



1. Project Data:		Date Posted : 12/18/2000	
PROJ ID: P010390		Appraisal	Actual
Project Name: Maharashtra Forestry	Project Costs (US\$M)	142	111.71
Country: India	Loan/Credit (US\$M)	124	94.24
Sector(s): Forestry	Cofinancing (US\$M)	none	none
L/C Number: C2328			
	Board Approval (FY)		92
Partners involved : none	Closing Date	09/30/1998	03/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
2. Project Objectives and Components			
a. Objectives			
<p>The project was a complex, sector wide operation with the following major objectives : (i) to slow down environmental degradation; (ii) maintain and improve biodiversity conservation; (iii) increase the productivity of forest lands; (iv) develop wastelands; (v) raise biomass self sufficiency; (vi) generate rural incomes and improve equity through increased community participation . It also aimed at introducing fundamental institutional, policy and technical changes in the management of the sector . The project was restructured at the time of the mid term review (MTR) in January 1996. Its scope was reduced to make it more manageable and its objectives were better articulated into the following four: (i) to increase the productivity on forest and wastelands; (ii) increase community participation to improve rural incomes and equity and raise biomass self sufficiency; (iii) conserve biodiversity; (iv) improve sector management.</p>			
b. Components			
<p>The project had two major components---land treatment and technology and project implementation support---each with several sub components . At the time of restructuring, a number of changes were made to the components to reflect the reduced project scope and the increased emphasis on incorporation of participatory mechanisms and flexibility in implementation.</p>			
c. Comments on Project Cost, Financing and Dates			
<p>The project was identified in 1989, appraised in July 1991 and became effective in May 1992. It closed in March 2000, nearly a year and a half behind schedule . As appraised total project cost was US \$ 142 million of which the IDA share was US \$ 124 million and the Maharashtra Government contribution was US \$ 18 million. Actual project cost was US \$ 111.71 million of which the IDA contribution was US \$ 94.24 and the Government contribution was US \$ 13.04 million.</p>			
3. Achievement of Relevant Objectives:			
<p>Though the project objectives were consistent with the Country Assistance Strategy and the national and state government priorities in the sector, project quality at entry was unsatisfactory . The design was complex, objectives were too broad, over-ambitious and based on unrealistic expectations of the pace of institutional and technical reform. The revised project objectives are the basis of assessment in this Evaluation Summary (ES). Overall, the project may have achieved its physical objectives in terms of area of degraded forests treated and wasteland afforested, but the resources were not efficiently spent as productivity increases were much lower than expected .</p>			
4. Significant Outcomes/Impacts:			
<p>(i) Introduction of participatory forest management involving local communities in rehabilitation and development of degraded community and forest land and change in attitude of the Forest Department towards working with the people; (ii) Adoption of modern technology for nurseries and seed handling resulting in improved planting material for land treatment; (iii) Development of a biodiversity conservation strategy; (v) development of a Geographical Information System.</p>			
5. Significant Shortcomings (including non-compliance with safeguard policies):			
<p>(i) Poor survival rates and productivity increases in plantations due to a number of factors; (ii) Inadequate availability of improved planting material; (iii) Monitoring focused on the achievement of project implementation targets rather than development outcomes; (iv) Establishment of pastures was restricted; (v) The Village Eco-Development (VED)</p>			

program in areas adjoining Protected Areas largely failed to achieve its objectives; (vi) Gender and equity concerns in community organizations remain to be addressed .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Moderately Satisfactory	Since, the project design was poor and more than 70 percent of project costs were for a component that did not perform well, ideally the rating should be unsatisfactory. However, the project's major contribution is in improving the quality of planting material and introducing Joint Forest Management. At this stage these factors are hard to assess in economic terms. However they have created the potential for a larger impact on the state's forest sector strategy in the future. In addition significant progress was made on issues of biodiversity conservation and sector policy reforms. Hence the ES rates outcome to be marginally satisfactory .
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Non-evaluable	The ES rates overall sustainability as non evaluable because of the presence of some evidence that favors a likely rating and other evidence that supports an unlikely rating. The assessment for an unlikely rating is supported by the fact that subsequent budgetary provisions are currently inadequate to continue all activities initiated under the project. However the assessment for a likely rating is supported by two facts. First Maharashtra is one of the richest states in India and it does have the resources to devote to forestry and with the substantial improvement in planting material it is even likely that it will spread to the private sector. Second, appropriate policy changes have been introduced, specialized technical skills have been developed and a significant attitudinal shift towards participatory resource management has taken place in the forest department. Hence an audit to verify the sustainability of efforts begun under the project would be appropriate.
Bank Performance :	Satisfactory	Satisfactory	Given the weaknesses in project design, and the fact that Bank supervision in the early years did not respond adequately to identified problems and delays, the ES would ideally reduce the Bank Performance rating to marginally satisfactory. However, this option is not available to OED.
Borrower Perf .:	Satisfactory	Satisfactory	Though overall borrower performance may be judged to be satisfactory, delays in approving policy reforms, in the recruitment of consultants and the frequent changes at the Secretary level and amongst senior staff in the forestry department negatively affected project 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:

The lessons identified by the ICR are interesting and have important implications for the future management of India's forests. Two important lessons from the ICR are repeated here. (i) The need for flexibility during project implementation so that forest management practices can be linked to site conditions. (ii) Government commitment to reform programs must be clearly established prior to project effectiveness.

OED adds the following lessons. (i) It is essential that participatory forest sector development is made a part of the poverty alleviation strategy of the Bank in the country since community involvement in the management of forest resources has the potential to have a significant impact on rural poverty. (ii) In community forestry projects, alongside an objective of increasing forest cover, development objectives should be framed at least partly in terms of poverty alleviation. This should be done in a way that is monitorable. (iii) Continuity in top management is crucial for proper implementation of a complex operation like Maharashtra Forestry. Implementation under the current project was made more difficult by frequent changes at the Secretary level and amongst senior staff in the forestry department. (iv) While most forestry projects continue to set plantation targets in terms of area physically planted, it actually seems logical to judge achievements in terms of trees that have survived. Given the fact that projects are now required to have a functioning Monitoring and Evaluation system, assessing outcome in terms of survival rates may not be as impossible a task as it seemed some years ago.

8. Assessment Recommended? Yes No

Why? To verify the sustainability of efforts begun under the project.

9. Comments on Quality of ICR:

Though overall ICR quality may be judged satisfactory, the ICR should have brought out more sharply the significant change in project design that followed the MTR. The ICR also does not bring out the importance of the institutional changes introduced by the project in the sector. It is easy for any reviewer not aware of the importance of these factors to judge the project outcome as unsatisfactory given the unsatisfactory quality at entry, poor performance of the major component and the low economic rate of return. The ICR could also have brought out the fact that Maharashtra Forestry was one of the first sector wide forestry projects to be supported by the Bank in India and its implementation experience has provided important lessons for the design of several follow on projects.