

EvSum520

SODEFOR FORESTRY PROJECT, COTE D'IVOIRE

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The Project

The project was implemented in two phases between 1980 and 1990. Its basic objectives were:

- the establishment of timber plantations in place of "partially-exploited forest"
- the effective maintenance of SODEFOR's existing plantation area and
- institution-building.

None of the area is virgin rainforest, having been subjected to varying degrees of repeated selective logging and/or clearing for agricultural activities over a period of many years. The term "partially-exploited forest" is used throughout the evaluation to indicate that the forest has been the subject of such processes.

The project was co-financed by the Commonwealth Development Corporation (CDC), the World Bank, and the Government of Ivory Coast. The CDC loan amounted to £13.6m which was approximately 25% of the total cost. This contributed towards plantation establishment maintenance, and associated expenditures. CDC did not participate in the institution-building component.

The Evaluation

The evaluation extended over the period April 1990 to June 1991. The team consisted of a team leader and an economist from the Evaluation Department, and consultants covering forestry, sociology, ecology, and institutional development.

This report was used in the "Forestry Evaluation Synthesis Study," EvRpt541. (See EvSum541 for a summary.)

Overall Conclusion & Success Rating

The project was partially *successful* in achieving the objectives set at appraisal. 36,000 hectares of plantations were established in difficult circumstances and 22,000 hectares of existing plantation were maintained. Institutional achievements, however, were slight. Management problems, which increasingly threatened the project, were exacerbated by a history of increasing financial difficulties, an ambitious project design and the demotivation of SODEFOR staff. By the end of Phase II these problems cast doubt on the sustainability of both the plantations and SODEFOR.

The Main Findings

- No detailed study of the institutional capacity of SODEFOR was carried out during design or appraisal. With hindsight the project was over-ambitious for SODEFOR, and institutional achievements have been low relative to the resources invested. Project implementation and staff morale were badly affected by a shortage of government finance.
- Technical monitoring by CDC was effective and beneficial. Financial monitoring by the World Bank, and internal monitoring by SODEFOR frequently identified problems but solutions were incompletely implemented.
- Poor establishment and maintenance standards have sometimes led to sub-optimal yields. This resulted from weaknesses in plantation management and variable silvicultural practice.
- The currently re-estimated economic rate-of-return for both phases is 6.5% compared with 11-12% at appraisal. Appraisal estimates of prices and markets now appear to be generally over-optimistic, and the risks, from pest and fire losses, underestimated.
- The environmental impact of the plantations has been positive compared with the alternative of agricultural clearance. Negative impacts include the clearance of 40,000 ha of partially-exploited forest, and the creation of a serious fire risk.
- Manual methods of plantation establishment were assessed as being ecologically preferable to mechanised clearance, and probably more profitable.

Lessons

- If sufficient stress is not placed on plantation management and monitoring, planting targets may dominate operations to the detriment of overall project success.
- The appropriateness of alternative manual and mechanical silvicultural techniques should be considered during design and appraisal.
- Large projects should include adequate silvicultural and environmental research if commercial performance is to be optimised and potentially important long-term effects taken into account.
- Estimates of prices, markets and losses used in economic appraisals need to be more realistic.
- Forestry plantations may not be successful if implemented by government departments and supported by short-term donor financing. Management needs to be sensitive to commercial signals while at the same time having assured sources of longterm finance for maintenance and management of the resource.
- Institutional development is unlikely to be achieved without a detailed institutional appraisal, and without close monitoring of institutional targets.

- Specialised ecological expertise may be required for plantation projects if environmental costs are to be minimised.