



1. Project Data :
OEDID: L3179
Project ID: P003287
Project Name: Forest Resources Management and Development Project
Country: Zimbabwe
Sector: Forestry
L/C Number: L3179
Partners involved : DANIDA, BADEA, CIDA
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2. Project Objectives, Financing, Costs and Components :		
Project Costs (\$US million)	Appraisal	Actual
IBRD Loan	14.5	14.5
DANIDA	9.4	6.0
BADEA	9.4	4.8
CIDA	1.0	1.5
Zimbabwe Forestry Commission	15.0	17.9
Govt. of Zimbabwe	7.8	5.4
Beneficiaries	7.0	N/A
Total	64.1	50.1
<p>The project had three objectives, each of which corresponded to one component of the project :</p> <p>(1) To improve the productivity of the wood-processing industries by upgrading the logging, extraction, sawmilling, and manufacturing facilities and operations of the Forestry Commission (\$US 35.0 million supported by IBRD and BADEA);</p> <p>(2) To conserve the forests and the environment in Zimbabwe, as well as increasing the production of wood for fuel and construction purposes by promoting tree planting and woodland management in the Communal Areas (\$US 16.6 million supported by DANIDA); and</p> <p>(3) To improve forest grazing and wildlife management by preparing a forest grazing scheme and by financing participatory wildlife management (\$US 1.1 million supported by CIDA).</p> <p>During the implementation of the project, the objectives and their corresponding components were revised as follows:</p> <p>(1) Following the economic reform program (ESAP) adopted by the GOZ in 1991, the opening up of the economy, and the more competitive economic environment, the restructuring of the Forestry Commission became a major project focus from 1995 onwards;</p> <p>(2) This component was extended geographically to include the resettlement areas and refined to include strengthening the capacity of the Forestry Extension Service and enhancing support for agroforestry research; and</p> <p>(3) Wildlife management sub-component was dropped because it no longer fitted with the communities' priorities and the forest grazing sub-component was scaled back due to shortage of GOZ counterpart funding .</p>		

3. Achievement of Relevant Objectives :

Notwithstanding a range of implementation problems, the Forestry Commission showed continuous commitment to the project throughout and managed to achieve many of the project's revised objectives by the completion date . (See 4 and 5 below.)

Loan effectiveness was three months late, and the project started slowly due to delays in negotiations with one co-financier (BADEA), misunderstandings between GOZ and the Bank regarding procurement of TA, and delays in recruiting a new FC project coordinator following the death of the incumbent in 1992. The construction of the modern saw mill at Chimanimani was further delayed (and not completed until 1997) due to a range of contracting problems, from tendering to supervision to resolving disputes . The implementation of the rural forestry component

was adversely affected by the inadequacy and high turnover of forestry extension staff, and by cutbacks in central government funding. However, the Forestry Commission responded innovatively to these problems by devolving some activities to the communities, strengthening linkages with other organizations providing similar services in rural areas, and exploring cost recovery for some services. The GOZ did not show as much commitment to the project. While the government complied with most covenants, it failed to honor an important covenant requiring the conversion of government debt to the Forestry Commission into equity. As a result of this, and the shortfalls in government funding, the FC was weakened financially. It was forced to use up most of its reserves, to rely on bank overdrafts, and to postpone various planned investments, such as replanting forests.

4. Significant Achievements :

- (1) The construction of a modern saw mill at Chimanimani was completed in 1997. While the mill is producing a superior product in relation to other sawn timber in Zimbabwe, it is only operating at 60% of its rated capacity due to plant design faults, technical breakdowns, operational staff unfamiliarity with the plant, and electricity supply problems.
- (2) The construction of the mill, along with a 12 km. tarred access road, appears to be transforming a hitherto backward and inaccessible area into an economically vibrant area in terms of creating employment, improving rural commerce, and encouraging agricultural production.
- (3) The establishment of decentralized community and private nurseries, in the first instance, for planting trees in the communal and resettlement areas and the increased production of forest products has also fostered the commercial sale of seedlings and wood products, expanded income-earning opportunities, and enhanced the quality of life in these rural areas. However, this afforestation effort has not reduced pressure on the natural woodlands, since communities are still obtaining wood for fuel from the natural woodlands.

5. Significant Shortcomings :

- (1) By project completion, only two of the previously existing saw mills had been rehabilitated (compared to the four projected at appraisal).
- (2) The restructuring of the Forestry Commission, under preparation and consideration since 1995, was only approved by Cabinet in February 1998, and will only be implemented in 1999.
- (3) Implementation of the forest grazing component did not begin until 1996, due to a lack of GOZ counterpart funds, and the outcomes cannot be properly assessed at this stage.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Marginally Satisfactory	See 3, 4, and 5 above. Even the achievements were slow in coming and qualified. ICR did not have the option of a "marginally satisfactory" rating.
Institutional Dev .:	Partial	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

- (1) In the absence of supervisory capacity in the implementation agency (in this case the Forestry Commission), turnkey engineering packages should be considered when undertaking a complex construction operation like the Chimanimani saw mill.
- (2) The development of commercial income-earning opportunities enhances both the participation of rural communities in a project and the long-term sustainability of a project.
- (3) Common implementation arrangements would improve project supervision, the co-ordination of project activities, and the resolution of some implementation problems. In this case, the four donors had different implementation arrangements, and the three components of the project were implemented as essentially separate projects.
- (4) The borrowing government and the implementation agency are not a single monolithic entity. While the Forestry Commission was committed to the project throughout, an apparent lack of commitment by the GOZ hindered project implementation significantly.
- (5) Development indicators should be defined at the outset of a project in order to ensure consistency and accuracy in measuring the success of the project activities in achieving the intended development objectives.

8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

The ICR was very complete. It reviewed not only the one component which the Bank supported, but also the other two components. Lack of input from two donors (BADEA and CIDA) was unfortunate.