



1. Project Data:		Date Posted : 07/26/2002	
PROJ ID: P009470		Appraisal	Actual
Project Name: Forest Resources Management	Project Costs (US\$M)	58.70	53.23
Country: Bangladesh	Loan/Credit (US\$M)	49.6	45.88
Sector(s): Board: RDV - Forestry (87%), Central government administration (12%), Other social services (1%)	Cofinancing (US\$M)	NA	NA
L/C Number: C2397			
	Board Approval (FY)		92
Partners involved : none	Closing Date	12/31/2000	12/31/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
The project's primary objectives were to (a) establish and maintain a forest management system that is fully responsive to the economic, environmental and social goals of the country; (b) improve the productivity of government-owned forests in order to meet, as much as possible, the country's wood and energy needs and (c) protect the country's environment. The objectives were not revised during the project period .			
b. Components			
The project had four components : forest resource management; forest resources expansion; nature conservation and institutional support. The components remained unaltered although the scale of activities changed with experience and country conditions . The project design specified two detailed implementation reviews which led to the following changes:			
1996 Review--(i) mangrove plantation targets were reduced from 32,900 ha to 26,000 ha because of a reduction in siltation and non-availability of adequate newly accreted land; (ii) the industrial plantation target was increased from 27,000 ha to 33,000 ha to re-plant the area severely damaged by the 1994 cyclone; (iii) the participatory forest development (PFD) sites were reduced from three to two with a target area of 400 ha involving 225 participating families because of delays in implementing the program stemming from lack of ownership in FD; and (iv) a computerized programming, budgeting, monitoring and evaluation system for forestry operations was developed and piloted.			
1999 review-- (i) the mangrove plantation target of 33,000 ha was re-established because of a large area of silt accretion following the 1998 floods; (ii) the industrial plantation target was increased to 38,000 ha to bring additional degraded forest land under tree cover; (iii) pilot PFD sites were increased to nine covering 850 ha and with 675 participants responding to the increasing success of PFD activities and increased community interest and FD commitment; (iv) preparation of an inventory of Chittagong Hill Tracts forests was initiated following the 1997 Peace Accord which allowed resumption of FD activities in the area and (v) the computerized programming, monitoring and evaluation system was expanded to cover all forest, environment and management plans in the Chittagong Forest Circle.			
c. Comments on Project Cost, Financing and Dates			
Total project costs at appraisal were US \$ 58.70 million of which the credit amount was US \$ 49.6 million. Actual project costs were US \$ 53.23 million of which the credit was US \$ 45.88 million. The project was approved in June 1992 and became effective in October of the same year . The Mid Term Review (MTR) took place in June 1999. The project closed in December 2001, one year behind schedule.			
3. Achievement of Relevant Objectives:			
The project was able to achieve its relevant development objectives, albeit with significant shortcomings . The re-estimated ERR is just under 13 percent compared with 16 percent at appraisal. The ICR gives several reasons for the difference between the appraisal and ICR estimates : unrealistically high growth rates used in the appraisal estimates, poorer actual silvicultural practices in the industrial plantations, incidence of disease in the main mangrove species planted among others.			

4. Significant Outcomes/Impacts:

- The basis for an improved forest management system has been established;
- Planting targets for both mangroves and industrial plantations were exceeded;
- Detailed natural resources and biological surveys were completed in all protected areas;
- Positive social and economic impact on landless and disadvantaged forest fringe dwellers;
- Amendment to the Forest Act sanctioning sharing of forest products from forest reserves with local communities . This is crucial to facilitating participatory forest management;
- The mangrove research program has generated valuable technology for mangrove nursery management and plantation establishment; The project has also demonstrated that mangrove establishment on accreted silt beds can stabilize these beds and lead to the formation of new land masses that can be utilized for settlement and agriculture--a significant achievement in a densely populated and cyclone prone country .

5. Significant Shortcomings (including non-compliance with safeguard policies):

- There were shortcomings in design : the project design did not ensure that a secure funding mechanism was in place for second and third thinning of plantations under the forest resource expansion component . As a result only 17 percent of targeted second thinnings and 11 percent of third thinnings were completed; the design also did not include any substantial interventions to improve yields through tree improvement and more adaptable silvicultural operations . Apart from root trainer nursery techniques no other tree improvement activities were undertaken;
- The integrated forest management plans (IFMP) resource data is not being regularly updated despite this being an essential element in plantation management;
- The environment and social data that has been collected has not been used to update the Resource Information Management System (RIMS) and silvicultural operations are not being carried out in accordance with management plans;
- Though planting targets for mangrove and industrial plantations were exceeded, budgetary restrictions and a lack of flexibility for discretionary silvicultural treatments have meant that correct species were not always planted and inadequate weeding may have negatively affected growth and yield;
- No specific conservation activities were undertaken in the protected areas except for the planting of mixed species plantations;

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Moderately Satisfactory	OED rates a project as moderately satisfactory [a rating which does not exist under the ICR's 4-point rating scale] when it achieves most of its major relevant objectives but with significant shortcomings. The shortcomings noted under section 5 are significant.
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Non-evaluable	Some factors support a likely rating and others support an unlikely rating and there is not enough evidence on the basis of a desk review to make a conclusive judgement. Factors supporting a likely rating .established mangrove plantations are likely to be sustained because coastal communities have become well aware of the protection and environmental benefit afforded by them; environmental efforts in the coastal areas and biodiversity conservation in the Sunderbans reserved forests will continue and grow through the ADB and GEF supported project which builds on the achievements of this project; the participatory community forestry program has a strong social development and poverty alleviation potential; Factors supporting an unlikely rating .industrial plantation activity requires funding for maintenance and thinning over the next three years which is not assured; IFMP is not being regularly updated even though updating is an essential element in plantation management; silvicultural operations are not being carried out in accordance with management plans; though reorganization of FD was carried out the department continues to have inadequate numbers of professionally qualified staff.

Bank Performance :	Satisfactory	Satisfactory	Bank performance is rated satisfactory though marginally so because several of the problems that hindered implementation (inadequate staff, frequent staff transfers, budget issues etc.) are endemic problems that have hindered implementation of Bank projects in much of South Asia. The Bank should have taken a more definitive stand on addressing these issues possibly through policy dialogue.
Borrower Perf .:	Satisfactory	Satisfactory	Borrower performance is rated satisfactory though marginally so. Continuing lack of staff has adversely affected project implementation and the institutional strengthening process. The Government's failure to fund commercial thinning has serious implications for future growth and yield of the plantations. Frequent staff transfers have also affected implementation.
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

(i) The Bank has valuable experience in forest sector management in several countries in different parts of the world and it can bring useful advice to the Government of Bangladesh to help improve the performance and contribution of the forest sector to the economy. Hence the importance of cross country learning; (ii) Protecting forest resources through beneficiary participation is a challenging task that requires the cooperative effort of all the stakeholders--the communities, research organizations, NGOs, various government departments/agencies and grass root village organizations. The building of this kind of participation requires time, resources and explicit attention to incentives for the stakeholders--costs that need to be explicitly recognized and built into a project. Setting up grass root organizations is just the first step. More time and resources are needed to strengthen and consolidate gains so that their sustainability over the long run is assured.

8. Assessment Recommended? Yes No

Why? To verify the outcome, institutional development and sustainability impact .

9. Comments on Quality of ICR:

The ICR is satisfactory and gives a good account of the project .