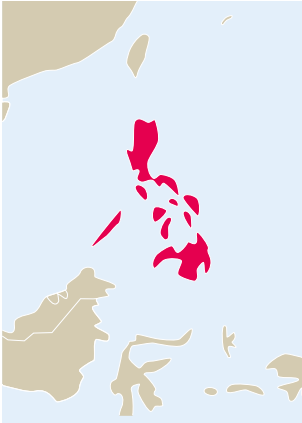


Overall Rating **B** Poverty Reduction  
Global Issues and Peace-building



## 15 The Philippines Forestry Sector Project

Contributed to poverty reduction through forest conservation with community participation

<b>Loan Amount/Disbursed Amount</b>	9.294 billion yen*/5.761 billion yen
<b>Loan Agreement</b>	August 1993
<b>Terms &amp; Conditions</b>	Interest rate 3.0%, Repayment period 30 year (grace period 10 years), General untied
<b>Final Disbursement Date</b>	December 2003
<b>Executing Agency</b>	Department of Environment and Natural Resources ( <a href="http://www.denr.gov.ph/">http://www.denr.gov.ph/</a> )

Note: The loan agreement was amended in April 2001. Reduced to 6.638 million yen.



### Project Objectives

The objectives of this project were to expand forest cover and improve household income by implementing Survey, Mapping, and Planning for regional development, Community Organizing, Comprehensive Site Development—such as reforestation and so on—in the whole of the Philippines, and thereby contribute to improving the environment and alleviating poverty in these areas.

### Effectiveness & Impact

Rating **b**

It was confirmed that the planned forest cover of the project was 80,000ha, but the actual total area was about 69,600 ha, or 87% of plan. As for survival rate, the plan called for a 70% survival rate over three years, but the actual survival rate was an average of 84% for watershed forest and 86% for mangrove forest, both surpassing the initially planned target. In the beneficiary survey (which targeted 80 residents of four watershed site subprojects), opinions were given that the total agricultural income and farming-related income was higher than before project implementation (an increase of about 8,900–6,700 pesos per year). This could be due to effects from the implementation of agroforestry\* and income enhancement programs. Disparity in household incomes can be seen depending on the subproject implementation area. Characteristic was observed that in high income areas, the rate of participation in People's Organizations (POs) exceeds 70%, earnings from income enhancement programs have increased and operation and maintenance work for reforestation with those earnings is becoming possible. Therefore, this project rates a moderate level of effectiveness since it has delivered certain positive effects.

\* Composite management, which secures income by raising diverse trees, thereby cultivating various produce while raising animals.



Bamboo planted on a river bank to control flooding and prevent soil erosion

### Relevance

Rating **a**

This project has been highly relevant with Philippine's national policies both at the time of the appraisal and at the time of the ex-post evaluation. This project was planned under the Medium-Term Philippine Development Plan (1993–98) and the Master Plan for Forestry Development (MPFD). Forest conservation and regeneration were still emphasized at the time of ex-post evaluation.

### Efficiency

Rating **b**

Project cost was lower than planned (55% of the plan), but the project period much longer than planned (about 228% of the plan); therefore the evaluation for efficiency is moderate. The delay was primarily due to the time needed to select consultants and the inability to work due to the natural disasters which occurred between 1997 and 1999.

### Sustainability

Rating **a**

No major problem has been observed for capacity of the executing agency or the operation or its maintenance system, therefore, sustainability of this project is high. The operation and maintenance of subprojects continues to be conducted by POs with support from the executing agency's subproject site management offices.

### Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be satisfactory. The lessons learned from the project are to clearly introduce income enhancement components for reforestation projects and to make use of the strengths of NGOs when cooperating with them.

### Third-Party Opinion

This project is evaluated to have contributed to environmental improvements and stimulation of regional economies. It is thought that legal improvements, participation of stakeholders, and the support for income enhancement program were important for increasing the sustainability of the project.

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