

Lessons from Recent Evaluations: Environment, Agriculture, and Rural Development

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This issue of the knowledge note series, Lessons from Evaluations of World Bank Group Support to Environment, Agriculture, and Rural Development, highlights major studies and project assessments of climate change adaptation, sustainable forest management, food crisis response, and avian influenza carried out by the Independent Evaluation Group (IEG) during 2012.

1. Adapting to Climate Change: Have We Missed Anything?

Developing countries are not yet well adapted to current climate risks such as floods, droughts, and storms. As the world warms, climate extremes will become more intense and the sea level will rise, heightening current risks and posing new ones. In its recent study, IEG evaluated World Bank Group experience with adaptation to both current levels of climate variability and ongoing climate change. The evaluation found that while attention to climate adaptation has increased, the Bank still lacks consistent procedures to incorporate climate

risk assessment in project design and appraisal. The Bank has begun to undertake projects explicitly oriented toward climate change adaptation. But the pioneering examples of these projects (in Kiribati, Colombia, and the Caribbean) spread themselves too thin, attempting to cover too many sectors and overwhelming scarce capacity. These projects also focused almost entirely on adapting to current climate variability rather than future climate change.

The evaluation also identified the need for better screening of projects for climate risks and for setting up outcome-oriented results frameworks. Such results frameworks could help to better track resilience outcomes and promote learning from previous experiences.

Overall, the evaluation highlights the need for significant innovation and learning in the Bank's climate adaptation work and investment. It emphasized a need to "wire" projects to return better information about what is working and what is not in this new field. In addition, the Bank Group should

support countries to improve the quality and use of hydromet services and encourage the sharing of hydromet information within and between countries. This is particularly important for Sub-Saharan Africa, where hydromet services perform poorly. Further, the study points to the need to consider anticipatory adaptation measures for long-run climate change, particularly in development planning for coastal cities, estuaries, and floodplains, and in national biodiversity plans. To learn more, please visit IEG's website and download the report **Adapting to Climate Change: Assessing the World Bank Group Experience**.

Karnataka Watershed Project: Using Monitoring and Evaluation to improve implementation

The \$100 million Karnataka Watershed Management project addressed poverty alleviation in mainly rainfed areas of India by improving the productive potential of degraded watersheds through a focus on soil and water conservation and sustainable use. In addition, it was designed to strengthen the capacity of communities in project districts for participatory involvement in planning and implementation, and in social and environmental management.

An important feature of the project was an exemplary monitoring and evaluation (M&E) system, conducted by the Indian Space Research Organization. The M&E system included a household survey with baseline and control groups and remote sensing monitoring of changes in land cover and cropping patterns. Hydrological measurements were less reliable, since planned equipment was not acquired. Unusually, the M&E system was integrated into project management and had a significant impact on improving project implementation. In particular it was instrumental in the mid-term review decision to shift funding into revolving funds for self-help groups, a move that resulted in a sharper poverty focus for the project and improved opportunities for women and the landless. Similarly, the data generated enabled operations to achieve better equity among small, medium, and large farmers; and greater cost-efficiency in the soil and water conservation works.

Source: IEG's study, *Adapting to Climate Change: Assessing the World Bank Group Experience*.

2. Supporting Sustainable Forest Management

A decade ago, the World Bank Group shifted its approach in the forest sector by putting poverty alleviation and sustainable economic development on equal footing with conservation. It was a bold move given the risks and trade-offs involved in balancing these three aims. A decade into its implementation IEG evaluated the progress made and results of this approach. The evaluation involved a review of the Bank Group strategy and the complete portfolio of nearly 350 operations during the decade. Field-based case studies were conducted in Brazil, Chile, China, the Democratic Republic of Congo, India, Indonesia, Lao People's Democratic Republic, Liberia, Mexico, Peru, the Russian Federation, South Sudan, Uruguay and a desk study of small island states. Extensive interviews were carried out through various forums. A literature review complemented and informed the analysis and the desk and field studies, including IEG's 2000 Forest Evaluation and the World Bank's Mid-Term Review of Implementation.

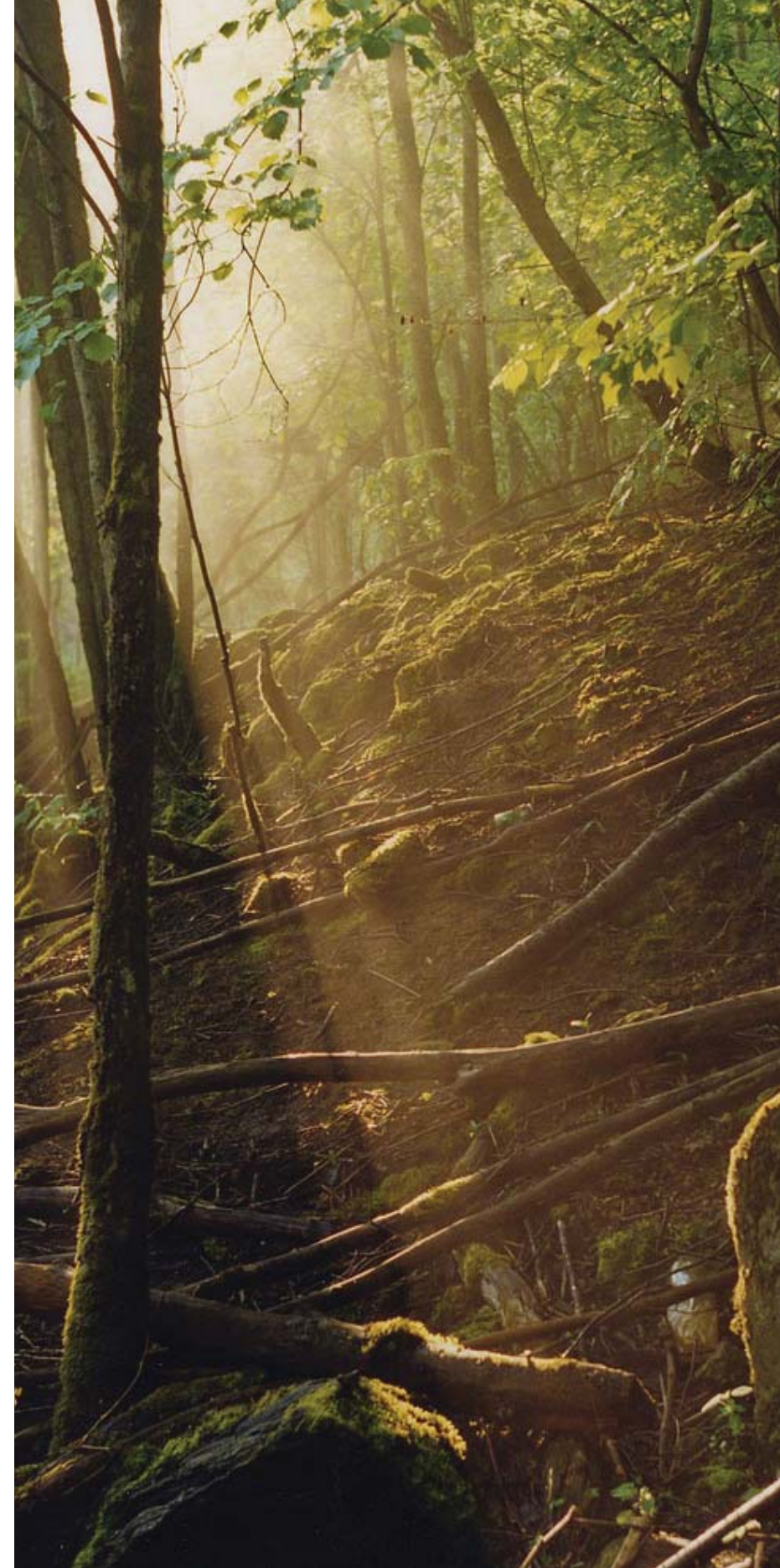
IEG found that the 2002 Forest Strategy is still relevant and in line with the overall mission of the World Bank Group, but that managing tradeoffs and exploiting synergies among the three goals of poverty reduction, conservation and economic development has proven difficult in implementation, with greater success along the environmental dimension.

The World Bank has played a major role in shaping the dialogue on the role of forests and climate change and the development of forest carbon instruments. World Bank supported Payments for Environmental Services Schemes in Latin America are at the forefront of efforts to identify and place a monetary value on forest environmental services. And IFC's Biodiversity and Agricultural Commodities program has helped farmers produce and market sustainable palm oil and soy -- although it has been less successful with beef production. The Bank's

support for Participatory Forest Management and IFC's outgrower schemes in India have been relatively successful in balancing poverty reduction with environmental aims. Two decades of sustained support for community forest management in Mexico has helped to nurture successful community based forest enterprises that are creating jobs and managing forests sustainably. The Bank's efforts to promote participatory forest management elsewhere in India, Honduras, Tanzania and Albania have also yielded positive livelihood and environmental outcome.

At the same time, neglect of the informal sector represents a missed opportunity to reach more of the forest dependent rural poor while helping to enhance the environmentally sustainable forest management. Feedback from stakeholders on the ground in Brazil, Mexico, Peru, Lao PDR, as well as interviews with IFC staff working in Nicaragua, Guatemala, Bolivia and Indonesia all pointed to the need to address inappropriate or excessive regulation of small-scale forestry activities to achieve more poverty reduction in the sector.

Protected area projects – which constitute just under half (100 projects by count), of the total forest portfolio – have largely been successful in setting up critical conservation areas and building their management capacity. In Brazil alone, the World Bank Group helped the Government place 24 million hectares of critical forest land under protected status. But trade-offs between conservation goals and poverty reduction aims could be better managed by ex-ante addressing customary land and resource use claims and more meaningfully incorporating community knowledge and livelihood needs into system design (access to water, transit rights, harvesting, protein, fuel and fodder and other contributions of forest resources to household security). To date, Bank Group efforts to provide local populations with sustainable alternatives to forest degradation have often proved to be ineffective or unsustainable after project completion.



IEG also reviewed the performance of World Bank supported industrial timber concession reforms implemented mainly through development policy operations in tropical moist forests in Central and West Africa and East Asia. Based on an extensive review of World Bank Group project documentation, field visits and interviews with stakeholders on the ground, reviews of the literature and available third party assessments, IEG concluded that World Bank support for legal and regulatory reform of industrial timber concessions has improved forest governance at the national level, enhanced transparency and accountability, put environmental standards in place, and increased the capture of legal revenues in the sector. The same body of evidence points to challenges with implementation on the ground. These challenges include the environmental sustainability of the forests under concession and the lower than expected levels of revenue that have been collected, which in turn has an effect on the capacity of governments to redistribute forest-related rents to communities as planned.

In its report to the World Bank's Board of Executive Directors, the Committee on Development Effectiveness stressed that future interventions by the World Bank Group should include rigorous assessments of expected economic, environmental, social and poverty impacts to improve implementation when engaging in timber concession reform in challenging environments. IEG looks forward

to a constructive engagement with all stakeholders concerned with sustainable forest management going forward. To learn more, please visit IEG's website to download the **Managing Forest Resources for Sustainable Development: An Evaluation of World Bank Group Experience** study.

3. Watershed and Forest Management in India and China

IEG conducted a series of project performance assessments of the World Bank's support for watershed and forest management in India. IEG found that neither the watershed nor forest interventions contained in the Integrated Watershed Development Project (fiscal 1999-2006), the Karnataka Watershed Development Project (fiscal 2002-2009) or the Andhra Pradesh Community Forestry Management Project (fiscal 2003-2010) developed practical mechanisms to tackle externalities. The mechanisms used to induce communities to protect natural resources, such as infrastructure investments and microfinance schemes, did not internalize externalities since the benefits flowing from these initiatives are not contingent on sound husbandry of natural resources. IEG also found that watershed development projects need to be designed more conservatively, with more attention paid to quantifying costs and benefits relative to alternative interventions.

For two decades, the Joint Forest Management Program has sought, with varying degrees of commitment, to involve communities in managing forest resources. The IEG assessment concluded that despite recent legislative initiatives, there are still many unresolved issues of land tenure and forest access that threaten the long-term sustainability of these efforts. To learn more please visit IEG's website and download the Project Performance Assessment Report (PPAR) on **India Cluster PPAR on Integrated Watershed Development Project; Karnataka Watershed Development Project; Andhra Pradesh Community Forestry Management Project; and Managing Watershed Externalities in India Project.**



IEG also conducted project performance assessments of two forest projects in China. The Forestry Development in Poor Areas Project (fiscal 1998-2005) substantially reduced poverty through well-designed area targeting. Evidence from household surveys indicates that the incomes of the poor households increased (although, because there were no control groups, it is not clear what proportion of this increase was attributable to the project—rural incomes rose generally in project counties during the implementation period). The project also substantially achieved its forestry development and environmental management outcomes, exceeding targets for plantation establishment and increases in forest cover (although fewer than expected wood processing enterprises were successfully launched). IEG found that the Sustainable Forestry Development Project (fiscal 2002-2010) modestly enhanced forest resources management. Although targets for plantation establishment were exceeded and, if present trends continue, the project will exceed its silvicultural goals, it was not clear by how much the incomes of participating households rose during implementation. Also, the natural forest management pilots made little contribution to forestry incomes and employment. With respect to protection of the natural environment, progress was substantial. Management of the protected areas was substantially improved. Plantations were well sited and well-tended, with avoidance of monoculture. To learn more, please visit IEG's website to download the assessment on **Forestry Development in Poor Areas Project, and Sustainable Forestry Development Project in China (PPAR).**



4. Food Crisis Response: Cases of Djibouti and Burundi

Food security projects in Djibouti and Burundi had limited impact on food prices. In both countries, the World Bank provided budget support to the government to offset the effect the food price crisis of removing taxes on food staples. In Burundi, the project's design was not sufficiently informed by the local context, weakening the relevance of the actions to the intended outcomes. The project supported transaction tax exemption for 13 food staples, assuming this would have an appreciable impact on food price increases and thereby reduce hunger. But the staples targeted were not by and large imported, and taxes did not significantly influence their price. The choice of staples to exempt from taxes was also not well targeted to food primarily consumed by the poor. In Djibouti, there was no compelling evidence that the tax exoneration led to a change in the price of the relevant staples, which could have helped to prevent an increase in poverty. The assessment concluded that it is not self-evident that reducing taxes on food staples will lower their prices and recommended that if tax reduction is to be used as an instrument, there should be sufficient evidence to demonstrate that the benefits will be passed through to the consumer and that the poor will be targeted. To learn more, please visit IEG's website and download the assessments **Food Crisis Response Development Policy Grant Project - Burundi (PPAR)** and **Food Crisis Response Development Policy Grant Project - Republic of Djibouti (PPAR)**. IEG's comprehensive study of the Bank Group's food crisis response is forthcoming.



5. Supporting Health: Achievements of Avian Influenza Projects

IEG has completed assessments of projects dealing with avian influenza and other diseases that can spread from animals to humans in Albania, Armenia, and Tajikistan. Although no outbreaks occurred in these countries during the project implementation, the projects helped increase awareness of such diseases and improve surveillance, monitoring, and diagnostic capacity of responsible institutions. The projects were particularly important for these countries due to the potential spread of the outbreak from neighboring countries and weak institutional capacity to respond to such diseases.

In some cases, project activities and project design were too complex and time consuming to be completed under an emergency timeframe, as in Armenia and Albania. Since no outbreaks occurred in the assessed countries, projects often shifted focus to support general human and animal health improvements or to respond to other diseases. The projects had little long-term impact on biosecurity on farms, struggled with delays due to difficulties in managing highly specialized procurement and civil works, and some capacity gains were threatened by a lack of ongoing funding. To learn more, please visit IEG's website and download the assessment on ***Avian Influenza Control and Human Pandemic Preparedness in Albania, Armenia, and Tajikistan. (PPAR)***

6. Upcoming evaluations

Food Crisis. IEG is assessing the World Bank Group's response to the global food crisis. The evaluation will be publicly disclosed in 2013.

Avian Influenza: IEG will assess the performance of projects in Romania, Nigeria, and Nepal. These assessments along with the completed assessments of similar projects in Albania, Armenia, and Tajikistan will collectively feed into an Issues Note detailing lessons learned.

Land Administration and Redistribution: IEG will assess the performance of projects in Ghana, Malawi, Indonesia, and Lao PDR. These assessments, along with completed assessments of similar projects in Kyrgyz Republic, El Salvador, and Guatemala, will collectively feed into an Issues Note detailing lessons learned.

Brazil: IEG will assess the performance of four projects in Brazil on environmental and ecosystem management, including two development policy loans and two investment operations.

Tunisia: IEG will assess the performance of three projects in Tunisia on agricultural support services and sustainable natural resource management.