



<b>1. Project Data:</b>		<b>Date Posted :</b> 01/11/2002	
<b>PROJ ID :</b> P005725		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name :</b> Second Forestry Development	<b>Project Costs (US\$M)</b>	148.2	73.5
<b>Country :</b> Tunisia	<b>Loan/Credit (US\$M)</b>	69	38.7
<b>Sector(s) :</b> Board: RDV - Forestry (87%), Central government administration (7%), Sub-national government administration (6%)	<b>Cofinancing (US\$M)</b>	4.9	0.40
<b>L/C Number :</b> L3601			
	<b>Board Approval (FY)</b>		93
<b>Partners involved :</b> Nordic Investment Bank/Nordic Development Fund	<b>Closing Date</b>	12/31/2000	05/31/2001
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
<p>The primary project objective was to augment production to meet the growing demand for wood products and address environmental problems. The project was to promote sustainable development and management of Tunisia's forest resources with the active involvement of the local population and the private sector. Specifically the project activities were to contribute towards: a) augmentation of the environmental services provided by forests; b) improvement of social conditions of the poor population dependent on forests; c) intensification of quality wood production where sustainable; d) development of forest rangelands to relieve grazing pressure on forests; e) and preservation of the country's nature and wildlife heritage.</p>			
<b>b. Components</b>			
<p>The project had seven components: forest management; plantations; forest pasture and range improvement; wood exploitation and value enhancement; national parks and reserves; forest research and institutional development and pilot operations. The project components remained the same throughout the project period though minor changes were made in the magnitude and direction of some of the interventions. The changes reflected the following: (i) a shift in focus in project management away from the central management unit to the twelve Regional Agricultural Development Commissariat; (ii) a shift away from mechanical planting of trees towards manual planting; (iii) a reduction in the area under permanent prairies and an increase in the area of acacia plantations; (iv) changes in road construction to reflect community demands and cost effectiveness objectives.</p>			
<b>c. Comments on Project Cost, Financing and Dates</b>			
<p>The project was approved in May 1993 and became effective in April 1994. Disbursements were lower than expected because of several factors: significant depreciation of the Tunisian Dinar during project implementation; re-allocation at MTR of activities from higher cost mechanical planting to lower cost manual planting due to lack of forest areas suitable for mechanized plantations; reduction in new road construction in favor of lower cost road rehabilitation.</p>			
<b>3. Achievement of Relevant Objectives:</b>			
<p>The project was large and ambitious and was reasonably successful in achieving its major objectives. The re-estimated economic rate of return was 14 percent against the appraisal estimate of 13 percent.</p>			
<b>4. Significant Outcomes/Impacts:</b>			
<ul style="list-style-type: none"> <li>• Forest area under plantations increased more than the SAR target;</li> <li>• Actual area of forestry management plans developed was also above the SAR target (but equal to revised target);</li> <li>• Research results were integrated directly into project activities and into the general forestry sector program;</li> <li>• Introduction of new technologies in forest seedlings production;</li> <li>• The project contributed significantly to developing small private enterprise involvement in silvicultural activities, a</li> </ul>			

new experience in the forest sector;

- A new forest sector and pastoral strategy was prepared and a decree to allow participatory forest management was passed;
- A number of useful studies were carried out;

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

- Monitoring and Evaluation was weak;
- Two activities: plantations on private land and institutional development and pilot operations were not completely implemented;
- Implementation of training activity under the wood exploitation and value enhancement component was not satisfactory;

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome:</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	High	High	
<b>Sustainability:</b>	Likely	Likely	Though the ES considers this to be a marginal call as community participation is not yet well established.
<b>Bank Performance:</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR:</b>		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:

Several important lessons are identified by the ICR. Two are repeated here. i) Forest research must be designed as an integral part of the project activities to ensure coherence between priorities of the research team, administration and end users. For results to be meaningful, research must be demand driven and responsive to the needs of the end users. Integrating research into the overall project also creates stronger links between the operational agency and the research institutes, which results in a research program that is consistent with sector development needs. ii) Important legislative changes should be sought under broad policy changes rather than on an adhoc basis. Requesting an exemption to enable the implementation of an activity without seeking permanent changes may actually impede long-term sustainability.

The ES adds the following: i) Not all the challenges and problems in project implementation can be visualized upfront. The setting up of an efficient monitoring and evaluation system is essential to make mid course corrections as and when required. ii) The building of community 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 sustainability and institutional development impact of the project.

#### 9. Comments on Quality of ICR:

The ICR is satisfactory but with three shortcoming.

1. There is lack of consistency in some facts as presented in different parts of the report. Three examples are given here: i) Section 4.1 notes that institutional development and pilot operations were not completely implemented. However section 4.2 notes that the implementation of the institutional development and pilot operations component was satisfactory without qualification; ii) table in Annex 2 notes that the African Development Bank was also a cofinancier but the ICR report only notes the Nordic Investment Fund and Nordic Development Bank as cofinanciers and does not note the contribution of the African Development Bank (the SAR table 4.3 on the other hand includes the African Development Bank as a cofinancier but not the Nordic Investment Fund or Nordic Development Bank); iii) In Annex 2, the Table on Project Financing by component, the actual /latest estimate for the Bank adds to US \$ 38.7 million whereas section 5.4 gives total project disbursement to be US\$ 42.7 million.

2. Actual co-financing was significantly below the appraisal estimate. There is no explanation in the ICR as to why this was so.

3. No comment is made in the ICR about the low ERR (below 2 percent) for the manual plantations in semi arid inferior areas and whether this has any implications for allocative efficiency.

