impact of its activities. This objective has not been directly satisfied by the EMP, which focuses its monitoring on the conditions and trends with the parks, but not on the impact of the MBIFCT.

5.15 For innovative projects like the MBIFCT, the Bank should invest heavily during project preparation in defining and securing agreement and structuring the administrative, legal and financial aspects of the project so that it is ready to begin operations immediately upon becoming effective. The detailed work on these matters done by the Bank's team during project preparation (and later during supervision) was one of the key elements of its success.

Annex A. Basic Data Sheet

UGANDA BWINDI IMPENETRABLE NATIONAL PARK AND MGAHINGA GORILLA NATIONAL PARK CONSERVATION PROJECT

Key Project Data (amounts in US\$ million)

	<i>Appraisal estimate</i>	<i>Actual or current estimate</i>	<i>Actual as % of appraisal estimate</i>
Total project costs	5.28	7.98	151
Loan amount	4.0	4.39	109
Cofinancing	8.9	3.59	40
Cancellation	n.a.	n.a.	

Cumulative Estimated and Actual Disbursements

	<i>FY94</i>	<i>FY95</i>	<i>FY96</i>
Appraisal estimate (US\$M)	0	4.37	4.37
Actual (US\$M)	0	4.35	4.35
Actual as % of appraisal	0	99.6	99.6
Date of final disbursement:	3/18/1996		

Project Dates

	<i>Original</i>	<i>Actual</i>
PCD	-	07/15/1993
Appraisal	-	09/20/1993
Board approval	-	01/24/1995
Effectiveness	07/12/1995	07/12/1995
Closing date	12/31/1999	12/31/2000

Staff Inputs (staff weeks)

<i>Stages of project cycle</i>	<i>No of staff weeks</i>	<i>US\$ ('000)</i>
Identification/preparation	71.5	153.80
Appraisal/negotiation	26.7	56.20
Supervision	44.9	150.16
ICR	12.6	42.04
Total	155.6	402.20

Mission Data

<i>Date (month/year)</i>	<i>No of person s</i>	<i>Specializations represented</i>	<i>Implementa tion progress</i>	<i>Develop- ment objective</i>
Identification/Preparation				
3/16/93	1	Sr. Ecologist		
Appraisal/Negotiation				
Appraisal 9/20/93				
Negotiations 3/3/94	2	Sr. Ecologist, Legal Specialist		
Supervision				
7/13/95			HS	HS
4/10/96	2	Env. Specialist, Sr. Ecologist	HS	HS
7/9/96	2	Env. Specialist, Sr. Ecologist	HS	HS
6/23/97	2	Env. Specialist, Sr. Ecologist	HS	HS
5/18/98	5	Env. Specialist, Sr. Ecologist, Community Participation Spec., Conservation Finance Spec.	HS	HS
8/27/99			HS	HS
6/12/00	3	Env. Specialist, Sr. Ecologist	HS	HS
ICR				
5/15/01	2	Env. Specialist, Sr. Ecologist		

Other Project Data

Borrower/Executing Agency:

FOLLOW-ON OPERATIONS

<i>Operation</i>	<i>Credit no.</i>	<i>Amount (US\$ million)</i>	<i>Board date</i>
n.a.			

Annex B. Additional Information

A summary chart provided by the MBIFCT Administration Unit illustrated the performance of the Fund from 1997 to the end of 2005. The information in the chart was provided following the last audit of June 2005.

MBIFCT Fund Performance

<i>Year</i>	<i>Fund Performance US \$</i>	<i>Percent Change*</i>	<i>MBIFCT Cash Withdrawals</i>	<i>Fund Balance US\$</i>
2005/2006	623,599	10.0%	112,145	6,746,392
2004/5	473,256	8.0%	149,043	6,234,938
2003/4	346,663	6.0%	215,593	5,910,725
2002/3	194,516	3.5%	0	5,779,655
2001/2	(229,031)	(5.1%)	0	5,585,139
2000/1	(834,736)	(11.9%)	318,924	5,888,170
1999/2000	771,625	12.3%	0	7,037,830
1998/1999	420,079	7.2%	0	6,266,205
1997/1998	777,294		0	5,846,126
TOTAL	2,543,265		795,705	

* Percent Change in Fund balance before withdrawals.

Donors' Contribution to the Bwindi-Mgahinga Region 2004-2009

<i>Organization</i>	<i>Amount (US\$)</i>	<i>Period</i>	<i>Donors</i>
Wildlife Conservation Society (WCS)	1,220,000	2006-2009	MacArthur Foundation, GEF Albertine Rift Uganda, WCS private funds
PRIME/West (DAI implemented)	17,000,000	2004-2008	USAID/Uganda
ECOTRUST	1,669,000	2004-2005	USAID/Uganda, FFI, WWF, PAMSU, USFWS
AWF/IGCP	1,000,000	2004-2006	USAID/Uganda
ICRAF	2,600,000	1999-2004	WWF, UNESCO, CARE, Max Planck Institute
ITFC, Institute for Tropical Forest Conservation	132,575	2004-2005	Danida
Nature Uganda	4,000,000	2005-2008	
Bwindi Trust	666,944	2004-2006	Trust Funds

Source: USAID

Annex C. Persons Met in Uganda

Government of Uganda and Parastatal Organizations

Hon. MUTAGAMBA Maria	Minister of Water and the Environment
Hon. ERIYO Jesca	Minister of State for the Environment
NAMUYANGU Jenipher Byakatonda	Minister of State for Water
TUGENINEYO Charles	Assistant to the Minister for the Environment
ARYAMANYA-MUGISHA Henry	NEMA Executive Director
MUSINGWINE Jeconious	Natural Resource Officer Mbararo District
MUGUMYA Xavier	Natural Forest Management Specialist, National Forest Authority (NFA)
ABONEKA Michael	Bugamba Sector Manager, NFA
NAMAKULA Gertrude	Warden Community Tourism, UWA
MUGIRI Ghad	Chief Warden, Bwindi Mgahinga UWA
HAMUHANDA DavidRWA	Ranger Guide, Mkuringo Tourism Sector
KAMNHARGINE Ephraim	Commissioner for Antiquities and museums Director, Tourism Business Development & Planning
AKANKWASA, Damian B.	Uganda Wildlife Authority Executive Director
WAFULA, Moses Mapesa	Uganda Wildlife Authority Director, Field Operations
MWANDHA, Sam	Uganda Wildlife Authority Executive Director
SEGUYA, Andrew G.	Uganda Wildlife Education Centre

Private sector and Non-Governmental Organizations

DUTKI Z. Geo	Trust Administrator, Bwindi Mgahinga Conservation Trust (BMCT)
BWIZA Charity	Programme Manager, BMCT

World Bank Staff and Consultants

YABRUDY Grace	Country Manager and Resident Representative
MARLETT, Melanie	Country Coordinator
GAUTAM Madhur	Senior Economist (Agriculture, Environment)
JOHNSSON Nathalie	Project Team Leader
KISS, Agnes I.	Lead Ecologist