



## 1. Project Data

**Project ID**  
P105872

**Project Name**  
CN-Integrated Forestry Development

**Country**  
China

**Practice Area(Lead)**  
Environment & Natural Resources

**L/C/TF Number(s)**  
IBRD-79390

**Closing Date (Original)**  
31-Dec-2016

**Total Project Cost (USD)**  
200,000,000.00

**Bank Approval Date**  
06-Jul-2010

**Closing Date (Actual)**  
31-Dec-2016

	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	100,000,000.00	0.00
Revised Commitment	99,093,795.58	0.00
Actual	99,093,795.58	0.00

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## 2. Project Objectives and Components

### a. Objectives

The objective of the Project was to assist the Borrower to demonstrate the establishment and management of sustainable multifunction forest plantations with significant environmental benefits in the Project Provinces (as stated in the Loan Agreement).

The project objective statements are identical in the PAD and the Loan Agreement.

The five project provinces referred to in the PDO are Anhui, Hebei, Liaoning, Shanxi, and Zhejiang.



**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

Component 1 -- **Establishment of New Multifunction Forest Plantations** (Appraisal Estimate US\$ 115.7 million; Actual US\$ 162.0 million)

This component supported the establishment and management of multifunction forest plantations on degraded and erosion-prone lands including:

1. Plantation of suitable trees and shrubs to create wind breaks and sand break forests; soil and water conservation forests; and farmland shelter belts, including, planting stock quality improvement and nursery management improvement in the Provinces of Anhui, Hebei, Liaoning and Shanxi.
2. Construction of water collection wells in Shanxi Province to meet irrigation needs of plantations established under the Project.

Component 2 -- **Improving Existing Plantation Forests** (Appraisal Estimate US\$ 46.6 million; Actual US\$ 59.9 million)

This component supported the upgrading of existing degraded monoculture plantations into multifunction forest plantations to increase their resilience and their erosion control potential in the Provinces of Anhui and Zhejiang.

Component 3 -- **Institutional Support, Project Management and Monitoring & Evaluation** (Appraisal Estimate US\$ 15.2 million; Actual US\$ 13.9 million)

This component complemented the Borrower's efforts in reforming collective forestland tenure and aimed at strengthening the implementation, management, and monitoring capacity of Project implementing agencies at all levels, and in strengthening the capacity of Project Beneficiaries in managing their land and forest resources, including:

1. Strengthening the capacity of Project implementing agencies at all levels and Project Beneficiaries in effective implementation of the Project and in the overall forest resources management through the provision of technical assistance, training, and study tours.
2. Establishing a monitoring and evaluation system for monitoring Project implementation progress and impacts.
3. Piloting the establishment of farmer associations at the township and village levels based on the Borrower's applicable laws and piloting the formulation and implementation of management plans for forestlands for which land use certificates have been issued.



## e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

### Project Cost:

At appraisal, the total project cost was estimated to be US\$200 million, and included an IBRD loan of US\$100 million.

At closing, the actual project cost was US\$243.5 million, of which the IBRD loan was US\$99.1 million (ICR Annex 1). Due to the rapid depreciation of RMB in the second half of 2016, the IBRD loan saving was US\$0.91 million.

### Project Financing:

Source of Funds	Appraisal Estimate (US\$ million)	Actual (US\$ million)	Percentage of Appraisal (%)
Government	100.0	144.4	144.4
IBRD	100.0	99.1	99.1
<b>Total</b>	<b>200.0</b>	<b>243.5</b>	<b>121.8</b>

The government counterpart funding increased from the appraisal estimate of US\$100 million to US\$144 million mainly because of exchange rate fluctuations during project implementation and labor costs.

### Dates:

Project Approval: 07/06/2010

Mid-term Review: 05/20/2013

Project Closing: 12/31/2016

## 3. Relevance of Objectives & Design

### a. Relevance of Objectives

The People's Republic of China has a forest cover of about 195 million hectares or 20.4 percent. Forests provide 40 percent of the country's rural energy and about two-thirds of industrial wood consumption, as well as a wide range of important environmental benefits like protecting against soil and water erosion, reducing atmospheric pollution, promoting carbon sequestration, and providing habitat for plant and animal species. The sector is also a vital source of employment and income generation, supplying about 3 percent of the nation's jobs and 4 percent of the gross national product. However, nationally, forest cover amounts to approximately 0.14 hectare per capita, significantly below the world average of 0.62 hectare per capita. Forestry's expansion in China led to expansion of industrial plantations for wood; large areas of poplars, conifers and eucalypts were planted in monocultures, and insufficient attention was paid to ecological stability. Pest attacks increased, productivity fell, and biodiversity was lost. Monoculture plantations were found to be less effective at controlling erosion and desertification, and subsequently their productivity fell.



Forest quality in China was unevenly distributed, with very limited capacity to control wind and water erosion. These events stimulated rethinking of policy in plantation forestry, and multiple use plantation forestry came into focus in China's 11th Five Year Plan (2006-2010). The Chinese Government sought Bank support to promote changes through demonstrating more sustainable afforestation and forest management approaches - involving development of viable technical packages, as well as convincing decision makers, provincial forestry staff and farmers that multifunction plantations had the potential to provide both economic and environmental benefits on a sustainable basis.

The project focused on provinces where the problem of land degradation was serious, where an over dependence on monoculture plantations was high, and where the commitment to resolve these issues was strong. At the time of project preparation, this initiative received strong support from the Bank through its Country Partnership Strategy (CPS 2006-2010) which comprised five development pillars. The third pillar — "managing resource scarcity and environmental challenges"— was especially relevant to forestry by focusing on the improved management of natural resources such as land, grasslands, forests and water resources; it also focused on involving affected communities. The PDO continues to be highly relevant to the national government's Five Year Development Plan which aims at achieving more sustainable development by incorporating environmental conservation into development. The 12th Five Year Plan of the government required forest cover to rise to 21.66 percent, in line with China's Copenhagen commitment on forests. The PDO also provides support to China's efforts to fulfill its Nationally Determined Contribution under the Paris Agreement to increase the 2005 forest stock volume by 4.5 billion cubic meters by 2030. To achieve this target, China needs to expand the focus of its programs from area planted to also include the quality of planted forests which is a direct function of tree survival and growth rates. The project objectives are also supportive and consistent with the Country Partnership Strategy for FY2013–2016 specifically Outcome 1.5, "Demonstrating sustainable natural resources management," under Strategic Theme 1, "Supporting Greener Growth", and the cross-cutting climate change mitigation agenda.

## **Rating**

High

### **b. Relevance of Design**

The project covers remote areas of five provinces in China (Anhui, Hebei, Liaoning, Shanxi, and Zhejiang) with differing climatic and social conditions, and responded to the client's desire to move from monoculture plantations to mixed species, multiple use plantations with both environmental and social benefits. Project preparation involved measures to ensure that ethnic minorities (Mongols in Liaoning province) and women had equal opportunities to participate in the project. The mix of activities was appropriate to attaining the development objective of establishing and demonstrating viable, mixed species multifunction afforestation models in a range of climatic conditions (high and low rainfall areas) and geographical features (northern plain agroforest areas, northwest sand areas, Shanxi loess plateau and southern mountainous areas). The sustainable management of multifunction forest plantations generated ecological/ environmental benefits including increased vegetative cover, increased diversity of plants species, reduced run off, reduced wind speeds, as well as economic benefits, either directly through the adoption of economic species or indirectly through the increased yields generated from the environmental benefits. The project also helped develop



new technological models and practices (biodegradable pre-fertilized seedling containers, mat mulching, reduced density planting, drip irrigation, mechanized weeding and intercropping) suitable for use in differing climatic conditions, thereby encouraging innovation. Further, an output-based disbursement mechanism was designed for planting and forest management activities, to simplify the loan disbursement process and to ensure that project funds were used for the purposes intended. The cost-sharing and demonstration approach taken by the project was appropriate given that conceptual changes were being introduced in plantation forestry. This approach was also effective in involving risk-averse and resource poor farmers in multifunction plantations.

### Rating

Substantial

## 4. Achievement of Objectives (Efficacy)

### Objective 1

#### Objective

Demonstrate the establishment and management of sustainable, multifunction forest plantations with significant environmental benefits in the Project Provinces.

#### Rationale

The PDO statements explain the same objective - to demonstrate the establishment and management of environmentally beneficial, sustainable, multifunctional forest plantations - through **interlinked outputs and outcomes** below:

- **Increased vegetative cover:** The project increased vegetative cover in both degraded areas (from 10% to 50%, exceeding the target of 20%) as well as in areas which already had some trees planted before the project began (from 26% to 57%). In both cases, the increase in vegetative cover was due to strong tree growth.
- **Increased diversity of plant species:** All models demonstrated in the project exceeded the target of adding at least three species (by between 25% to 175%). Site management interventions demonstrated in the project included limited clearing of areas around trees and seedlings, lower use of pesticides, and spontaneous regeneration via naturally dispersed seeds (by wind or animals) from nearby areas.
- **Reduced run-off:** Soil erosion reduced 11% to 19% in degraded areas devoid of vegetation and 7% to 11% in areas that has some planted trees before the project began, compared to non-project areas.
- **Reduced wind speed:** Windbreak plantation models established in areas devoid of vegetation in the Hebei and Liaoning provinces, and demonstrated 40% - 55% reduced wind speeds. Crops in these areas yielded an increased growth of 11% to 16% compared to non-project areas.



- **Increased economic benefit to farmers:** Direct results involved the adoption of new economic species and indirect results involved increased yields from multifunction forests demonstrated in the project. Fruit and nut product increase generated an additional 490 RMB/ha/year farmer income, on average. The additional incomes generated vary between provinces, depending on the crops planted, the weather and soil conditions in different locations.
- **Training:** An extension program was implemented in the project areas whereby farmers received training in multiple use, mixed species afforestation and the 'learning by doing' approach, also increasing the marketing capacity of cooperatives and producer associations.

Based on the information provided, and with several targets exceeded, the achievement of the objective is rated High.

**Rating**  
High

## 5. Efficiency

**Economic and Financial Analysis:** A project cost-benefit analysis was carried out by the ICR using the same methodology adopted at appraisal. The economic analysis took account of selected key benefits including: (i) direct production benefits (wood and non-wood forestry product outputs); (ii) productivity increases in farmland adjacent to windbreaks; (iii) carbon sequestration; and, (iv) erosion control and the retention of sediments. Using these parameters, the overall project Economic Internal Rate of Return (EIRR) including carbon sequestration, wind protection and sediment retention benefits were estimated at 17.4 percent, which is comparable to the PAD estimation of 16 percent. A summary of NPVs and EIRRs by province is shown below (ICR page 18).

Summary of NPVs and EIRRs At ICR Project Areas	Excluding Environmental Benefits		Including Wind Break Benefits		Including Sediment Retention Benefits		Including Carbon Sequestration Benefits		Including 'Three' Environmental Benefits	
	NPV	EIRR	NPV	EIR R	NPV	EIRR	NPV	EIRR	NPV	EIRR
Anhui	336.7 %	10.1	336.7	10.1%	509.3 %	11.9	633.4 %	13.9	806 %	15.3
Hebei	152.2 8.9%		808.2	16.2%	152.1 8.9%		377.6 12.8%		1033.8 %	8.8



Liaoning	119.2 %	9.9	773.2	21%	119.2 %	9.9	344.0 16.9%	998 25.2%	
Shanxi	309.5 10.5%		309.5	10.5%	603.8 3.3%		561.8 13.8%	856.8 16.1%	
Zhejiang	48.6	7.4%	48.6	7.4%	48.6 %	7.4	263.5 13.1%	263.5 %	13.1
<b>All</b>	<b>966</b>	<b>9.6</b>	<b>2276</b>	<b>13.1%</b>	<b>1433</b>	<b>11.0</b>	<b>2180</b>	<b>3958</b>	
<b>Project</b>	<b>%</b>				<b>%</b>		<b>13.8%</b>	<b>17.4%</b>	
<b>Provinces</b>									

No sensitivity analysis was conducted, as the project EIRRs were estimated at their lowest bounds (for example carbon sequestration at US \$30/ton CO<sub>2</sub>). The ICR also estimated the Financial Rates of Return for numerous individual models, and they showed a large variability in estimated rates ranging between 8 and 36 percent.

**Administrative and Implementation Efficiency:** Overall, the project was implemented efficiently and used existing administrative and organizational structures, especially at the local level, to implement its activities. Shortcomings comprised delayed arrival of counterpart funds in some project areas. The government provided additional resources beyond the appraisal estimates because of exchange rate fluctuations -- this did not impact the amount of the original Bank loan. The severe drought of 2013 (rainfall down by 50 percent) in Liaoning and Zhejiang resulted in a 40 percent loss in 2013 plantings. All seedling losses were then covered using local resources and increased contributions (labor) from farmers. The impact of rising labor and input costs, and currency fluctuations were also offset by the additional resources provided by the provinces and beneficiary farmers.

Based on this review's assessment of the information provided, favorable rates of return, timely project completion, and minor shortcomings in the efficiency of implementation, overall efficiency is rated Substantial.

## Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	16.00	0 ☑ Not Applicable
ICR Estimate	✓	17.40	0 ☑ Not Applicable



\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

Relevance of objectives is rated High, as the objectives are responsive to well-identified local needs. Relevance of design is rated Substantial, as the design was sound. The objective to demonstrate the establishment and management of sustainable, multifunction forest plantations with significant environmental benefits in the project provinces was achieved, exceeding targets, and its achievement is rated High. Efficiency is rated Substantial in view of favorable returns and adequate implementation with minor shortcomings in the efficiency of implementation. Taken together, these ratings are indicative of minor shortcomings in the project preparation and implementation, and therefore an Outcome rating of Satisfactory.

### a. Outcome Rating

Satisfactory

## 7. Rationale for Risk to Development Outcome Rating

The risk to the project's development outcome are considered low overall. Important dimensions of the assessed risks include the following:

**Farmers' sustainability:** Farmers have a strong incentive to protect and manage their planted areas given that project activities and species selection incorporated their preferences and aspirations; multifunction plantations have been demonstrated as productive in terms of goods (nuts, leaves, seeds, thinning, pruning, and non-wood products) and services (soil conservation, water quality, microclimate, tourism protection of infrastructure); and the potential for Payment for Environmental Services (PES) provides additional incentives to farmers to maintain and protect their plantations over the longer term. □

**Pests and Fires:** Risks from pest attack are contained through the routine pest monitoring program carried out by farmers and the provincial forestry administrations under the government pest management system to ensure that pest incidence is quickly identified and dealt with. Having a mixed forest structure also helps reduce pest attacks. Fire is a risk in drier project areas, and the existence of a robust fire protection program in China ensures that annual losses are very low – less than 1 percent – so this risk is mitigated.

**Climate Change:** Changing weather patterns are a possible risk to planted areas, but mixed species stands are more resilient to change so this risk should be minimal. Should significant negative impacts be detected, the option exists to adjust species mixtures in new and existing areas.

Also, a new PforR operation is being prepared in the Anhui, Sichuan, and Jiangxi provinces to mainstream this project models in provincial programs, to enhance the quality of degraded forests, and to scale up overall afforestation/reforestation efforts.

### a. Risk to Development Outcome Rating

Negligible





## 8. Assessment of Bank Performance

### a. Quality-at-Entry

The project proposal was strategic and relevant for the country context with a clear focus on five separate provinces with large numbers of beneficiaries, ethnic minorities and differing forest conditions. The PDO and related indicators supported national and provincial development priorities. Social development and environmental aspects were considered. There was a previous Bank project demonstrating multifunction forests in another China province (Shandong Ecological Afforestation P112759) that showed scalability. Models developed in this project were considered in the preparation of this project. Implementation arrangements and M&E arrangements were also adequate. Based on the above factors, overall quality at entry is rated Satisfactory.

#### Quality-at-Entry Rating

Satisfactory

### b. Quality of supervision

According to the information provided in the ICR, ten multidisciplinary supervision missions visited the project between 2010 and 2016, and concluded that the project implementation was making adequate progress. Mission members comprised subject matter specialists from the Bank, FAO, and Chinese Universities, and provided technical guidance on silviculture in mountainous terrain, sand areas and watersheds, species selection and management, cost monitoring, procedures to be followed when dealing with ethnic minorities, farmer association/cooperative development, sustainability, marketing and compliance with the Bank's environmental and social safeguard policies, and procurement and financial management. Continuity in the composition of supervision missions, with country-based based TTLs, helped strengthen the 'institutional memory' of the project, and this helped in capacity building at provincial and county levels on how to make the move from traditional monocultures to mixed species, multifunctional afforestation with multiple benefits. During project supervision, the Bank team closely monitored M&E data collection and ensured quality control (ICR paragraphs 37-39). In conclusion, the overall quality of supervision is rated Satisfactory.

#### Quality of Supervision Rating

Satisfactory

#### Overall Bank Performance Rating

Satisfactory

## 9. Assessment of Borrower Performance

### a. Government Performance

Government ownership and commitment to achieving development objectives were strong throughout



implementation, supported by the Five-Year Plan which established a clear direction for future development through the balance between people and the environment. There was adequate involvement of stakeholders and beneficiaries. The implementation arrangements were appropriate and issues were dealt with in a timely manner, as evidenced by overall timely project completion. At the central government level, the State Forestry Administration (SFA) through its World Bank financed Project Management Center (PMC) was pro-active throughout implementation and ensured that local preparation tasks were completed on time. M&E data was used for decision-making and resource allocation. During implementation, PMC was closely engaged with the project in addition to the five project provinces and participating counties, thus ensuring timely implementation and sharing of project experiences between provinces (ICR paragraph 104).

### **Government Performance Rating**

Satisfactory

### **b. Implementing Agency Performance**

The information provided indicate that implementing agencies were committed to achieving development objectives. Given that the mixed species multifunction afforestation model in marginal lands and degraded plantations was an entirely new concept for the project provinces, the implementation agencies had to do a fair bit of convincing and community consultation from the outset to implement the project. The Provincial Project Management Offices (PPMOs) continually assessed technical model performance by providing intensive trainings and various technical services to project staff, planting entities and farmers.

When necessary, they proposed adjustments to model specifications to better suit them to local conditions.

The PPMOs managed financial resources, followed up on matters identified by supervision missions and adequately monitored project progress, ensuring compliance with safeguards and submitting timely reports. Implementing agencies demonstrated commitment to the underlying concept of promoting sustainable multifunction afforestation for both production and environmental benefits, and diligence in implementation.

### **Implementing Agency Performance Rating**

Satisfactory

### **Overall Borrower Performance Rating**

Satisfactory

## **10. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

The environmental monitoring program was designed by the Chinese Academy of Forestry Sciences (CAFS) with relevant indicators to measure progress towards achievement of the PDO. Baselines and targets were adequately defined and realistic. To cater for local conditions, project provinces designed their own provincial programs following the design framework set out by the CAFS. Monitoring plots were set based



on random field sampling in project sites as well as non-project sites to detect changes in vegetative cover, species diversity and project impacts in and outside the project area (ICR paragraph 35). To monitor and assess the impact of project activities on farmer income, household surveys were designed and local market prices for crops were used.

### **b. M&E Implementation**

Data collection and evaluation were the responsibility of each project PPMO, contracting professional institutions and using parameters set out in the Project Implementation Plan (PIP). CAFS was responsible for consolidating the project M&E data and analytical work. Reporting was timely. The provinces mainstreamed project M&E procedures into all provincial forest programs.

### **c. M&E Utilization**

Data were used to evaluate physical progress, costs, and progress towards the realization of the PDO; to establish relationship between project activities, results, and outcomes; and to quantify additional benefits produced by the project (for example, trends in pest incidence, changes in wind erosion and sand movement, reductions in soil erosion and runoff). Physical progress was assessed to validate the project's environmental impact. M&E also performed the key role in support of the "output-based disbursement" approach whereby quality control in the field was used to ensure that the quality of planting met the standards to authorize payments, and that the provisions of the Environmental Management Plan (EMP) and the Pest Management Plan (PMP) were being observed (ICR paragraphs 40-41).

### **M&E Quality Rating**

Substantial

## **11. Other Issues**

### **a. Safeguards**

The project was classified as Category B, and triggered safeguards for Forestry (OP 4.36), Environmental Assessment (OP 4.01), Pest Management (OP 4.09) and Indigenous Peoples (OP/BP 4.10). An Environmental Assessment was carried out, after which an EMP was prepared which included Environmental Protection Guidelines for Plantation Establishment and Management, and a PMP. A Social Assessment was carried out in all provinces, which included a specific assessment of Mongol communities needs in Fuxin county, Liaoning province. The Social Assessment confirmed that demand and support existed for project activities in project provinces and, to ensure that the interests of the Mongol communities were being protected, an Ethnic Minority Development Plan was prepared in accordance with OP 4.10. A Participatory Planning Manual (PPM) was also prepared and implemented to ensure that beneficiary participation was strictly voluntary (ICR paragraph 42). Thus safeguards were complied with and the ICR's



reporting of the same was adequate.

### **b. Fiduciary Compliance**

Procurement and financial management assessments were carried out during preparation and they concluded that the organization, structure, skills and control systems at provincial, county and forest farm levels were adequate. Financial management risks were rated as "modest" based on the experience gained by implementing agencies under previous Bank projects. A Financial Management Manual and Procurement Guidelines were prepared to guide project implementation and, to supplement these, annual training courses were provided to provincial and county PMOs, and to other project entities. Bank supervision missions regularly reviewed project financial management and procurement procedures being followed in the project to ensure that Fiduciary requirements were being complied with at all levels. One financial matter requiring attention was that counterpart fund allocations were in arrears on some occasions in Hebei and Liaoning especially at the county level. This was in part due to exchange rate fluctuations resulting in increased input (seedling) costs as well as rising labor costs due to the overall macroeconomic situation. The additional counterpart contributions to cover the gap came from the borrower, including from participating farmers and from provincial and county administrations. Procurement followed Bank Guidelines. No major issues were identified during supervision (ICR paragraph 46). All project audits were unqualified, and supervision missions regularly reviewed project accounts and procedures to ensure compliance with fiduciary requirements.

### **c. Unintended impacts (Positive or Negative)**

The project has enabled Payments for Environmental Services Readiness as well as Carbon Trading readiness. Positive impacts identified in the ICR include:

- Provincial governments developed and implemented policies which mainstreamed multifunction afforestation into their development programs;
- Project assisted forest product producer associations and cooperatives strengthened their multifunction afforestation business management skills, and are promoting this institutional model in other areas;
- Provincial and county level institutions developed capacity to design and implement their own multifunction afforestation programs;
- Provincial and county level institutions are aware of the Payments for Environmental Services concept and are evaluating its potential to expand multifunction afforestation for environmental conservation (ICR paragraph 92).

### **d. Other**



## 12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Negligible	Negligible	---
Bank Performance	Satisfactory	Satisfactory	---
Borrower Performance	Satisfactory	Satisfactory	---
Quality of ICR		Substantial	---

### Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

## 13. Lessons

Lessons emerging from the ICR (paragraph 107) include:

- 1 . Early intensive guidance of project staff combined with demonstrations facilitate effective implementation. For example, in this project, site demonstrations proved to be an effective way to persuade farmers to transfer from conventional monoculture silviculture to multiple use, mixed species forest management. Also, farmers were more willing to adopt multifunction, mixed species afforestation with environmental benefits when short rotation crops with early cash-generating potential were included in the planting mix. Forest landscape restoration with a combination of strategies that include both ecological environmental conservation and landowner economic benefits proved to be effective in maintaining farmer interest.
- 2 . Bottom-up approaches like the participation of farmers and ethnic minorities in the project planning process to include activities which respond to their needs, strengthen ownership and interest in a project, and enhance its prospects for sustainability.
- 3 . Projects that are firmly anchored in national policy frameworks and local development strategies, accompanied by strong political support, have a better chance of success. This was the case in this project since the central PMO, based in the State Forest Administration, was responsible for the national level policy, and the project was well aligned with the provincial forest strategies.
- 4 . Output-based disbursement used for plantation activities conducted by communities is an effective tool to ensure that the required quality standards are achieved in the field. Output based disbursement also simplified the disbursement process which could be useful for broad rural community development projects.



#### **14. Assessment Recommended?**

No

#### **15. Comments on Quality of ICR**

The ICR is well written and comprehensive. It provides a clear narrative of the project preparation, implementation, and outcomes. It has provided adequate updates on the economic and financial analyses. The quality of evidence is adequate and the report's analysis is rigorous and results-oriented. Useful lessons were derived from project experience. The ICR is internally consistent and followed the guidelines, although it should have included actual costs in its discussion of project components. The overall quality of the ICR is rated Substantial.

##### **a. Quality of ICR Rating** Substantial