



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 07-Aug-2018 | Report No: PIDISDSA21618



BASIC INFORMATION

A. Basic Project Data

Country Bangladesh	Project ID P161996	Project Name Sustainable Forests & Livelihoods (SUFAL) Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 06-Aug-2018	Estimated Board Date 08-Nov-2018	Practice Area (Lead) Environment & Natural Resources
Financing Instrument Investment Project Financing	Borrower(s) People's Republic of Bangladesh	Implementing Agency Bangladesh Forest Department (BFD)	

Proposed Development Objective(s)

To improve collaborative forest management and increase benefits for forest dependent communities in targeted sites.

Components

Strengthening Institutions, Information Systems and Training
 Strengthening Collaborative Forest and Protected Areas Management
 Increasing Access to Alternative Income Generating Activities (AIGAs), Forest Extension Services & Trees outside Forests (TOF)
 Project Management, Monitoring and Reporting

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	195.00
Total Financing	195.00
of which IBRD/IDA	175.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	175.00
IDA Credit	175.00

Non-World Bank Group Financing

Counterpart Funding	20.00
Borrower	20.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Note to Task Teams: End of system generated content, document is editable from here. *Please delete this note when finalizing the document.*

Other Decision (as needed)

B. Introduction and Context

Country Context

- Bangladesh has made remarkable progress on poverty reduction over the past two decades.** Strong emphasis on human development and employment generation has reduced extreme poverty and boosted shared prosperity. Poverty incidence (based on the international \$1.90 per capita per day poverty line¹) has declined from 44.2 percent in 1991 to 13.8 percent in 2016. The GDP grew well above the average for developing countries in recent years, averaging 6.5 percent since 2010, with an officially projected growth of 7.65 percent in FY18, driven by manufacturing and services. Such progress notwithstanding, the pace of poverty reduction and the rate of job creation has slowed since 2010. Bangladesh needs more effort in improving its growth rate to meet its target of moving up the middle-income rankings by 2021 and eliminating poverty by 2030.
- Sustainability of this growth rate and the attainments on poverty reduction depend on the effective management of natural resources and environmental risks.** Bangladesh is among the most densely populated countries in the world, with scarce land resources. Rapid urbanization increasingly threatens its remaining forests and risks the watershed services that sustain its agriculture and fisheries, the backbone of food self-sufficiency, particularly for the 70 percent in rural areas. The country’s vulnerability to climate change and

¹ Purchasing power parity exchange rate.



natural disasters²,³ is well documented. Effective management³ of the negative externalities of urbanization and industrial growth and increasing resilience to climate change warrants greater efforts to sustainably manage the country's forests, wetlands and mangroves.

Sectoral and Institutional Context

3. Bangladesh's forests are a safety net for the poor, enhance coastal resilience and mitigation but have been steadily declining in quality and cover. It is estimated that at least 19 million Bangladeshis are dependent on forests for their livelihoods and forest income as a proportion of total household income is estimated at between 8.9 percent to 18.6 percent⁴. Fuelwood and other tree-sourced biomass is an important source of cooking energy, accounting for around 60 percent of total energy consumption⁵. However, the proportion of land under forests (11%) is substantially lower than the average in Asia (26%) and growing stock with an average of 48 m³/ha, is also low compared to other countries in the region.⁶ Clearing for agriculture, timber, infrastructure development, fuelwood and fires^{7,8} are generally identified as the leading causes of forest loss. The indirect drivers are poverty and governance. However, there is little data to determine the relative contribution of these drivers⁹. Increased salinity and more frequent cyclones leave less time for recovery from damage of mangrove forests. Helping the country's coastal forests and mangroves thrive is important not only for bio-physical resilience against cyclones and the rich supply of plant and sea food they provide, but also for climate mitigation—they store nearly four times more carbon than other forests¹⁰, and if destroyed, will rapidly release this CO₂ to the atmosphere.
4. **The Government of Bangladesh recognizes the importance of reversing this trend.** The Seventh Five Year Plan (2016-2020)¹¹ prioritizes sustainable development through an explicit focus on improved land and natural resource management. The 1994 forest policy recognizes the need for peoples' participation and the importance of biodiversity and trees outside forests (TOF)¹². While the Social Forestry program and increase in

² World Bank (2015). Bangladesh Country Snapshot.

³ Maplecroft (2014). Climate Vulnerability Index.

⁴ Environment, Forestry and Biodiversity Conservation (2015). Background paper for the Seventh Five Year Plan. Planning Commission, Government of Bangladesh.

⁵ Asaduzzaman, M., Barnes, D.F., and Khandker, S.R. (2010). Restoring Balance: Bangladesh's Rural Energy Realities. World Bank Working Paper No. 181.

⁶ Bhutan, India, Nepal and Pakistan had a growing stock of 200, 80,178 and 95 m³ per hectare respectively in 2010. FAO, 2012. South Asian Forests and Forestry to 2020. Sub-regional Report of the Second Asia-Pacific Forestry Sector Outlook Study.

⁷ UN-REDD Bangladesh National Program. 2016. Drivers of Deforestation and Forest Degradation in Bangladesh: Final report. UN-REDD Bangladesh National Program, 10 January 2017.

⁸ FAO, 2012. South Asian Forests and Forestry to 2020. Sub-regional Report of the Second Asia-Pacific Forestry Sector Outlook Study. Bangkok.

⁹ To fill one of the data gaps the World Bank will undertake a fuelwood demand-supply assessment with ESMAP funds in 2018-19.

¹⁰ Alongi, D. 2012: Carbon Sequestration in mangroves. Carbon Management (2012 3(3)). Blue Carbon sinks are mangroves, sea grasses and marshes. Globally, mangroves store more carbon than other forest ecosystems.

¹¹ Planning Commission, Government of The People's Republic of Bangladesh: Seventh Five Year Plan (2016-20); The goals are to: (i) bring 20 percent of the country's land under tree cover with density greater than 50 percent by the end of 2020; (ii) conserve and protect forest ecosystems for biodiversity and overall environmental stability; (iii) mitigate climate change impacts and increase adaptive capacity (by among other actions, establishing and protecting a 500 m wide permanent green belt along the coast)¹¹; (iv) improve watershed management and soil conservation, and (v) improve the socio-economic conditions of forest dependent communities.

¹² Alam, M. (2009): International Journal of Social Forestry, Volume 2, Number 2, December 2009. 149-166. 158



trees outside forests (TOF) on private lands, are important successes, the loss of natural forests continues, mainly due to lack of investments and poor management. Social Forestry benefits are plateauing due to low productivity whereas the potential of TOF is not being realized due to lack of systematic inputs to homesteads and nurseries. To accelerate the progress towards its forest goals Bangladesh needs to tackle four broad challenges and act on multiple fronts. It needs to (i) enhance institutional capacity of the Forest Department to manage forests in collaboration with communities and address emerging issues such as climate change; (ii) open up the space for community stewardship in forest management; (iii) increase alternative income generation options, reducing pressure on forests and encroachment; and, (iv) improve incentives for private investment in forestry.

5. **Progress will require the building of institutional capacity and investment in reforestation.** The Bangladesh Forest Department (BFD), as the custodian of nearly all forests in the country¹³, still places higher emphasis on protection and enforcement than on collaboration or extension. It requires resources and policy support to improve management and monitoring of natural forests and protected areas, improve technical capacity and address emerging priorities such as climate change and adopt a service-delivery approach. BFD's ability to promote better quality seedlings and support farmers needs to be enhanced to ensure a sustainable supply of forest products, facilitating the development of a value-added timber industry¹⁴.
6. **Building strong partnerships with communities will be essential for the success of reforestation efforts.** Efforts such as the Social Forestry program have promoted peoples' participation in plantations and co-management in protected areas also provide evidence of success in this direction. However, despite the moratorium on timber harvest from natural forests and the promotion of plantations, degradation of natural forests continues, pointing to the challenges of managing an open access resource through traditional enforcement approaches. A comprehensive policy to empower communities and share benefits from standing natural forests is necessary. There is ample global experience¹⁵ that local communities are best-positioned to protect forests when they are part of the decision-making process and have a clear stake in the outcomes.
7. **Experience points to the need to invest in income generating activities that reduce dependency on forests.** Bangladesh's rural economy is diversifying in response to increased market linkages, land constraints on agriculture, and government efforts to improve economic resilience and rural incomes^{16,17}. Economic diversification has the potential to reduce pressure on forests by providing income that depends less on forest-impacting activities¹⁸. This will be particularly important for women who are among the poorest and depend more on collecting fuelwood and non-timber products for subsistence.

¹³ Except in 3 districts of Chittagong Hill Tracts (CHT) all forest areas are under the direct management and jurisdiction of the Forest Department.

¹⁴ FAO, 2012. South Asian Forests and Forestry to 2020. Sub-regional Report of the Second Asia-Pacific Forestry Sector Outlook Study. Bangkok

¹⁵ FAO (2016). Forty years of community-based forestry: A review of its extent and effectiveness. FAO Forestry Paper 176. <http://www.fao.org/3/a-i5415e.pdf>

¹⁶ Khandker, S.R., Samad, H.A, and Ali, R. (2011). Does Access to Finance Matter in Microenterprise Growth? Evidence from Bangladesh. World Bank Policy Research Working Paper 6333. This study attributed a 6 percent causal increase in income to participation in microenterprises facilitated by microcredit programs in Bangladesh. They conclude that returns to microenterprise investment are relatively high, and that sub-optimal private sector provision of credit (due to transaction costs and market failures) necessitates microfinance institutions.

¹⁷ World Bank (2016). Country Partnership Framework.

¹⁸ World Bank (2016). Country Partnership Framework. Non-agricultural activities are a growth area: rural non-farm employment is 50 percent higher than all urban employment, and is growing faster than urban employment. Three quarters of rural households in Bangladesh are estimated to have a non-farm source of revenue.



Sectoral and Institutional Context

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To improve collaborative forest management and increase benefits for forest dependent communities¹⁹ in targeted sites.

Key Results

PDO Level Indicators

- i. Forest areas at targeted sites managed according to site specific collaborative plans (ha)
- ii. Share of targeted forest-dependent people with access to alternative income generating activities (% , disaggregated by gender and ethnic group)
- iii. Collaborative Forest Management Committees with increased monetary or non-monetary benefits from forests (%)
- iv. Share of targeted forest-dependent people with rating ‘Satisfied’ or above on project interventions (livelihoods, forest management, other) (% , disaggregated by gender and ethnic group)

D. Project Description

8. The project supports strengthening of BFD’s approach to: (i) collaborative forest management with forest dependent communities in all types of forests; and, (ii) providing forest extension and service delivery to enhance private sector engagement. These changes, particularly (i), will take time as it requires building of mutual trust and behavior change in BFD and communities. To ensure that collaboration with communities is successful, BFD will support alternative income generating activities (AIGAs) for the forest dependent poor. These are intended to compensate for loss of forest based income due to reduced access to and increased protection of forests, and because benefits from sustainably managed forests take longer to materialize. BFD will, for the first time, empower communities by transferring funds to their accounts to build mutual trust and strengthen the partnership. By addressing these changes the project will address the key underlying drivers of forest degradation (see Results Chain in Annex 2) and simultaneously invest in increasing forest and tree cover in the country’s coastal and inland forest and non-forest lands. A detailed project description is given in the Project Implementation Plan (PIP). The project will be implemented in selected sites in 147 Upazilas/sub-districts of 28 districts. These areas include most natural forests and Protected Areas (PAs). The project will finance activities in Cox’s Bazar district with host communities, outside the Rohingya camps, to complement the IDA Emergency operation in the camps. Most activities of Components 2 and 3 will be co-located to reinforce the objective of collaborative forest management.

Component	IDA (\$ mill)	Sub-Components
Component 1	17.41	1.1 Strengthening Organizational Capacity

¹⁹ Identified from among residents of villages located within one kilometer from the boundary of the Forest Beat area and residents of the nearest village in the case of mangroves using criteria specified in the community operations manual.



Component	IDA (\$ mill)	Sub-Components
Strengthening Institutions, Information Systems and Training		1.2 Applied Research 1.3 Training 1.4 Strengthening Monitoring, Information Management Systems and Forest Inventory 1.5 Communications & Outreach
Component 2 Strengthening Collaborative Forest and Protected Area Management	96.04	2.1 Institutionalizing Collaborative Forest Management (CFM) 2.2 Restoration of Degraded Forests, Plantations & Coastal Green Belt 2.3 Improving Protected Areas and Wildlife Management
Component 3 Increasing Access to Alternative Income Generating Activities (AIGAs), Forest Extension	48.38	3.1 Community Mobilization and organization 3.2 Alternative Income Generating Activities (AIGAs) 3.3 Extension Services & Trees Outside Forests (TOF)
Component 4 Project Management and Monitoring	12.16	4.1 Project Management 4.2 Monitoring
Support to the DPP preparation (SUFAL)	1.00	
Total	175.0	

Component 1. Strengthening Institutions, Information Systems and Training

9. This component will focus on improving organizational capacity, administrative and operational procedures, research and information systems and, infrastructure that will enable implementation of other components of the project, and, have wider positive impacts across BFD that last well beyond the project.

10. *Sub-component 1.1 Strengthening Organizational Capacity:* This will include a functional review and recommend actions related to BFD roles and organizational needs, IT and GIS requirements and policies that impact community and privates sector participation in forestry. It will increase BFD’s knowledge and skills in understanding and addressing climate change impacts, increasing resilience of plantations, and eco-tourism management and addressing gender dimensions in forestry.

11. *Sub-component 1.2 Applied research-* will focus on sourcing of high quality planting material of known origin (essential for adapting to changing climate) and promoting better technologies in private sector nurseries and small-scale wood processing. An *Innovation Window* will fund proposals related to climate change impacts on forests and biodiversity conservation and other topics that support the objective of SUFAL from individuals, companies, educational institutions, NGOs, etc.

12. *Sub-component 1.3 Training:* Aligned with the functional review, a *training plan* will be developed to identify the training requirements and training capacity needs. BFD staff, including female staff, will receive training on a range of issues (some of which will be undertaken prior to project implementation) including, among others: Site-Specific Management Planning; procurement and financial management; project management; Open Source and other IT technologies, GIS, database and internet mapping as well as customized business workflows; collaborative forest management; forest inventory, governance and economics; climate change and carbon measurement; wildlife (including legal regulations and enforcement), biodiversity and eco-tourism management; gender; etc.

13. *Sub-component 1.4 Strengthening Monitoring, Information Management Systems and Forest Inventory.* BFD’s physical and human capacity will be strengthened so that a *Forest Management Information System* in the RIMS (Resource Information Management System) unit can be incrementally developed and the *National Forest Inventory(NFI)* and national tree canopy cover assessment in



Bangladesh²⁰ can be updated. A central database for the storage of all forest resource information will be hosted by the Bangladesh Computer Council (BCC) to ensure all cybersecurity and back up safeguards are in place. A new forest management planning system based on the SSP approach and the common database will be developed (using Free Open Source Software (FOSS) technology) and piloted in three Management Planning Divisions.

14. *Sub-component 1.5 Communication and Outreach:* Under the communication plan formulated in the first year, the PMU will pursue an outreach program to motivate participating partners, especially women, about collaborative management, PA management, wildlife protection, etc.

Component 2. Strengthening Collaborative Forests and Protected Areas Management

15. This component will finance restoration and afforestation through collaborative forest management (CFM) which will give forest dependent communities a stake in the management of forests and Protected Areas.

16. *Sub-component 2.1 Institutionalizing Collaborative Forest Management:* Using this approach, the project will plant in approximately 79,000 ha of forest area which will increase sustainable supply of fuelwood, timber and non-timber products and increase climate change mitigation and resilience. Village level CFM committees (CFMCs) will be established and an institutional framework and rules for CFM will be developed in consultation with communities. CFMCs will be formed with membership being open to all households in the village. The CFMCs will participate in the preparation of the Site-Specific Plan (SSP) for the forest area to be treated under the project. The CFMC will be the point of entry for the activities on livelihoods diversification under Component 3 of this project. Special emphasis will be given to women's participation as office-bearers in the CFMCs (at least 33% in each CFMC) which will be elaborated in the Community Operations Manual (COM). This will be achieved through targeted consultations with women.

17. In addition to establishment of CFMCs, activities will include: (i) identifying policy and regulatory measures to strengthen collaboration with communities in different ecosystems; (ii) identifying the most forest dependent communities where the project will form CFM committees; (iii) awareness raising, capacity development and training on the CFM approach for the Committees and BFD staff; (iv) strengthening CFM committees with own bank account, an operating fund and, (v) developing an institutional framework and rules for CFM during the first year of the project in consultation with communities. The formation of CFMCs will be facilitated by the NGO partners in consultation with the BFD Range and Beat staff. The NGOs will provide the capacity building support under Component 3 of the project and CFMCs will be the main platform for activities under both Component 2 and 3 of the project.

18. *Sub-Component 2.2 Restoration of Degraded Forests, Coastal Green Belt and Field Infrastructure:* Using the CFM approach, forest restoration and planting on nearly 79,000 ha will take place along the coast, hill forests and central and northern plains. Preliminary criteria for site selection included (i) extent of degradation and suitability for restoration; (ii) feasibility of community participation; and (iii) clear tenurial status. Afforestation/reforestation (through plantations of mixtures of fast and slow growing species, mangrove plantings, assisted natural regeneration, and enrichment planting) will be preceded by Site-Specific Planning (SSP) (in consultation with CFM committees). The Divisional Forest Officers (DFOs) will be accountable for the SSP quality and approval, for the release of funds for the SSP implementation,

²⁰ Potapov P V et al 2017. Comprehensive monitoring of Bangladesh tree cover inside and outside of forests, 2000–2014. Environ. Res. Lett. 12 104015



and for monitoring SSP implementation in their Divisions. The SSPs will also form the baseline for independent third-party monitoring of the interventions on the ground. The PMU will develop and disseminate guidelines and train staff on SSP preparation. SSPs will prescribe interventions for each site based on *actual* site requirements. The SSP process and data generated will (i) enable BFD to create a detailed geo-spatial database of the treated sites with field data collected via smartphones; (ii) enable robust monitoring and assessment of treated sites; (iii) increase transparency and accountability of field activities; and, (iv) serve as an entry point for consultations with local communities on the field forestry activities. To support the field operations, field offices, residences and training centers will be renovated and climate -proofed (they will also serve as cyclone shelters in coastal districts). Construction activities under the project will not involve land acquisition or take place on land with any other encumbrances.

19. *Sub-component 2.3 Improving Protected Areas and Wildlife Management:* The project will support the development and implementation of PA management plans for 10 PAs with co-management committees (CMCs) comprised of communities living in or near the PAs. Other wildlife activities will include (i) scaling up of endangered species conservation programs for 13 endangered species; (ii) scaling up SMART patrolling (excluding support to active enforcement activities); and (iii) restoration and protection of natural habitats in select wildlife corridors (3.8 thousand hectares) for wild elephants and other species for the alleviation of human-wildlife conflict.

Component 3. Increasing Access to Alternative Income Generating Activities (AIGAs), Forest Extension Services & Trees outside Forest (TOF)

20. *Sub-Component 3.1 Community Mobilization and Organization:* Access to AIGAs will increase incomes and resilience of forest dependent communities. A Community Operations Manual (COM) will elaborate the rules and criteria for the implementation of AIGAs. NGOs will be contracted by BFD to mobilize, organize and provide training to communities so they have the capacity to plan and implement the AIGAs, and to manage the AIGA funds. An important aspect will be organizing and targeting women and adolescent girls with tailored training and income generation activities. These activities will be organized in a way that is conducive to women's participation and compatible with their multiple responsibilities.

21. *Sub-Component 3.2 Alternative Income Generating Activities (AIGAs):* Priority for AIGAs will be given to members of CFMCs who are (a) the poorest in the village; (b) all women-headed households; (c) landless and those who lack year-round employment; or, (d) belong to ethnic minority communities. Funds will be channeled from the PMU directly to community accounts. The AIGA fund will be maintained as a revolving fund at the community level and will be available to community members as micro-credit. The choice of AIGAs will be demand driven, and will be aligned with the objectives of SUFAL, i.e., to reduce forest loss and improve forest management. AIGAs will be screened for, among others, climate resilience and safeguards. A list of activities that *may not be financed* by the project will be in the COM but both, on and off-forest activities may be financed. The NGOs will help with the forward linkages to markets and banking and credit facilities, with special emphasis on providing women with these linkages. AIGAs and will be implemented in up to 600 villages, covering about 40,000 households.

22. *Sub-Component 3.3 Extension Services and TOF:* The TOF value chain (nurseries, individual farmers in participating Upazilas, sawmills) will be supported by: (i) establishing a timber market information system; (ii) technology transfer and training to nursery owners and farmers through Social Forestry Nursery and Training Centers (SFNTCs); (iii) training; and (iv) a review and updating of policies to ease procedures, costs and difficulty for tree growers, sawmillers and exporters. Activities will include



plantations; outreach programs with Upazila Parishads to encourage planting of trees on public and private land; seedling distribution to farmers and participating Upazilas. Efforts will be made to organize extension and training in locations and at times that encourage participation of women farmers and entrepreneurs.

Component 4. Project Management, Monitoring and Reporting

23. *Sub-Component 4.1 Project Management:* This project will finance the BFD's project management unit at the headquarters and in the 27 districts where field implementation will take place. Support will be provided for contracting key specialists such as in the areas of social and gender, financial management, procurement, knowledge management and community development.

24. *Sub-Component 4.2 Monitoring, Reporting and Evaluation:* The PMU will have the overall coordinating role of the M&R function and the Project Manager will ensure that data and information from all field offices are produced and collected on time and is of sufficient and necessary quality. The Project will form a Monitoring and Evaluation Technical Group (METG). In addition, monitoring and evaluation including, a baseline survey, mid-term and end of project evaluations, independent third-party monitoring, external and social audits and geo-spatial monitoring and analysis of administrative records will be financed. The forest inventory and the new module on trees outside of forests, will be financed under component 1.

E. Implementation

Institutional and Implementation Arrangements

25. The Ministry of Environment, Forest and Climate Change (MOEFCC) is the nodal ministry of this project. All the components of this project will be implemented by the Bangladesh Forest Department (BFD) through a Project Management Unit (PMU) established for the project. For the livelihoods component, BFD will engage NGOs for group formation, motivation, consultation and training. The Project Director will be responsible for the overall implementation of the project, including, managing implementation at all field locations and reporting to the Bank. The PMU will be equipped with three Deputy Project Directors to supervise the field activities and a Project Manager. The respective Divisional Forest Offices headed by the DFOs will be responsible for project implementation activities in the field. The afforestation and reforestation program will be executed in the field by the beat officers, range officers who will be responsible for monitoring and reporting to the DFO. For AIGA activities under Component 3 seven NGOs will be hired to mobilize and organize and provide the necessary training to communities to prepare the AIGA plans, and support them during implementation. .

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented in 28 administrative districts of the country covering coastal, central and northern regions. The project will not have activities in the Chittagong Hill Tracts districts. The project is located across the country with all major natural forest types and some selected non-forested districts, where social forestry activities will be taken place. Tree outside forest activities will be piloted in selected upazilas (sub-district) in these districts. Major forest types of the country included in the project are: 1. Hill Forest landscapes: the hill forests of Bangladesh are situated at the eastern border of the country. The relatively high-altitude hills are found in Chittagong Hill Tracts, Chittagong, Cox's Bazar and Sylhet districts.



Tropical Semi-Evergreen Forests: This type of forests occurs in Cox’s Bazar, Chittagong, CHTs and Sylhet, in more exposed dry locations. Although degraded heavily but these forests were historically the major source of timber of the country and home to many ethnic forest dependent communities and are important catchments for water sources.

2. Plain land Sal forest landscapes: The tropical moist deciduous forests are popularly known as sal forests. These occur in Dhaka, Gazipur, Tangail, Mymensingh, Sherpur, Jamalpur, Netrokona, Dinajpur, Rangpur, Naugaon, and in degraded form in Comilla (Chowdhury 1994). In these forests, the predominant species is sal (*Shorea robusta*). The trees are 10-25 m high and mostly deciduous.

3. Coastal forest landscapes: Coastal afforestation program is executed administratively by the Forest Department in four coastal afforestation divisions including several range and beat offices along the coast and offshore islands of Bangladesh. These divisions are Chittagong, Noakhali, Bhola and Patuakhali.

G. Environmental and Social Safeguards Specialists on the Team

Kennan W. Rapp, Social Safeguards Specialist
 Md Istiak Sobhan, Environmental Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	SUFAL is classified as Category B, in accordance with OP 4.01, since some of the potential project impacts, while possibly significant, are expected to be spatially limited, site specific, and largely mitigatable and reversible. The major interventions of the project will be afforestation/reforestation (A/R), small-scale infrastructure development and Alternative Income Generating Activities (AIGA). The project will support restoration of degraded forests with site specific planning in consultation with communities, to ensure that appropriate species are matched with the right sites. It should be mentioned that the project will not support conversion of natural forests or habitats to plantations; however careful environmental and social assessment is required. In addition, the World Bank Group’s Environmental, Health, and Safety (EHS) Guidelines are applicable for the project in relation to pesticide and chemical fertilizer application and construction activities.



An Environmental and Social Management Framework (ESMF) has been prepared to provide guidance for environmental and social assessment and management. It also identifies the requirements and responsibilities for screening and preparing further Environmental and Social Assessments, as a precondition for individual project activity/ investment that are likely to have environmental and social impacts. Since detailed location and design information for conducting activity-specific EIA for some of the project activities will likely be available only during project implementation, the ESMF defines the detailed process for the corresponding consultations, reviews, and clearances.

Since small scale civil works are included under the project, supplementary mitigation measures are included in the ESMF to ensure a comprehensive EHS strategy for health and safety of laborers and nearby communities.

A grievance redress mechanism (GRM) will be established at the project and local level to allow implementing entities to address concerns related to social and environmental management from the beneficiary communities.

Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy is not triggered as no private sector entities will be involved as implementing agencies.
Natural Habitats OP/BP 4.04	Yes	The project is expected to make a positive long-term contribution to the environment by providing and/or restoring habitat for flora and fauna, which will serve to protect against soil and water erosion, work as a barrier during cyclone and storm surge, reduce atmospheric pollution, etc. The project will support both preparation and implementation of Management Plans for the protected areas. In cases, where management plans are already existing, the project will support for their implementations. In other cases, project will fund to prepare the plan. These management plans and their implementations will contribute to conservation and enhancement of natural habitats, hence wildlife protection in those PAs. Although the project is not expected to impact natural habitats negatively, OP 4.04 is triggered due to the proximity of work in natural habitats.



Forests OP/BP 4.36	Yes	This is a forest improvement project and all primary activities will be located in and around forest boundaries, hence, OP 4.36 is triggered. The project is expected to improve forest ecosystems by large-scale afforestation over a significant geographical area and is anticipated to have multiple and long-term positive environmental impacts. In addition, the ability to fix CO2 and maintain air balance, minimizing dust and pollutants, will be greatly enhanced with the growth of plantations. However, plantations may also contribute to negative environmental impacts if the plantation site species selection is not done properly. Selection of non-indigenous species can have negative impacts on local and regional biodiversity and the protected species. Impact can also come from clearing the planting sites and use of fertilizer and pesticides. Use of large number of poly bags to raise seedlings can also have local negative impacts if not properly disposed of.
Pest Management OP 4.09	Yes	The policy is triggered considering the potential use of chemicals in nurseries to manage pests and disease. Specifically, nursery facilities as well as seed storage areas may need to control pests by utilizing pesticides or rodenticides. A Pest Management Plan (PMP) has been developed to provide guidance on integrated pest management for this project.
Physical Cultural Resources OP/BP 4.11	No	Chance finds are unlikely in the project areas and the project activities are not expected to otherwise impact physical cultural resources.
Indigenous Peoples OP/BP 4.10	Yes	OP 4.10 is triggered due to the strong possibility that collaborative forest management, forest restoration, improved protected areas and wildlife management, and other project-supported activities will take place on lands that are customarily owned or occupied by indigenous/tribal peoples (recognized as “small ethnic communities” by the GoB. This is especially true in the Hill and Plain regions, although there is a smattering of such peoples in Coast areas as well. Because the exact indigenous communities to be implicated are not known at appraisal, a Small Ethnic Communities Development Framework (SECDF) has been prepared and adopted by the BFD. Preparation of the SECDF has been shaped by dedicated consultations with indigenous representatives in the



forest divisions of Mymensingh, Dhaka (encompassing Tangail), and Chattogram (encompassing Cox’s Bazar), and among other things, the Framework outlines the procedure by which indigenous communities in these and other areas will be engaged in a process of free, prior and informed consultation prior to the implementation of any activities involving them.

Although physical investments/infrastructure construction requiring land acquisition will not be supported by SUFAL, OP 4.12 is triggered on a precautionary basis, and a Resettlement Policy Framework has been prepared. The much more likely possibility is that the temporary involuntary restriction of local people’s access to publicly owned forest lands will result in adverse impacts on the livelihoods of those affected; in such cases, viable income generating alternatives will be pursued, with appropriate linkages made to the AIGAs sub-component. Because the exact communities to be impacted are not known at appraisal, a Process Framework has been prepared and adopted by BFD, to ensure that 1) the identification, design, and implementation of such alternatives is done with an appropriate level of attention to the unique circumstances of indigenous peoples, women, and those who are otherwise vulnerable and disadvantaged; and 2) any communities that are subject to access restrictions as a result of activities under sub-component 2.3 (which deals with protected areas management and wildlife law enforcement, among other things) have a chance to participate in the way those restrictions are imposed, and to access alternative livelihood enhancement opportunities.

Involuntary Resettlement OP/BP 4.12 Yes

Safety of Dams OP/BP 4.37 No

The project does not finance any dams and hence this policy is not triggered.

Projects on International Waterways OP/BP 7.50 No

The project activities do not impact any river, canal, lake, or similar body of water that forms a boundary between, or any river or body of surface water that flows through, two or more states or any bay, gulf, strait, or channel bounded by two or more states.

Projects in Disputed Areas OP/BP 7.60 No

Project activities will not fall into any disputed areas.



KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

While the general area for project is known to be in the forested areas of hills, plains and the coastal belt, the exact locations for project interventions are not known at this stage. The overall impact assessment of the SUFAL reveals that all of the likely negative social and environmental impacts could be minimized or eliminated by adopting standard mitigation measures; there is also scope to enhance some of the beneficial impacts to be generated from the proposed project. The ESMF identifies that most of the activities will not require further environment and social assessments. However, further assessments are recommended for the small civil works and alternative livelihoods' components of the project. Although the project does not foresee any land acquisition, however, some small-scale infrastructure provisions may create economic displacements. There is also a likelihood that the project will touch upon indigenous communities' areas. No large scale, significant and irreversible impact is expected from these activities.

The project will establish or improve forest ecosystems over a large geographical area and is expected to have complex and long-term positive environmental impacts. In addition, the ability to fix CO₂ and maintain air balance, minimizing dust and pollutants, will be greatly enhanced with the growth of plantation. Soil stability and fertility after project implementation will be improved by humus accumulation under canopy and top soil. Environmental improvements will offer favorable living conditions for soil micro-organisms. Local species by natural selection and succession are most suitable for local climates and natural conditions and key elements to develop stable forest ecosystem which fulfill multifunctional roles. However, plantation may also contribute to negative environmental impacts from if the plantation site species selection is not done properly. Selection of non-indigenous species can have negative impacts on local and regional biodiversity and the protected species. Small scale impact can also come from clearing the planting sites and use of fertilizer and pesticides. Use of large number of poly bags to rise seedlings can also have local negative impacts if not properly disposed.

The household level alternative livelihood activities are expected to produce limited impacts on the surrounding environment. The community level alternative livelihood activities may include e.g. establishing cooperatives for improving marketing channels for local products, water facilities, community based eco-tourism, selling energy efficient cooking stoves, and horti/agricultural produce processing, etc. Since the activities are not pre-determined, it is not possible to identify the general environmental impact at this stage.

Nonetheless, actual impacts will depend on the project activities and its specific locations and each of these will be subject to the environmental and social monitoring process reflected in the project's Environmental and Social Management Framework (ESMF), which allows for the application of appropriate mitigating measures to eliminate adverse environmental impacts, or to reduce them to acceptable limits, as required.

There is no potential significant and irreversible environmental impact from this project. On the social side, there is the strong possibility that collaborative forest management, forest restoration, improved protected areas and wildlife management, and other project-supported activities will take place on lands that are customarily owned or occupied by indigenous/tribal peoples (recognized as "small ethnic communities" by the GoB), and could have adverse impacts on them in the absence of appropriate steps taken. There is also the possibility is that the temporary involuntary restriction of local people's access to publicly owned forest lands will result in adverse impacts on the livelihoods of those affected. All of the aforementioned impacts can be mitigated and managed, however.



2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: No such indirect and/or long-term environmental impacts are expected. On the social side, AIGAs implementation could be less effective from a socioeconomic standpoint if the options promoted are ill-suited to the capacity or culture of the target groups, or could spark competition for livelihoods enhancement benefits in particularly poor or densely populated areas, leading to elite capture. There is also the possibility that disadvantaged or otherwise vulnerable groups, such as female-headed households or ethnic minorities in forested areas, will be excluded from participating in the project or receiving project-related benefits, either because of incomplete or improper screening at the local level; limitations in BFD capacity to implement mandatory safeguards measures; resistance from community members for historical or ideological reasons; or a combination of these.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. During the project design phase, multiple alternatives were considered, including, a no project alternative. The default or business-as-usual option was not seen as a viable option as it is not helping stem the current rate of degradation. A traditional law-enforcement and plantation approach was not considered as a sustainable option in the long term. The final design choice has been made with a view to enhancing the environmental and social sustainability of the project and is based the adoption of a collaborative forest management model, with alternative income generating activities for forest dependent communities as opposed to more of a law enforcement approach.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The Borrower has prepared an Environmental and Social Management Framework (ESMF) along with a Pest Management Plan (PMP), a Small Ethnic Communities Development Plan (SECDF), a Resettlement Policy Framework (RPF) and a Process Framework (PF) for guiding the implementation level assessments of environmental and social impacts and their mitigations. Since the detailed design of the project components necessary for conducting component-specific Environmental and Social Impact Assessments (ESIAs), which is likely to be available only during project implementation, the system to support the process of environmental and social review and clearance is defined through the ESMF. It provides provision for each project component to be screened for potential environmental and social impacts and, where necessary, detailed, site-specific ESIs and subsequent management plans will be prepared to identify and address the potential impacts of the proposed project activities once specific site locations are identified. Guidance for addressing gender impacts, preparing and implementing community consultations, communication plans, and gender action plans are also provided under the ESMF to complement the design of the main strategies under this project component. Guidance has also been provided for grievance redress systems and institutional arrangements. Borrower will hire social and environment staffs in the PMU to monitor and report safeguard issues. BFD, the project's implementing agency, has acquired some capacity from previous World Bank financed projects to address environmental safeguards provisions during preparation and implementation. However, SUFAL's size and decentralized implementation architecture necessitate the integration of capacity building activities on environmental safeguards. Specific implementation requirements and capacity building measures are outlined in the ESMF.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders include project beneficiaries, government entities, non-government organizations, development partners as well as community based organizations active in the forestry sector. Routine consultation and discussion are carrying out under the project. Bangladesh Forest Department will implement the SUFAL project with support of NGOs and through mobilization of communities. Primary project beneficiary include forest dependent communities including indigeneous communities, while the forest product based traders, processors, and formal and informal



investors have key stake with the proposed interventions under the project. Nursery owners associations, furniture producers and exporters associations are also important players in the value chain. Informed participation of the forest communities and other stakeholders in the value chain and management process is crucially important for effective design and successful implementation of the project.

All safeguard instruments (that is, ESMF, PMP, SECDF, RPF and PF) have been disclosed by BFD and MOEFCC via their website for public comments on August 02, 2018, after Bank review and clearance. The disclosure notice has been published in two daily national newspapers (one English and another Bangla). In addition, the World Bank disclosed these documents on its website.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
02-Aug-2018	03-Aug-2018	

"In country" Disclosure

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
02-Aug-2018	03-Aug-2018

"In country" Disclosure

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank	Date of submission for disclosure
02-Aug-2018	03-Aug-2018

"In country" Disclosure



Pest Management Plan

Was the document disclosed prior to appraisal?

Yes

Date of receipt by the Bank

02-Aug-2018

Date of submission for disclosure

03-Aug-2018

"In country" Disclosure

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

OP 4.09 - Pest Management



Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

Yes

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

Yes

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

NA

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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Country Director:	Rajashree S. Paralkar	09-Aug-2018

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