

Republic of Zambia

Forest Resource Management Project Project Performance Assessment

Executive Summary

1. The objective of the project performance assessment (PPA) of the Forest Resource Management Project (FRMP) in Zambia was to assess the overall results of the project and generate findings and recommendations for the implementation of ongoing operations in the country and the design of future operations. This assessment builds upon the previous project completion report validation and adds findings from a mission to Zambia conducted in November 2011.
2. The project started in 2002 and ended in 2007, one year earlier than foreseen. It was cofinanced by IFAD, the German Development Service and a grant from the Irish Government. The FRMP aimed to address some of the complex relationships between poverty, damage to the fragile environment and the sustainable forest resource use. The total cost of the FRMP was US\$15.9 million, with the IFAD loan amounting to US\$12.63 million.
3. In striving to achieve the overall goal of increasing the incomes of poor people who depend upon forest resources for their livelihoods, the project scored a number of successes. The FRMP facilitated the formation of village resource management committees and producer groups. Communities acquired valuable knowledge and skills under the project's various training programmes in areas such as forestry protection, bee-keeping, and rattan and bamboo production. Opportunities were created for women members to manage money and gain greater control over resources and access to knowledge; however, the lack of concrete targets and indicators made it difficult to assess the scale at which this was happening. The project also supported the rehabilitation of feeder roads and facilitated the construction of social infrastructure, thus bringing health and education services closer to the communities.
4. The FRMP experimented with the use of public-private partnerships, and although the project faced some difficulties in the practical application of this model, it was an important stepping stone for implementing the Government's related agenda.
5. However, for several reasons, the project did not achieve the main results expected. Although the FRMP objectives remain highly relevant, there was no consensus between IFAD and the Government of Zambia with regard to the overall conceptual framework and purpose of the project. The Government of Zambia felt that the project should focus on the regeneration of the country's depleted forest resources, while IFAD's objective was specifically to raise the income of the poor in the project area. In addition, there was no consensus or agreed strategy on how to address the policy inertia emanating from the Government's failure to establish the Zambia forestry commission. Failure by the design team to address these critical issues as well as legislative, policy and institutional challenges resulted in the project being formulated and implemented in a constrained environment.
6. Partly as a result of the above, the project also suffered a long gestation period and numerous delays in implementation. The efficiency of the project was also affected by the lack of clarity in the contractual obligations of the contracted agencies. This led to confusion and the duplication of roles and responsibilities between the project facilitation unit and the contracted agencies. The direct recruitment of staff to the project facilitation unit instead of using seconded staff from the Forestry Department resulted in unforeseen expenditure. The institutional design features

were also affected by hasty recruitment and the lack of technical expertise within the contracting agencies.

7. While the project was effective in mobilizing people into various groups such as village resource management committees, area resource management committees and producers' groups, it failed to develop robust institutions and systems for the long-term management and preservation of forest management arrangements. Similarly, the project invested considerable resources in training beneficiaries in sustainable forest management practices, but failed to meet its stated objectives of supporting beneficiaries to embark on the development of sustainable income-generating activities.
8. The PPA noted that there was a dearth of reliable information on rural poverty impact for the project period. Based on the information available, there was no evidence to suggest that the targeted increase of 30 per cent in household income and net assets was achieved. Similarly, despite the project's income-generating activities – such as *chikanda* propagation (a local orchid delicacy), *munkoyo* processing (a local brew) and mushroom preservation – there was very limited evidence improved food security as a result of non-timber forest products.
9. The single most critical factor affecting the sustainability of the income-generating activities relates to the inadequate development of linkages between the producers and their markets. The efforts to ensure this were too little, too late. Overall, the mission noted that despite IFAD's attempts to obtain assurances from the Government to support the project, the long-term sustainability of the project was affected by the Government's reluctance to integrate the project activities into its annual budget and maintenance programmes.
10. The following broad recommendations need to be taken into consideration when developing future IFAD operations in Zambia.
11. **Recommendation 1.** Project design must be based on a realistic institutional analysis and foundation. Where the institutional structure that provides the cornerstone of a project is not yet in place, IFAD should refrain from starting operations until the new structure has been set up.
12. **Recommendation 2.** Income-generating projects must be based on activities that have proven technical and commercial potential. An important finding that was highlighted in the project mid-term review and remained valid at the end of the project was that individuals and groups only adopt income-generating activities if the activities are commercially and technically attractive. Future projects should ensure that: (a) cost-benefit and value chain analyses during project design are undertaken in a timely manner; (b) private-sector stakeholders familiar with specific activities are involved in implementation from the start to ensure that the project has solid technical and commercial foundations; and (c) due attention is given to facilitating market linkages.
13. **Recommendation 3.** Ensure that the institutional framework is owned by the Government by ensuring that the design process is undertaken within an inclusive partnership and that appropriate support and capacity-building is provided. The FRMP sought to respond to the general trend of private-sector involvement and decentralization in its institutional framework. However, this set up was not fully owned by the Government, who believed that it would have been more appropriate for the project to have been placed with them. In order for an innovative framework to work, it must be accompanied by the appropriate support and capacity-building for all stakeholders. In the case of FRMP, the Forestry Department would have benefited from more support in overseeing and monitoring the project activities, including appropriate resources to carry out its duties properly.
14. **Recommendation 4.** Improve Monitoring and Evaluation (M&E) system design and functionality. Despite attempts to generate impact data, the FRMP M&E system

had constraints that characterize IFAD M&E systems in general. These related to the limited scope of the data (focusing on activity and output level), excessive complexity (about 280 indicators), low-quality data (inaccuracies) and weak institutional capacity. In order to address these issues, IFAD should apply a two-pronged strategy whereby more complete data are collected, coupled with continued support by IFAD to build project management competencies in all processes related to M&E (data collection, analysis, reporting, etc.). This may require more proactive support from IFAD in these.