

APPENDIX – 2

**Proforma for preparation of Preliminary Project Report For bilateral financial cooperation
Request for seeking financial cooperation from
JAPANESE INTERNATIONAL COOPERATION AGENCY (JICA)**

Part - I: Project Summary						
1	Project Name		Odisha Forestry Sector Development Project- Phase-II			
2	Project Implementing Agency		Forest and Environment Department, Government of Odisha			
3	<ul style="list-style-type: none"> ▪ Central Line Ministry (in case of Central Sector Project) ▪ Administrative State Government (in case of State Sector Project) 		Ministry of Environment and Forests (MoEF) Forest and Environment Department, Government of Odisha			
4	Sectoral area of the project		Forest and Environment sector			
5	Central Sectoral Line Ministry		Ministry of Environment and Forests (MoEF)			
6	Broad objectives of the project		Improving the forest ecosystem by promoting sustainable forest management and biodiversity conservation through Joint Forest Management approach including institutional capacity development, thereby contributing to environmental conservation and harmonized socio-economic development of Odisha.			
7	Location of the project (specify Districts)		Ganjam, Boudh, Bolangir, Subarnapur, Nuapada, Kalahandi, Sambalpur, Puri, Dhenkanal, Jharsuguda, Sundargarh, Nayagarh, Bargarh, Keonjhar, Khurda, Cuttack, Jagatsinghpur, Jajpur			
8	Total estimated cost of the project (in Rs.crore)		Rs 1,739.50 Crore			
9	Components of total estimated cost (in Rs.crore)					
	Source	Loan/Credit	Grant	Equity	Other (Specify)	Total
	JICA	Loan				1509.50
	Government of Odisha		Grant			230.00
	Total estimated costs					1739.50
10	<ul style="list-style-type: none"> ▪ Total bilateral development assistance proposed: INR 1509.50 Crore 24,133 Million JYP (1 INR=1.5988 JPY) ▪ Additional technical cooperation component, if any and activities proposed to be implemented through technical cooperation. Nil 					
11	Project implementation period: The proposed project is planned for duration of 8 years, starting from 2015-16 to 2022-23 in consideration of capacities of stakeholders and time required to conduct activities in sustainable manners. The project will be divided into 3 phases; Preparatory Phase - 1 year (2015-16), Implementation Phase - 5 Years (2016-17 to 2020-21) & Consolidation Phase - 2 Years (2021-22 to 2022-23).					
12	Whether any separate institutional arrangement is required to be established for implementation of the project? The Forest and Environment Department, Government of Odisha, through the Odisha Forestry Sector Development Society (OFSDS), will be responsible for the implementation of the Project. The OFSDS was constituted during 2006-07 at the state level and was registered as an autonomous independent Society in compliance with the Society Registration Act, 1860 for implementation of the OFSDP Phase-I project. The OFSDS will consist of a High Power Committee (HPC), a Governing Body (GB), a Project Management Unit (PMU), 40 Divisional Management Units (DMUs) and 216 Field Management Units (FMUs).					

13	Details of statutory clearances required for implementations of the project. Not Applicable
14	Statutory clearances obtained. Not Applicable
15	Details of debt sustainability clearance from the Department of Expenditure for State Sector project.
16	<p>Details of previous phase(s), if any. Whether any impact assessment has been made for previous phase?</p> <p>OFSDP-Phase-I is being implemented with the loan assistance from Japan International Cooperation Agency (JICA) in 10 districts of Odisha i.e. Angul, Balasore, Bhadrak, Deogarh, Gajapati, Kandhmal, Keonjhar, Koraput, Rayagada and Sundergarh. Initially this project was for a period of seven years from 2006-07 to 2012-13, and thereafter extended up to 2014-15. The overall outlay of the project is Rs 802.30 Crore, with loan assistance from JICA for 13,937 Million JPY. The project is in its 8th year for implementation. It has twin objectives of restoration of degraded forests and livelihood improvement of forest dependent community. The project has covered in 2426 Joint Forest Management Committees (JFMC) for interventions in forest restoration and community development. Summary of detailed activities up include restoration of degraded forests over 2,10,405 ha with Assisted Natural Regeneration, Block Plantations and Teak Plantation; Coastal Plantations over 2,920 ha with Mangrove and Casuarina, Eco-tourism Destination Development; Income Generation Activities in over 7000 SHGs; Livelihood Improvements and Capacity Building.</p> <p>The Performance Review undertaken by independent evaluators found the project interventions to be relevant and best fit around all components, significant achievement in project results as envisioned, efficient translation of employed inputs into desired outputs and cost effective service delivery of the interventions. The project has achieved substantial progress in Sustainable Forest Management. There has been observed an increase in natural capital for nearly 71% HH, financial capital increase in 30 % HH, human capital appreciation for 26% HH, while overall status of the livelihood assets appreciation for 14% HH. A greater evenness and more biodiverse nature of the forest community, better regeneration status in the treated forest lands and higher variability in survival of seedlings planted. At the village level, the independent impact evaluations observed a clear equity focus through participatory micro-planning; well defined systems for documentation; along with transparency in decision-making and financial transactions.</p> <p>Evaluation of Income Generating Activity component indicated increased SHG federations/clusters for mobilization and aggregation of Non Timber Forest Produce and increased ability to negotiate with traders through higher volumes. At SHG level, there have been engagements in wide range of activities as per local market demand, which has resulted in increased cash inflows supplementing household income. There has been easy access of credit at the door step from the revolving funds provided under the project thereby contributing to financial inclusion and generating self-confidence of women with opportunity for livelihood enhancement. Overall a process of economic empowerment of the SHG women was noted as a very important output as women have gained a lot of confidence in dealing with traders.</p> <p>As per the socio-economic changes (between 2008 and 2013) documented in 2020 villages, literacy has increased by 24%, house with RCC roof by 41%, with asbestos roof by 35% with electrification expanding by 221%. Similarly access to water for drinking and agriculture has increased with increased in no of hand pumps by 21%, no of bore wells 188%, no of wells by 14%. Wellness of households as per participatory wealth ranking indicate a jump of 24% in well off group, 23% in manageable group, 8% in poor group, while there is a reduction of 10% in very poor category.</p>
Part – II: Basic design of the project	
17	<p>Goals and objectives of the project and its linkages with government priority and programmes</p> <p>The proposed project will aim at improving the forest ecosystem by promoting sustainable forest management and biodiversity conservation through Joint Forest Management approach including institutional capacity development, thereby contributing to environmental conservation and harmonized socio-economic development of Odisha”.</p> <p>To achieve the overall goal, OFSDP-II will adopt the following objectives:</p>

	<ul style="list-style-type: none"> i) Restore degraded forest and augment forest resources ii) Secure sustainable forest management by improving forest administration, community organizations and other stakeholders iii) Conserve and better manage the biodiversity iv) Promoting inter-sectoral convergence v) Improve incomes of target forest dependents and their livelihood options <p>The project is in conformity with Odisha's Forestry Vision 2020 Document. The Phase-I of the project was implemented in 10 districts of the State. The Phase-II proposes to cover 18 districts</p>																																							
18	<p>Activities proposed in the project.</p> <table border="1"> <tr> <td>1</td> <td>Preparatory works</td> <td>Preparatory works</td> </tr> <tr> <td></td> <td></td> <td>Strengthening of Executing Body (EB)</td> </tr> <tr> <td>2</td> <td>Restoration of Degraded Forests</td> <td>Forest management under JFM mode</td> </tr> <tr> <td></td> <td></td> <td>Forest management under non-JFM mode</td> </tr> <tr> <td></td> <td></td> <td>Biodiversity conservation</td> </tr> <tr> <td></td> <td></td> <td>Farm forestry</td> </tr> <tr> <td>3</td> <td>Supporting Activities</td> <td>Capacity building of VSS</td> </tr> <tr> <td></td> <td></td> <td>Infrastructure development</td> </tr> <tr> <td></td> <td></td> <td>Forest research</td> </tr> <tr> <td></td> <td></td> <td>Publicity and communication</td> </tr> <tr> <td>4</td> <td>Monitoring and Evaluation</td> <td>Monitoring and evaluation</td> </tr> <tr> <td></td> <td></td> <td>Phase out / phase In works</td> </tr> <tr> <td>5</td> <td>Consulting services</td> <td>Consulting services</td> </tr> </table>	1	Preparatory works	Preparatory works			Strengthening of Executing Body (EB)	2	Restoration of Degraded Forests	Forest management under JFM mode			Forest management under non-JFM mode			Biodiversity conservation			Farm forestry	3	Supporting Activities	Capacity building of VSS			Infrastructure development			Forest research			Publicity and communication	4	Monitoring and Evaluation	Monitoring and evaluation			Phase out / phase In works	5	Consulting services	Consulting services
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19	<p>Quantifiable outputs and outcomes of the project.</p> <p>Expected outputs to be generated through the Project are:</p> <ul style="list-style-type: none"> i) Enhanced ability of Odisha Forest Department; ii) Enhanced capacity of communities/VSSs/SHGs; iii) Conserved biodiversity; iv) Increased flow of various forest products; v) Enhanced ANR and plantation areas; and vi) Increased household income <table border="1"> <tr> <td rowspan="4">Restoration of Degraded Forests</td> <td>2,55,000 ha in 14 divisions</td> </tr> <tr> <td>Assisting Natural Regeneration in 1,80,000 ha</td> </tr> <tr> <td>Block Plantations in 60,000 ha</td> </tr> <tr> <td>Artificial Regeneration in 15,000 ha</td> </tr> <tr> <td>Coastal Plantation</td> <td>1,000 ha</td> </tr> <tr> <td rowspan="2">Biodiversity Management</td> <td>Ecotourism Development: 5 sites</td> </tr> <tr> <td>Establishment of Community Reserves/Heritage Sites: 5 sites</td> </tr> <tr> <td>Farm Forestry</td> <td>60,000 ha benefiting 60,000 farmers</td> </tr> <tr> <td>Community and Tribal Development including capacity building of VSS</td> <td>Entry Point Activities in 3000 VSSs Income Generation activities in 9000 SHGs Livelihoods Improvements in 3000 VSSs</td> </tr> </table>	Restoration of Degraded Forests	2,55,000 ha in 14 divisions	Assisting Natural Regeneration in 1,80,000 ha	Block Plantations in 60,000 ha	Artificial Regeneration in 15,000 ha	Coastal Plantation	1,000 ha	Biodiversity Management	Ecotourism Development: 5 sites	Establishment of Community Reserves/Heritage Sites: 5 sites	Farm Forestry	60,000 ha benefiting 60,000 farmers	Community and Tribal Development including capacity building of VSS	Entry Point Activities in 3000 VSSs Income Generation activities in 9000 SHGs Livelihoods Improvements in 3000 VSSs																									
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20	<p>Target population:</p> <p>Directly benefiting a population of approximately 15,00,000 in 18 districts</p>																																							
21	<p>Does the project require of sector adjustment policy formulation? If yes, give details.</p> <p>Nil</p>																																							

22	<p>Whether any feasibility study/pre-appraisal/pre-investment study has been conducted? If yes, its details of its findings.</p> <p>Yes. A preliminary study of the project has been undertaken by the Odisha Forestry Sector Development Society and through wiser multi stakeholder discussions. Further experience gained from implementation of OFSDP-Phase-I has also gone into formulation of this project.</p> <p>Financial and Economic benefits of the Project consists of the direct revenue accrued from 1) forest development activities, including timber and fuel wood production, 2) non timber forest products or agro forestry production, and income generation activities.</p> <p>Other tangible benefits include incremental gain in water storage due to forest restoration activities, rise in water table and consequently increase in agriculture production in downstream areas.</p> <p>Other intangible benefits could include CO₂ sequestration, disaster prevention and mitigation.</p>															
23	<p>Linkages with completed or ongoing project (s) of similar nature.</p>															
	<p>Sl. No</p>	<p>Name of the project</p>	<p>Implementati on period</p>	<p>Quantifiable outcome achieved/ targeted</p>	<p>Total cost of the project (Rs. crore)</p>											
	Proposed Project															
	Completed projects															
	Ongoing project	Odisha Forestry Sector Development Project- Phase-I	<table border="1"> <tr> <td data-bbox="724 825 1065 888">Restoration of Degraded Forests</td> <td data-bbox="1065 825 1243 888">2,10,405 ha</td> </tr> <tr> <td data-bbox="724 888 1065 940">Coastal Plantations</td> <td data-bbox="1065 888 1243 940">2920 ha</td> </tr> <tr> <td data-bbox="724 940 1065 982">Farm Forestry</td> <td data-bbox="1065 940 1243 982">2492 ha</td> </tr> <tr> <td data-bbox="724 982 1065 1014">Ecotourism Destinations</td> <td data-bbox="1065 982 1243 1014">5 sites</td> </tr> <tr> <td data-bbox="724 1014 1065 1045">Formation of JFMC</td> <td data-bbox="1065 1014 1243 1045">2426</td> </tr> <tr> <td data-bbox="724 1045 1065 1077">Support to SHGs</td> <td data-bbox="1065 1045 1243 1077">7000</td> </tr> </table>	Restoration of Degraded Forests	2,10,405 ha	Coastal Plantations	2920 ha	Farm Forestry	2492 ha	Ecotourism Destinations	5 sites	Formation of JFMC	2426	Support to SHGs	7000	802.30
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24	<p>Details on costs of following to be funded from the bilateral official development assistance:</p>															
	<p style="text-align: center;">PROJECT COST</p>															
	<p style="text-align: center;">COMPONENTS</p>			<p style="text-align: center;">OUTLAY (Rs in Crore)</p>												
	Preparatory Work			31.62												
	Strengthening of Executing Body			43.78												
	Capacity Building of VSSs			112.24												
	Community / tribal development & Capacity building of VSSs			312.15												
	Biodiversity Management			83.71												
	Forest Management under JFM Mode			592.04												
	Forest Management under Non-JFM Mode			87.46												
	Farm Forestry Development			162.50												
	Forest Researches			53.55												
	Publicity and Communication			1.50												
	Monitoring and Evaluation			3.85												
	Phase-out and Phase-in Activities			0.10												
	consulting services			25.00												
	Total JBIC Loan			1509.50												
	Govt share			200.00												
	Interest during construction			30.00												
	Grand total			1739.50												

25	<p>Detailed year-wise physical and financial target plan with quantifiable and qualitative (verifiable) target indicators. The target plan should also include year-wise utilization of proposed bilateral development assistance.</p> <ol style="list-style-type: none"> 1. Appendix-4, Para-15 and 17; and 2. Annexure-I
26	<p>Does the project involved land acquisition? If so, please indicate :</p> <ol style="list-style-type: none"> I. Total land to be acquired. II. Actual land acquired so far. III. Target Land acquisition completion date. IV. Is there any legal issue or any other obstacle being faced by the acquisition authority which could push the target dates mentioned. If so please write in detail. <p>No land acquisition is involved in implementation of OFSDP-II.</p>
27	<p>Does the project involve resettlement and rehabilitation? If so, indicate its magnitude, cost and present status of plan.</p> <p>No resettlement of the people is envisaged in the implementation of the project.</p>
28	<p>Whether Environment Impact Assessment clearance required? If yes, whether the proposal to MoE&F has been submitted? If not, when it is likely to be submitted?</p> <p>Orissa Forestry Sector Development Project, Phase-II (OFSD-II) is aimed at improvement of the forests and watersheds of the State. All the activities to be carried out under the project will have a positive impact on the environment. Main activities include afforestation /reforestation of degraded lands and support activities leading to building up of the capacity of the community and the forest department to manage and use forests in a sustainable manner. EIA is not required for this project.</p>
29	<p>Whether Forest clearance required? If yes, whether the proposal to MoE&F has been submitted? If not, when it is likely to be submitted?</p> <p><i>Orissa Forestry Sector Development Project, Phase-II (OFSD-II) is aimed at improvement of the forests and watersheds of the State. No diversion of forest land for non-forest purpose is envisaged in the project. Forest clearance is not required for this project.</i></p>
30	<p>Whether the private sector or NGO participation is also proposed in the project? If yes, please describe the nature of the proposed involvement?</p> <p>Active involvement of NGOs is proposed for effective implementation and sustainable management of the Project; community organizing and strengthening Joint Forest Management committees. The NGOs are expected to play an important role in the Project because of their familiarity with the Project area, trust from community people, existing network (especially marketing network) and technical expertise. They are expected to provide specialized services such as:</p> <ul style="list-style-type: none"> - Community organizing - Environmental education and an awareness-raising campaign - Livelihood assistance - Production assistance and micro credit programme management - Marketing assistance in NTFP - Conflict resolution in case of conflict - Development of training programmes, curriculums and manuals for VSS members - Specialized technical assistance - Organizing and facilitating workshops and focus groups meetings for the improvement of the project - Impact assessment

31	Brief description on the effects and impacts on (i) environment including land, water, air, bio-diversity (ii) women and children (iii) employment (iv) poverty alleviation and (v) productivity and economic growth.
1. Environment including land water, air, bio-diversity etc.	Orissa Forestry Sector Development Project, Phase-II (OFSDP-II) is aimed at improvement of the forests and watersheds of the State. All the activities to be carried out under the project will have a positive impact on the environment. Main activities include afforestation /reforestation of degraded lands and support activities leading to building up of the capacity of the community and the forest department to manage and use forests in a sustainable manner. This will have a positive impact on the wildlife and biodiversity of the State. There will be improvement in the quality of air as a result of implementation of the OFSDP-II. Further there is no possibility that the project will cause water pollution.
2. Women and children	The OFSDP-II aims at improving the living conditions of the people living in the project area. The project aims at improving livelihoods of the forest fringe dwellers and building the capacity of the people to manage the forests in a sustainable manner. The assets developed by the project will be shared by the community in an equitable manner. Around 9000 women SHGs will be supported under the project. These interventions will have positive impacts on Women and children of the project areas.
3. Employment	OFSDP –II will generate ample wage employment in 3000 JFM villages while undertaking forest restoration and other supporting activities in the project areas.
4. Poverty alleviation	One of the main objectives of OFSDP-II is to improve the livelihoods and incomes of the forest fringe dwellers, thereby improving the socioeconomic conditions of the communities and alleviating poverty.
5. Productivity and economic growth	The project will restore the degraded forests lands and undertake biodiversity conservation interventions which will directly increase the productivity of forests and other natural resources, thereby contributing to economic growth of Odisha. Further the project will also enhance the livelihoods and incomes of the communities in the project areas.