



**UNIVERSITI PUTRA MALAYSIA**

**ECONOMIC EVALUATION OF PARTICIPATORY SOCIAL FORESTRY  
MANAGEMENT IN DHAKA AND TANGAIL FORETS DIVISIONS IN  
BANGLADESH**

**MOHAMMAD SAMAUN SAFA.**

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**ECONOMIC EVALUATION OF PARTICIPATORY SOCIAL  
FORESTRY MANAGEMENT IN DHAKA AND TANGAIL FOREST  
DIVISIONS IN BANGLADESH**

**By**

**MOHAMMAD SAMAUN SAFA**

**Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia,  
in Fulfilment of the requirements for the Degree of Doctor of Philosophy**

**February 2004**



# *Dedication*

*To*

*My Parents*

*Mr. Mohammad Nurus Safa*

*And*

*Mrs. Nurer Nahar Begum*

*Who started dreaming of me to be a human rather than being an educated person and wished me to be a man of wisdom and positive thinking. Today what I am is just because of their love and affection.*

*To*

*The persons who I had liked I lost. I could not do anything for them except keeping quiet. They never came to know how much I liked them.*

*The only younger sister*

*'Mita' (04-11-'97)*

*And*

*A friend*

*'Ebtesam' (20-07-01)*



Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfilment of the requirement for the degree of Doctor of Philosophy

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**February 2004**

**Chairman: Associate Professor Awang Noor Abd. Ghani, Ph.D.**

**Faculty: Forestry**

Sal (*Shorea robusta*) forests in Bangladesh comprise an area of 120,255 ha and are economically and environmentally important. Overexploitation has resulted in unsustainable use of timber and other non-timber forest products (NTFPs). The participatory social forestry management approach has been implemented by the Forest Department in order to protect the forests from encroachment and illegal exploitation.

The study was conducted in Dhaka and Tangail Forest Division, Bangladesh to examine the effectiveness of the participatory social forestry management. The specific objectives were: (i) to examine the financial and economic viability of agroforestry (AF) and woodlot (WL) program, (ii) to determine the distribution impact of both programs, and (iii) to estimate



the poverty reduction impact of both programs. The “with and without” approach was used in the study to estimate the net incremental benefit of the programs. Data required were obtained from primary and secondary sources. The respondents were the farmers. The sample size of the study was 375 comprise of the AF (118) and WL farmers (156). The cash-flow analysis approach was employed to determine the financial and economic viability of the participatory social forestry program. As an extension of cash flow analysis, the distribution impact and poverty reduction impact analyses were also carried out to examine the welfare perspective of the programs.

The results showed that the respondents were of the middle age class (mean: 47 years old). The income from timber varies significantly between agroforestry and woodlot program. The majority of the respondents had primary level of education and agricultural labour was their main occupation.

The results of the financial analysis showed that agroforestry program was feasible at 7 percent real discount rate. The financial net present value, benefit-cost ratio and financial internal rate of return were Tk. 20148.23, 1.32 and 15 percent, respectively. However, the WL was not feasible at 7 percent real discount rate. Both programs were found to be economically feasible with a different level of EIRR. The agroforestry program was

more feasible than the WL. The Economic Net Present Value, Benefit-cost Ratio and Economic Internal Rate of Return were Tk. 492687.06, 3.08 and 67 percent, respectively, for the agroforestry program. The Economic Net Present Value, Benefit-cost Ratio and Economic Internal Rate of Return were Tk. 285560.55, 2.55 and 41 percent respectively for the woodlot program. Financial sensitivity analysis of the AF indicated that the fluctuation in the values of the key variables namely, rotation period, establishment cost, price of intercrop did not affect the project decision. The economic sensitivity analysis showed that the variations in values of key variables, namely protection cost, benefits of by product did not affect project decisions substantially.

The results of distribution analysis showed that the benefit gained by the participants was greater than that of the government. The Poverty Impact Ratio was estimated at 0.95 for agroforestry program and 0.96 was for woodlot program. These values revealed that the impact of participatory social forestry management has been efficient in reducing the poverty level of the participants. Further research should focus on transaction costs and environmental aspects of the participatory social forestry management to encourage its extension.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia  
sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

**PENILAIAN EKONOMI TERHADAP PENYERTAAN PENGURUSAN  
HUTAN SOSIAL DI DAERAH HUTAN DHAKA DAN TANGAIL,  
BANGLADESH**

Oleh

**MOHAMAD SAMAUN SAFA**

**Februari 2004**

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**Fakulti: Perhutanan**

Sal (*Shorea robusta*) di Bangladesh terdapat di kawasan yang seluas 120,255 ha dan ianya penting dari segi ekonomi dan alam persekitaran. Pengeksploitasian yang berleluasa keatas hutan ini telah mengakibatkan kegunaan dan pemeliharaan kayu balak dan barangan hutan bukan kayu yang tidak berkekalan. Penyertaan dalam pengurusan hutan sosial telah pun dilaksanakan oleh kerajaan dalam usaha untuk melindungi hutan ini daripada kegiatan pencerobohan haram.

Kajian ini telah dijalankan di Daerah Hutan Dhaka dan Tangail, Bangladesh untuk menilai keberuntungan penyertaan pengurusan hutan sosial. Secara khususnya, objectif-objektif yang telah digariskan adalah: (i) untuk menilai keberuntungan ekonomi dan kewangan program

perhutanan tani dan tanaman pokok kayu, (ii) untuk menentukan impak taburan kedua-dua program, dan (iii) untuk menganggarkan kesan pengurangan kemiskinan bagi kedua-dua program. Pendekatan “dengan dan tanpa” telah digunakan dalam kajian ini untuk menganggarkan faedah tambahan bersih kepada program ini. Responden adalah pekebun-pekebun. Saiz sampel bagi kajian ini adalah sebanyak 375 pekebun yang terdiri daripada pekebun perhutanan-tani (118) dan pekebun tanaman kayu (157). Pendekatan analisis aliran tunai telah digunakan untuk menentukan keberuntungan ekonomi dan kewangan dalam penyertaan program ini. Sebagaimana pengembangan analisis tunai, analisis kesan taburan dan pengurangan kemiskinan juga telah dijalankan untuk memeriksa perspektif dari sudut kebajikan bagi program ini.

Keputusan menunjukkan kebanyakan responden adalah di dalam kelas umur pertengahan (purata umur: 47 tahun). Pendapatan daripada kayu balak mempunyai perbezaan yang signifikan diantara program perhutanan tani (AF) dan tanaman pokok kayu (WL). Majoriti responden mempunyai tahap pendidikan pada peringkat pertama (primer) dan pekerja bidang pertanian adalah sebagai pekerjaan utama mereka.

Keputusan analisis kewangan menunjukkan program perhutanan tani adalah munasabah pada kadar diskaun 7 peratus. Nilai Kini Bersih Kewangan, Nisbah Kos Faedah dan Kadar Pulangan Dalaman Kewangan



masing-masing adalah Tk. 20148.23, 1.32 dan 15 peratus. Walaubagaimanapun, tanaman pokok kayu (WL) adalah tidak berdaya maju pada kadar diskaun 7 peratus. Kedua-dua program didapati munasabah dengan paras perbezaan Kadar Pulangan Dalaman Ekonomi (HERÍ). Program Perhutanan tani didapati lebih munasabah daripada tanaman pokok kayu (WL). Nilai Kini Bersih Kewangan, Nisbah Kos Faedah dan Kadar Pulangan Dalaman Kewangan masing-masing adalah 492687.06, 3.08 dan 67 peratus untuk program perhutanan tani. Nisbah Kos Faedah dan Kadar Pulangan Dalaman Kewangan masing-masing adalah Tk. 285560.55, 2.55 dan 41 peratus untuk program tanaman pokok kayu (WL). Analisis Kepekaan Kewangan bagi program perhutanan tani (AF) menunjukkan perubahan turun-naik dalam nilai-nilai pembolehubah iaitu jangka pusingan, kos penubuhan dan harga tanaman tidak memberi apa-apa kesan terhadap keputusan projek. Analisis kepekaan ekonomi menunjukkan terdapatnya variasi keatas nilai-nilai pembolehubah seperti kos perlindungan dan faedah barangan juga tidak memberi kesan kepada keputusan program.

Keputusan daripada analisis taburan menunjukkan peserta-peserta mendapat faedah yang lebih besar daripada pihak kerajaan. Kadar Impak Kemiskinan telah dianggarkan sebanyak 0.95 untuk program perhutanan tani dan 0.96 bagi program tanaman pokok kayu (WL). Nilai-nilai ini mendedahkan bahawa penyertaan pengurusan hutan sosial adalah efisien

dalam mengurangkan paras kemiskinan di kawasan pedalaman. Penyelidikan seterusnya mesti memfokuskan kepada kos-kos transaksi dan aspek-aspek alam persekitaran dalam penyertaan pengurusan hutan sosial bagi menggalakan pengembangannya.

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