



## Forests for Prosperity Project (P170798)

SOUTH ASIA | Nepal | Environment, Natural Resources & the Blue Economy Global Practice |  
Recipient Executed Activities | Investment Project Financing | FY 2021 | Seq No: 3 | ARCHIVED on 21-Dec-2021 | ISR49395 |

Implementing Agencies: Nepal, Ministry of Forests and Environment

### Key Dates

#### Key Project Dates

Bank Approval Date: 08-Jul-2020

Effectiveness Date: 16-Jul-2021

Planned Mid Term Review Date: 27-Sep-2023

Actual Mid-Term Review Date:

Original Closing Date: 30-Sep-2025

Revised Closing Date: 30-Sep-2025

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve sustainable forest management; increase benefits from forests and contribute to net Greenhouse Gas Emission (GHG) reductions in selected municipalities in Province 2 and Province 5 in Nepal.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components Table

Name

Policy & capacity building support for new government structures and processes for sustainable forest management:(Cost \$2.90 M)

Community-based sustainable forest management and smallholder forest plantations:(Cost \$10.76 M)

Forest enterprise improvement and development:(Cost \$7.35 M)

Project management, monitoring and learning:(Cost \$2.99 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

### Implementation Status and Key Decisions

This is an interim ISR, which will be updated following a planned mission in February 2022. The project was approved by the Board of the WBG on July 8, 2020. Financing agreements were signed on March 19, 2021 and the project was declared effective on July 16, 2021. The project has been experiencing significant delays early on which affected its implementation and disbursement of funds to date. The project is in the process of meeting the disbursement conditions, and is preparing the 1st Withdrawal Application. Partial institutional arrangements have been completed and the rest are being pursued. The delays jeopardize the full achieving the Project's Development Objective in time.



**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Substantial	☐ Substantial	☐ Substantial
Macroeconomic	☐ Substantial	☐ Substantial	☐ Substantial
Sector Strategies and Policies	☐ Moderate	☐ Moderate	☐ Moderate
Technical Design of Project or Program	☐ Substantial	☐ Substantial	☐ Substantial
Institutional Capacity for Implementation and Sustainability	☐ Substantial	☐ Substantial	☐ Substantial
Fiduciary	☐ High	☐ High	☐ High
Environment and Social	☐ Substantial	☐ Substantial	☐ Substantial
Stakeholders	☐ Moderate	☐ Moderate	☐ Moderate
Other	--	☐ Substantial	☐ Substantial
Overall	☐ Substantial	☐ Substantial	☐ Substantial

**Results**

**PDO Indicators by Objectives / Outcomes**

to improve SFM; increase benefits from forests and contribute to net GHG emission reductions				
▶ People in targeted forest and adjacent communities with increased monetary or non-monetary benefits from forests (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	110,000.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator includes all paid work attributable to the sustainable forest management including plantations and in forest-based enterprises. Data will be dis-aggregated by gender and disadvantaged group.			
▶ Net GHG emissions reduced (Metric ton, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	17,740,000.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026



Comments:	This includes sequestration through improved forest condition and tree planting on non-forest lands and emissions reduction from reduced forest degradation			
▶ Share of project beneficiaries with rating “Satisfied’ or above on project interventions (livelihoods, forest management, other) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator measures the level of satisfaction of targeted forest-dependent people on project interventions (livelihoods, forest management, other). Data will be dis-aggregated by gender and disadvantaged group.			
▶ Forest area brought under management plans (Hectare(Ha), Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15,900.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026

### Intermediate Results Indicators by Components

1 - Policy and Capacity Building for Federal Structures & Processes				
▶ Policy and regulatory reforms supported at federal, state and municipal levels supporting SFM (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator applies a wide definition to cover all policies, acts, regulations, directives, guidelines, protocols, and standards relevant to SFM and FBEs coming from all levels of government (Federal, Provincial, Local). It tracks not just new policies/regulations but also existing policies/regulations that have been revised to promote sustainable and productive forest management and FBEs. Disaggregated by government level.			
▶ Local governments with approved land-use plans and/or strategic forest sector plans (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator records the number of municipalities/rural municipalities that have prepared land-use plans and longer-term strategic plans for the forest sector			
▶ Awareness of the federal forest sector structure (Number, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator assesses the extent to which stakeholders in the forest sector are aware and implementing their new roles and responsibilities under the federal system – the extent to which sector reforms have taken place and been institutionalized. The indicator is measured as a score.			
<b>► Quality of services provided by local government to communities and forest-based enterprises (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator will measure the client satisfaction of the services provided to communities and forest-based enterprises .			

## 2 - Community-based sustainable forest management and forest plantations

### ► Forest area under CBFM (Hectare(Ha), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	530,000.00	530,000.00	530,000.00	545,000.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	The total area for which new sustainable forest management plans have been prepared and are being implemented according to the agreed timber harvesting prescriptions. It includes plans for all types of CBFM including CF, CFM, and LHF and includes newly established and existing CBFM groups for which revised plans have been prepared.			

### ► Poor households with land allocation inside CBFM areas (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	650.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator records the number of poor or disadvantaged households for which specific provision has been made in CFUG operational plans. Data will be dis-aggregated by disadvantaged group and female/male household.			

### ► Private smallholder plantations area (Hectare(Ha), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5,000.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026



Comments:	This indicator records the area of private (non-forest) land that has been supported by the project for tree planting and/or agroforestry (normally underutilized or abandoned agricultural land or land owned by absentee landlords)			
<b>► Area of public land managed by disadvantaged/poor groups for plantation/agroforestry (Hectare(Ha), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,350.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator records the area of public land (under Local Government jurisdiction and often located along river banks and in flood-prone areas in the Terai) that has been assigned to PLMGs (poor and otherwise disadvantaged farmers) for tree planting and agroforestry activities. Data will be dis-aggregated by disadvantaged group.			

<b>3 - Forest enterprise improvement and development</b>				
<b>► Timber and non-timber forest enterprises registered (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator monitors the registration of all types of small, medium and large forest-based enterprises with women-owned and/or managed enterprises tagged. Data will be dis-aggregated by type and ownership.			
<b>► Roundwood supplied from CBFM areas (Cubic Meter(m3), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator measures the volume of timber produced (from several forest areas within a single landscape/municipality) as a result of implementation of revised sustainable forest management plans with total production being geared towards ensuring a predictable, sustainable timber supply.			
<b>► Increase in number of women with skilled jobs in the forestry value chain (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator records the extent to which women are participating in and benefiting from enhanced productive work in the forest sector. The aim is to find the percent of women involved as skilled workers in different types of enterprise and parts of the value chain for forest products.			
<b>► Finance provided for establishing or improving FBEs (Amount(USD), Custom)</b>				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6,000,000.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator records the type of enterprises and the size of loans being provided from the project and the extent to which women are also benefiting. Data will be dis-aggregated by loan type, loan size and enterprise ownership. ADBL will share the performance of the forestry SME portfolio supported by the project in a separate report on an annual basis.			

#### Project management, monitoring and learning

##### ► Annual participation of stakeholders in project governance (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5,000.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator records the number of stakeholders who have participated in various project governance related meetings/workshops including project steering committees, and coordination and sector planning meetings at Local, Provincial and Federal levels. Data will be dis-aggregated by gender and disadvantaged group. The figure is expected to remain constant throughout the project.			

##### ► Documents, including studies, stories and surveys produced and shared with open access. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	13-May-2020	08-Oct-2020	08-Oct-2020	13-May-2026
Comments:	This indicator tracks publications and social media/website usage and the subsequent incorporation of new ideas and practices into regular planning, monitoring and implementation activities of forest sector institutions. It includes documentation and dissemination of good practices such as gender specific activities and safeguard mechanisms.			

### Performance-Based Conditions

#### Data on Financial Performance

##### Disbursements (by loan)

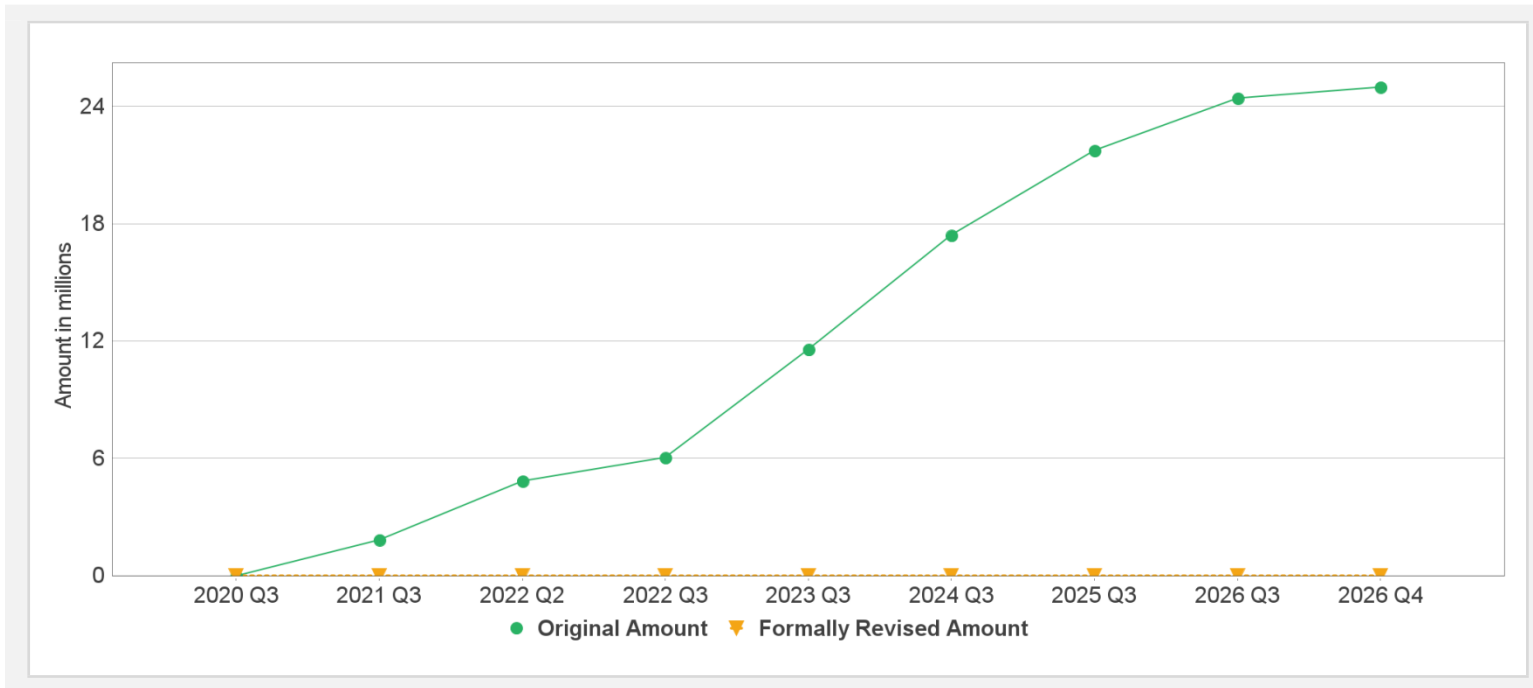
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P170798	TF-B2488	Effective	USD	17.90	17.90	0.00	0.00	17.90	0%
P170798	TF-B2796	Effective	USD	6.10	6.10	0.00	0.00	6.10	0%

##### Key Dates (by loan)



Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P170798	TF-B2488	Effective	08-Jul-2020	19-Mar-2021	16-Jul-2021	30-Sep-2025	30-Sep-2025
P170798	TF-B2796	Effective	08-Jul-2020	19-Mar-2021	16-Jul-2021	30-Sep-2025	30-Sep-2025

**Cumulative Disbursements**



**PBC Disbursement**

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**

There are no related projects.