



**THE EC-UNDP SMALL GRANTS PROGRAMME FOR OPERATIONS
TO PROMOTE TROPICAL FORESTS IN SOUTH AND SOUTH-EAST
ASIA**

**EC Grant Agreement No. ASI/B7-6201/1B/99-0158
UNDP Project No. INT/01/G52/A/1G/71**

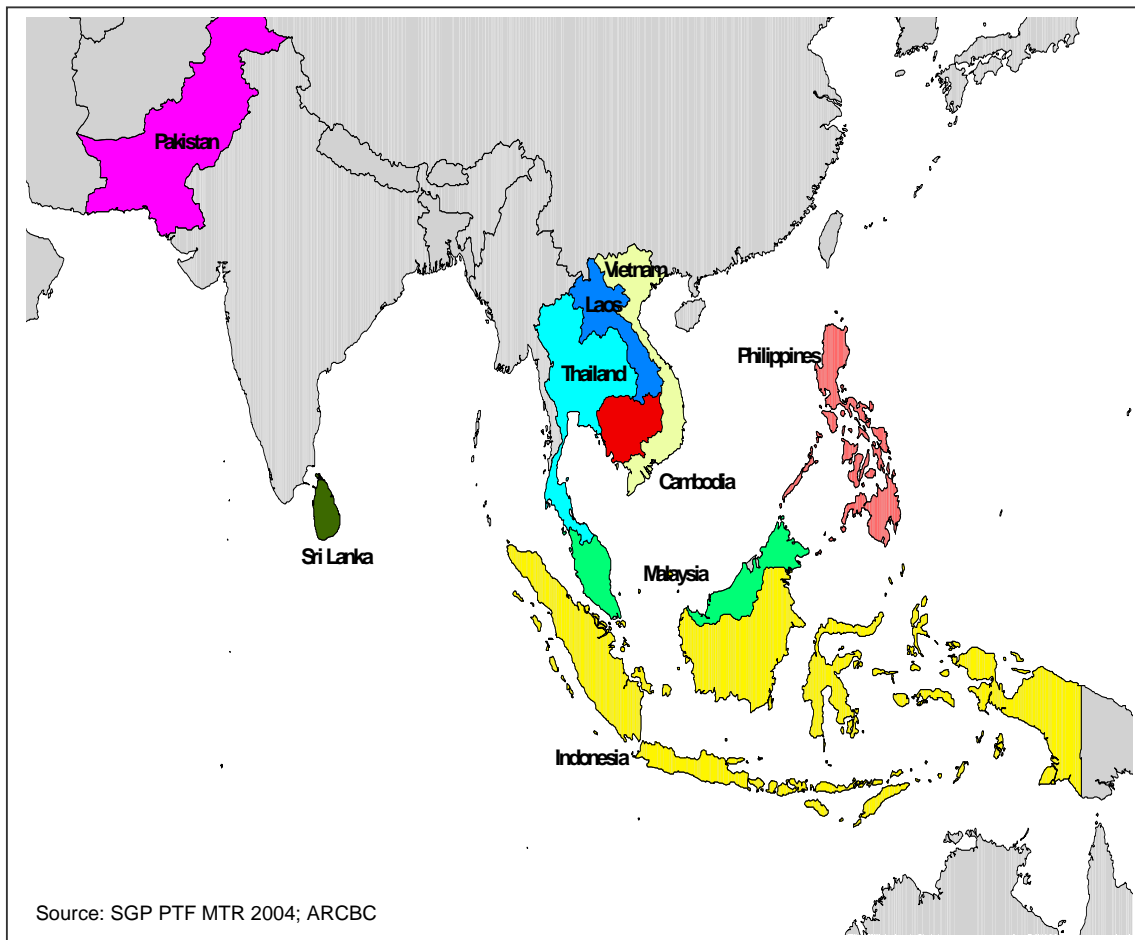
**MID-TERM REVIEW
FINAL REPORT**

FIRST DRAFT

02 November 2004

**Manila
Philippines**





MAP OF SOUTH AND SOUTH-EAST ASIA SHOWING COUNTRIES IN SGP PTF 2004

LIST OF ACRONYMS

ARCBC	ASEAN Regional Centre for Biodiversity Conservation
AIT	Asian Institute of Technology
CADC	Certificate of Ancestral Domain Claim
CADT	Certificate of Ancestral Domain Title
CB	Community Based
CBNRM	Community-based Natural Resource Management
CBO	Community Based Organization
CfP	Call for Proposals
CGP	Country Guideline Paper
CO	Country Office (UNDP)
COA	Commission of Audit (Philippines)
CPMT	Central Programme Management Team (GEF SGP)
DANIDA	Danish Agency for Development Assistance
DENR	Department for Environment and Natural Resources (Govt. of Philippines)
DFID	Department for International Development (UK Govt. bilateral agency)
EC	European Commission
EU	European Union
EC AIDCO	EC Europe Aid Co-operation Office
EMG	Extended Management Group (UNDP)
ETFAG	European Tropical Forestry Advisers Group
FAO	Food and Agriculture Organisation (UN)
GA	EC Grant Agreement
GEF SGP	Global Environment Facility Small Grants Programme
GID	Gender in Development
HR	Human Resource
IC&V	Information Communication and Visibility
ICS	Improved cooking stove
IEE	Initial Environmental Evaluation
IP	Indigenous Peoples
IRRI	International Rice Research Institute
IUCN	International Union for Conservation of Nature and Natural Resources
LGU	Local Government Unit
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MTR	Mid-Term Review
NC	National Coordinator (GEF SGP)
NGO	Non-Governmental Organisation
NSC	National Steering Committee
NTFP	Non-Timber Forest Product
OVI	Objectively Verifiable Indicator
PDF	Project Development Facility
PO	Peoples Organisation
PBSP	Philippine Business for Social Progress
PRODOC	UNDP Project Document
PTFC	SGP PTF Coordinator
PTFCO	SGP PTF Country Office
PSC	Project Steering Committee
RCO	Regional Coordination Office
RECOFTC	Regional Community Forestry Training Center For Asia and The Pacific
ROM	Regional Operations Manual
RPC	Regional Programme Coordinator
SEAMEO	South-east Asia Ministers of Education Organization
SEARCA	Regional Centre For Graduate Study And Research In Agriculture
SGP PTF	Small Grants Programme Operations To Promote Tropical Forests
SWOT	Strengths Weaknesses Opportunities Threats
TFBL	Tropical Forest Budget Line (EC)
TNA	Training Needs Assessment
UN	United Nations
UNOPS	United Nations Operations division
UNDP	United Nations Development Programme
WWF	World Wide Fund for Nature

DOCUMENT IDENTIFICATION AND CONTROL

UNDP PROJECT: INT/01/G52/A/1G/71

EC Grant Agreement: ASI/B7-6201/1B/99-0158

REGION: South and South-east Asia

NAME: Mid-Term Review for the EC-UNDP Small Grants Programme for Operations to Promote Tropical Forests In South and South-east Asia

DOCUMENT : Final Report MTR for the period September 12 2004 to November 10 2004

PREPARED BY : The Mid-Term Review Team, Biota Bd Oy, Finland

BIOTA BD Oy
Tykistökatu 6 B
FIN-20520 TURKU
FINLAND

Telephone:+358-2-273 3381
Fax:+358-2-273 3399
E-mail:biota@biota.fi

This text has been drafted with financial assistance from the Commission of the European Union. The views expressed herein do not necessarily reflect those of the Commission.

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KEY PROJECT DATA

Region: South and South-east Asia

Sector: Environment

Grant Agreement: No. ASI/B76201/1B/990158 signed by EC DG DEVA on 15 December 2000 and by the Associate Administrator, UNDP on 26 December 2000.

Project Document (PRODOC)

Project Title: “Small Grants Programme for operations to promote tropical forests.”

Project No.: UNDP Project No. INT/01/G52/A/1G/71

Duration: Originally 60 months extended to 84 months in Amendment No.1

Starting date: “Implementation of the Operation will begin on the day following that on which the last of the two parties signed” i.e. starting on 27 December 2000.

Expiry date of Programme: 31 December 2007

Total budget: € 15, 132,500

Overall Objectives and Location:

“Promotion of sustainable forest management by poor forest dependent local stakeholders in selected countries in South and South-east Asia”.

Specific Objectives

Act as a catalyst to promote and demonstrate community-based management and resource use in tropical forests.

Draw lessons from local level experience and support the spread of successful community level strategies and innovations.

Build grassroots level capacity to tackle problems that are contributing to forest destruction and degradation through partnerships and networks

Purpose of the Two-Year Extension:

To facilitate achievement of the Objectives of the Project in light of unavoidable delays in delivery.

EXECUTIVE SUMMARY

Introduction

The subject of this Mid-Term Review (MTR) is the Small Grants Programme for Operations to Promote Tropical Forest (SGP PTF) which is a European Commission (EC) funded initiative implemented by the United Nations Development Programme (UNDP) and executed by the SEAMEO Regional Centre for Graduate Study and Research in Agriculture (SEARCA) in the Philippines.

The principal thrust of the SGP PTF is the provision of small grants ranging from €20,000 to €200,000, to enable civil society organizations at country level to implement small forest related projects, which promote sustainable forest use by local stakeholders. It is intended that these will serve as the basis for lessons to be drawn and policy guidance to be provided for future forest conservation and sustainable development.

Thus the SGP PTF is a community focused, country led programme that works closely with and builds on the existing mechanisms and procedures established by The Global Environment Facility (GEF) Small Grants Programme which is implemented by UNDP and executed by UNOPS.

Activities have initially commenced in Pakistan, Philippines, Thailand and Vietnam, known as First Wave countries. After a period of two years from inception of the Programme in December 2001 Second Wave participating countries include Sri Lanka, Malaysia and Indonesia and at the time of writing, consideration is being given to the inclusion of Laos in the Third Wave; Cambodia has already started up. The table below summarises their overall statuses. Also see Appendix 5.

Name of Country	Current Status	Findings
Philippines	Operational – grants awarded	42 projects being implemented
Thailand	Operational – grants awarded	32 projects being implemented
Pakistan	Operational – grants awarded	24 projects being implemented
Vietnam	Operational – grants awarded	23 projects being implemented
Sri Lanka	Operational – NSC formed	142 concepts received and 15 selected
Indonesia	NSC formed	Starting up. PTFC appointed.
Malaysia	NSC formed	29 concepts received
Cambodia	Starting up	PTFC being recruited
Laos	Pending	Eventual status remains uncertain

The SGP PTF is highly decentralised with country level decision making vested in expert, voluntary National Steering Committees (NSCs) and National SGP PTF Coordinators.

The SGP PTF was allocated a total of EURO € 15,132,500 under the EC Tropical Forest Budget Line (TFBL). The duration of activities covered by the EC UNDP Grant Agreement was initially set for five years and was later on 6 April 2004, extended in Amendment I to the GA for a total of seven years, to be finally completed on December 31 2007.

The SGP PTF was established with the overall objectives “to implement EU Development policy, based on priority for the poor, working towards sustainable development and integration into the mainstream economy by empowering the traditional forest people and rural poor to maintain, to reintroduce, to develop and practice, traditional and novel ways of sustainable forest use. Additionally, the programme also will enable these people to have a voice in the emerging process of bottom-up natural resources policy formulation, by promoting links and networks between them, and with urban environmental action groups who share their views as well as with official bodies.”

There are three specific key objectives towards which the SGP PTF operations and project activities will be geared in participating South and South-east Asian countries:

- i. Act as catalyst to promote and demonstrate community-based management and resource-use in tropical forests.
- ii. Draw lessons from local experience and support the spread of successful community-level strategies and innovations.

- iii. Build grassroots level capacity to tackle problems that are contributing to forest destruction and degradation through partnerships and networks.

Objectives of the MTR

The Purpose of the MTR is to make an independent assessment on the level of achievement that has been attained to date by the SGP PTF measured against outputs and its progress towards attaining the Goal and Objectives of the Programme defined in the GA and PRODOC. It also reviews the relevance and feasibility of the strategy chosen for achieving these targets within the timeframe and budget allocated.

MTR strategy systematically examined and evaluated Efficiency and Effectiveness of the Programme's Activities, quality and level of achievements and the status of Expected Results and Outputs to date, following a coordinated and linked series of activities set out in the attached GANTT chart. Specific actions, methods to be used, levels of resolution and the timing of their implementation were agreed in an Inception Meeting held in Manila at the UNDP CO on 23 September 2004.

3. Methodology

Following activities were undertaken by the MTR team:

- Literature review.
- Primary field studies meeting key stakeholders at all levels as coordinated by PTF country offices.
- Visits to First Wave countries and one Second Wave country
- After Philippines and Thailand the team split up, with one consultant travelling to Vietnam and the other to Pakistan and Sri Lanka.

A secondary data search was carried out by reviewing all available documents with the RCO, PTFCOs, POs and NGOs including the following.

- EC UNDP Grant Agreement (GA)
- The UNDP Project Document (PRODOC)
- Annual, Biannual and Annual Programme review reports
- Monthly and Quarterly Financial Reports
- UNDP Combined delivery report
- Minutes of meetings and Workshops.
- Audit reports.
- Regional Operational Manual (ROM).
- 5year Work Plan and Budget
- Logical Framework.
- Country Guidelines.
- The IC&V plan.
- Monitoring forms.
- Other Project materials (documentation by POs and NGOs, communication materials, etc.).
- Minutes of key official meetings.
- Projects funded by other donors.

Primary data search: involved qualitative tools such as focus group discussion guides, depth interview guides and open ended questionnaires for stakeholders together with check lists developed from regional and country logical frameworks.

Participatory processes were used for the review wherever possible in interviews and discussions which encompassed:

- UNDP COs, EC Delegations, NSCs and PDFs
- Interview and discussions with relevant personnel at RCO and PTFCOs.
- NGOs and POs.
- Members of the target communities, especially grantees, proponents or their representatives.
- Other stakeholders.

The following table gives the number of respondents covered.

Total Number of Respondents

Sl. No.	Countries visited	Type of respondents			
		Community	Numbers	Others	Numbers
1.	Philippines	Community leaders, groups of men and women from the community	25	NSC, EC, GEF, UNDP, NGOs, PTFCO and PA	35
1B	Philippines	-	-	SEARCA and RCO	5
2.	Thailand	Community members men (only one woman) and community leaders	15	NSC, EC, GEF, UNDP, NGOs, PTFCO and PA	13
3.	Pakistan	Representatives of communities met at the NSC and PDF	13	NSC, PDF, UNDP, EC, NGOs	18
4.	Sri Lanka	Proponent representatives of the communities	7	NSC, EC, UNDP, WB	12
5.	Vietnam	Community leaders, groups of men and women from the community	50	Members of NSC, EC, GEF, UNDP, Support Groups, NGO, PTFC & PA	12

Analysis: Qualitative information were analysed by 'content analysis' techniques following EC Guidelines (e.g. the project cycle management guidelines, March 2004) and used in structuring the review framework. The analysis criteria used were: Relevance of the Programme, Efficiency of Management, Effectiveness, Sustainability and Perceived Impact of the Programme.

Critical analysis involved answering the following key questions to assess the Programme and associate country project benefit:

Intervention Related: Does the intervention have a clearly defined audience? Does the intervention have clearly defined goals and objectives? Does the intervention provide opportunities to practice relevant skills?

Implementation Related: Is there a conducive environment for intervention? Is the communication strategy effectively delivered? Has attention paid to ethnic harmony and conflict resolution in the communities? Is there a management support for the intervention at the highest levels? Are the resources sufficient for the current implementation? Are the interventions promoting sustainability?

Target Population Related: Does the intervention meet specified priorities and needs defined by the communities? For the target population selected, is the intervention socio-culturally relevant? Is the intervention developmentally appropriate for the selected target communities? Is the intervention gender sensitive? Is the intervention as implemented acceptable to the target communities? Do target

communities have a palpable sense of ownership to ensure sustainability after the Programme has closed?

4. Findings and Conclusions

a. Relevance

- The SGP PTF is a highly relevant Programme for the selected countries with clearly defined objectives and modalities of work and a clearly defined audience focusing on rural poor, indigenous people (IP) and ethnic minorities dependent on forest and residing in the forest fringe areas.
- The country programmes and the planned interventions have clearly defined goals and objectives. Overall, the programmes aim at – improving quality of life of the poor forest dwellers; capacity building and empowerment of communities and their partners; support national policy recommendations through well demonstrated community initiatives in management and sustainable use of forest resources; develop effective networks to actively pursue rights on forest use (and protection), develop livelihood practices that use forest resources sustainably and also organise alternate livelihood; support the documentation of best practices in sustainable forest management and the spread of successful community level strategies and innovations; establish mechanisms that will facilitate and promote transparency between SGP PTF, its community partners, and other key stakeholders; promote PTF visibility by establishing linkages with other funding facilities, regional, national and local networks, with the end goal of generating support and complementary assistance to SGP PTF undertakings and to its partner NGOs, POs, CBOs and communities.
- There is a good enabling environment present in all the countries where the country governments are developing policies and programmes increasingly towards community participation and management of forests. Finalised modalities and facilitative legislation are not yet available in most countries.
- UNDP is providing a favourable environment for small projects with sufficient funding support from EC. The GEF SGP remains active and has provided an excellent model and useful guidelines for the PTF Programme that has already commenced disbursement in seven of the nine participating countries. The GEF projects have benefited NGOs, POs and community-based organizations and local communities directly and complements the PTF's livelihood and forest objectives which are not included in the GEF thematic approach.
- In most of the countries, the PTFCO is housed within the UNDP CO building thereby facilitating coordination and the same time hands on collaboration between the two programmes and other associated UN agencies.

b. Efficiency

- The staff are adequately trained and sensitive to the needs of the target population, they are well qualified and experienced. The Programme, however, does not provide any scope of building further capacities although no-cost opportunities are facilitated within the Programme.
- All PTF country offices are well managed by a PTFC and in most offices by his or her assistant. Except in the Philippines (UNDP has made plans to accommodate the SGP PTF its new premises), all PTF offices are located in the main UNDP country office with other UN agencies with which they have fostered excellent working relations.
- Support by NSC was highly appreciated by all PTFCOs and RCO. The NSC comprises of highly qualified and experienced people. They play important role in project selection, advising PTFCOs and help by providing technical inputs as and when necessary.

- The Regional Co-Ordination Office (RCO) plays the important role of programme consolidation and institutional linkages with other regional initiatives. A database listing individuals and institutional networks has been developed and is maintained by the Regional Coordination Office (RCO), Los Baños, Philippines.
- Discussions with PTFs in the countries revealed an emerging role of the RCO. It was perceived by PTFs, that the RCO could be the major carrier and promoter of good practices to the country offices over and above the on-going dissemination of lessons learned. The perception was that it could also evolve as a more influential supervisor of the country level implementation of projects, provide guidance and help in problem solving.
- Slow momentum at the initial stage of implementation reduced the time span for operations by several months. Like all programmes, the individual country programmes went through a learning phase. Time has been extended till December 2006 for the first wave and December 2007 for the second and third wave countries although all grant funds must be fully committed by 31 December 2005 and the ultimate year of the Programme is set aside for closing of operations, audit and reporting. Justification for the extension (EC "Note explicative" 3 March 2004) rested largely on the delay in fielding of the RPC thus with this time having been made up the Programme delivery should no longer incur any slippage in achieving annual and overall targets. Examination of the financial disbursement figures to date suggest that this matter should be monitored by the EC-UNDP closely in each quarterly report. It should also be borne in mind that the ultimate year 2006-2007 is intended for finalising activities, reporting and audit.
- The Regional Office maintains a web site. Though the site is not often visited by communities, NGOs do. The impact was realised in receipt of more than 8000 visitors to the site and at least 1000 direct queries from various countries. PTFs are mainly using inter personal communication as the main vehicle for communication with the NGOs, CBOs and GOs through meetings, attending Seminars and Workshops and community visits. Call for proposals are advertised in the local newspapers, GEF Newsletter and through other NGOs. The impact is reflected in the large number of proposals received by the PTFs now in all the first wave countries. The budget for communication is insufficient for developing a comprehensive communication plan beyond the existing information, communication and visibility plan (IC&V).
- The implementation processes are well suited to the Programme but mechanisms for faster approval of projects need to be developed. The process begins with a call for proposals, followed by careful scrutiny by PRC and then by NSC members and after field verification, detailed proposals are finalised by the signing of MoAs by UNDP RRs and release of grant funds. About three to six months elapse between the first and the last step.

c. Effectiveness

- The target communities in all the countries are receptive and capable of implementing the projects due to their prior involvement in the forest related activities. The proposed activities are being delivered and the community is diligently contributing 20 percent or more towards project activities.
- The interventions are gender sensitive. The programme employs female staff and the project proponents/grantees are consciously involving women in the programme. The NGOs, CBOs and POs have women staff.
- The programme needs to pay more attention to ethnic harmony and conflict resolution in the communities as many of the countries have ethnic tensions, on going civil wars and ethno cultural differences.
- At the grass roots, the proponents and communities are working together. Communities are somewhat dependent on the NGOs, CBOs and POs for proposal writing, report writing and to

some extent on accounts keeping. Efforts are on to build capacities of the community members. Innovative activities were noted during our discussions.

- The SGP PTF IC&V document defines regional as well as country communication plans but lacks a comprehensive strategy. The IC&V plan recognises in its design the budgetary constraint for implementation. So far, training programmes, workshops, interpersonal discussions, some advertisements for 'call for proposals' through newspapers, word of mouth, GEF Newsletters, etc. have been the main communication vehicles. The individual projects have prepared brochures, 'T' shirts, caps, pens, books, leaflets, cloth bags and display of photographs in workshops and seminars where possible. UNDP and EC are both visible but awareness is skewed towards UNDP, which is not surprising considering its much longer historical position in the respective countries and despite the diligent efforts made by the Programme.

d. Sustainability

- It was quite clear even though the communities and the other stakeholders have full knowledge about the Programme and the local project timeframe, they do have some apprehensions about project continuity after the Programme closes. They are therefore, developing community funds and livelihood projects for increasing the scope of sustainability. Further, they are traditionally forest dwellers and have always been protecting their forests hence felt they would be able to tide over their apprehensions. Communities have set up forest management committees which liaise with government agencies at the village levels for technical support and where tourism is being considered they have developed codes of conduct to safeguard cultural values. All projects are trying to develop good working relationships with local government and provincial agencies.

e. Impact

- The Programme is already a strong impact on advocacy for favourable CB forestry policies and facilitative legislation for the rights of IPs which are still in their infancy in many places.
- Training and capacity building programmes were the most appreciated part of implementation. Additional training was requested for: project management, conflict resolution, project planning, monitoring and evaluation, knowledge sharing and documentation. Other than these, exchange visits, study tours and exposure visits were also felt necessary by community members, NGOs and CBOs.
- Programme-initiated networking has given the communities, CBOs and NGOs a new and effective dimension in fostering partnerships in their pursuit for advocacy and influence over policy innovation in the forest sector, also in acquiring technical expertise from government line agencies. This can be further extended in the region within existing budgets.
- The stakeholders perceive potentials for an increase in the commercial benefits that could be accrued through tourism due to increased forest cover and biodiversity conservation. At the same time there is an expressed uneasiness over possible degradation of socio-cultural values in the community.
- There are sufficient resources for micro-grants in all PTFCOs. But fund insufficiency was noted in programme monitoring, programme staff training, and communication and early consideration should be given to budgetary re-alignments and by possibly making use of funding that may be available to the Programme through favourable exchange rates between Euro, Dollar and country currencies.

Recommendations

This is a well designed and well implemented programme where involvement of the target forest dependent communities in planning, implementation of activities and handling funds is firmly established and is manifestly creating a cost-effective example of innovative CB forest management which can and should be replicated on a greater scale. Options for the future are provided.

The Programme is delivering its mandated tasks conscientiously and early consideration should be given to pressing immediate and middle distance management requirements such as the organisational issues and budgetary re-alignments.

Lessons and good practices when documented would become useful for other small grants and other bilateral and multilateral programmes that can use the learning for developing community receptiveness and preparedness for programmes.

The Programme requires more overall implementation time to achieve a lasting impact since forest dependant communities, especially IPs, need considerable lead time to attain effective capacity to carry out requisite tasks.

The difficulties for second and third wave countries requires speeding up of Programme delivery and in particular for Laos fall-back position options should be developed along the following lines:

- i. Abandon the idea of grant project implementation.
- ii. Consider using the available budget for technical assistance to support other similar small grant initiatives, in particular institutional development, HR development, information systems and databases and establishment of regional links to share lessons learned.
- iii. Transfer the grant budget to successful first wave countries for expansion and replication of good project and practices as described in PRODOC F 27 page 15.

It is clear that many of the activities set out in the grant implementation plans have a need for more technical back up and support and although this is provided for in the PRODOC, at present these depend very largely upon voluntary NSCs, PSCs and the versatility of PTFCs. The involvement of available EC, UNDP and SEARCA's technical assistance should be increasingly harnessed by the RPC and PTFCs for this purpose.

As a product of the above it is apparent that there should be greater provision of training, monitoring and evaluation and a communication campaign at all levels both for the direct beneficiaries and the supporting organisations, the PDF and the wider community.

Options for the future include:

1. The programme continues to operate as it does now but with an enhanced role for the RCO working in closer collaboration with the Executing Agency as originally envisaged and with joint visits to participating counties.
2. Extend the Programme beyond December 2007 by another two years to give Second and Third Wave countries a better chance to fulfil their targets and to facilitate Programme sustainability.
3. The UNDP country offices arrange direct implementation of SGP PTF as for the GEF SGP in a new follow-on phase by adjusting the current thematic guidelines and budgetary thresholds and by accessing financial support from the EC's TFBL where National Indicative Plans do not cover environment in current plans or developing a basket of funds through various other funding sources.
4. The UNDP Philippines houses the RCO after the Regional Coordinator's term expires next year and supports completion of the Programme in 2007. UNDP Philippines has in-house environmental expertise to take over the role of regional coordination.

Key Issues that require early attention

It is recommended that, in the absence of a steering committee for the SGP PTF, there should be a forum other than the Annual Regional Workshop to address policy and other operational exigencies that affect day-to-day Programme management.

The key issues that have been identified and commented on earlier are listed below:

- i. Establish the impact of currency exchange rate fluctuations on the Programme budget and make appropriate high level management decisions.
- ii. Schedule the transfer of the RCO to the UNDP office in Manila.
- iii. Review the staffing requirements at the RCO for financial control.
- iv. Review the role of the Executing Agency in regional and technical matters.
- v. Introduce an integrated database in an enhanced MIS system including GIS and institutional links at all levels.
- vi. Make an executive decision on the future of the RCO position after October 2005.
- vii. Make proposals for the future of the SGP PTF after it closes in 2007 in light of the EC National Indicative Programme and UNDP thematic scope for the GEF SGP.

It is perceived that early resolution of these issues will do much to maintain the morale of the Programme.

MAIN REPORT

I. INTRODUCTION

1.1 The context for the Small Grants programme for Operations to Promote Tropical Forests in Asia (SGP PTF) is that “in recent years tropical forest have emerged as a top priority in development cooperation”. Due to deforestation, the resource base of forest dependent populations and indigenous people is being lost at a rate of over 10 million hectares per year and in Asia the nationalisation of forests and commercial logging have resulted in massive deforestation leading to a profound loss of community-based resource control as well as loss of accompanying traditional ecological knowledge.

1.2 In response to the need to address this major concern the EC commissioned a study to consider how cooperation in the forest sector through the EC Tropical Forestry Budget line (TFBL) could be used to assist countries in their endeavours to promote forest sector development. This concluded that although there was a proven demand for small grants that had been ably demonstrated by the GEF Small Grants programme (GEF SGP) as an appropriate and effective mechanism for avoiding lengthy handling and centralised procedures, the GEF programme did not have the financial capacity or thematic scope to extend the programme into the livelihood and forest sector. Thus it was agreed that the TFBL could be harnessed to complement the GEF SGP through the SGP PTF and to make use of its management capacity and functional experience to help meet the perceived demand as described in the United Nations Development Programme, Global Environment Facility, Project Document (PRODOC) 2001.

1.3 Subsequently, an agreement was made between the EC and UNDP, signed on 21 December 2000 setting out the terms of a Grant Agreement (GA) for joint cooperation over a five-year period to implement the SGP PTF Programme in South and South-east Asia.

A. The Small Grants Programme for Operations To Promote Tropical Forests

1.4 The subject of this Mid-Term Review (MTR) is the Small Grants Programme for Operations to Promote Tropical Forest (SGP PTF) which is a European Commission (EC) funded initiative implemented by the United Nations Development Programme (UNDP) and executed by the SEAMEO Regional Centre for Graduate Study and Research in Agriculture (SEARCA), Los Baños, in the Philippines. Operations are managed by a Regional Coordination Office (RCO) also located at SEARCA.

1.5 The contractual terms of the Programme are set out in the EC Grant Agreement No. ASI/B76201/1B/990158 signed by EC DG DEVA on 15 December 2000 and by the Associate Administrator, UNDP on 26 December 2000 and the Programme is also defined in the UNDP Project Document (PRODOC) “Small Grants Programme for operations to promote tropical forests”, Project No. INT/01/G52/A/1G/71

1.6 The principal thrust of the SGP PTF is the provision of small grants ranging from €20,000 to € 200,000, to enable civil society organizations at country level to implement small forest related projects, which promote sustainable forest use by local stakeholders. It is intended that these will serve as the basis for lessons to be drawn and policy guidance to be provided for future forest conservation and sustainable development. In essence the Programme aligns itself as an effective means for achieving some of the goals and targets set during the Millennium Summit at the United Nations in 2000 to help wipe out poverty and to ensure human development together with environmental sustainability.

1.7 The SGP PTF is designed to use as far as possible and in adherence to EC contractual obligations, the existing mechanisms and procedures of the long-established Global Environment Facility Small Grants Programme (GEF SGP) in order to achieve the best possible economies of scale and best use of time to execute the Programme.

1.8 Thus the SGP PTF is a community focused, country led programme that works closely with and builds synergistically on the existing mechanisms and procedures established by The Global Environment Facility (GEF) Small Grants Programme which is implemented by UNDP and executed by UNOPS.

1.9 Activities have initially commenced in Pakistan, Philippines, Thailand and Vietnam, known as First Wave countries. After a period of two years from inception of the Programme in December 2001 Second Wave participating countries include Sri Lanka, Malaysia and Indonesia and at the time of writing, consideration is being given to the inclusion of Laos in the Third Wave; Cambodia has already started up.

1.10 The SGP PTF is highly decentralised with country level decision making vested in expert, voluntary National Steering Committees (NSCs) and national SGP PTF Coordinators. Within the overall regional framework of the SGP PTF the NSCs and PTFCs have formulated Country Guideline Papers and related Calls for Proposals, which will be issued according to individual country contexts.

1.11 The SGP PTF was allocated a total of EURO € 15,132,500 under the EC Tropical Forest Budget Line (TFBL). The duration of activities covered by the ECUNDP Grant Agreement was initially set for 60 months and was extended on 23 March 2004, in Amendment No.1 to the GA for a total of 84 months, to be finally completed on December 31 2007. In this it was stated that the SGP PTF was established with overall objectives "to implement EU Development policy, based on priority for the poor, working towards sustainable development and integration into the mainstream economy by empowering the traditional forest people and rural poor to maintain, to reintroduce, to develop and practice traditional and novel ways of sustainable forest use. Additionally, the programme also will enable these people to have a voice in the emerging process of bottom-up natural resources policy formulation, by promoting links and networks between them, and with urban environmental action groups who share their views as well as with official bodies."

1.12 There are three specific key objectives towards which the SGP PTF operations and project activities are geared to in participating South and South-east Asian countries. These are to:

- i. Act as catalyst to promote and demonstrate community-based management and resource-use in tropical forests.
- ii. Draw lessons from local experience and support the spread of successful community-level strategies and innovations.
- iii. Build grassroots level capacity to tackle problems that are contributing to forest destruction and degradation through partnerships and networks.

B. Purpose and Objectives of the Mid-Term Review

1.13 The Purpose of the MTR was to make an independent assessment on the level of achievement that has been attained to date by the SGP PTF measured against outputs and its progress towards attaining the Goal and Objectives of the Programme defined in the GA and PRODOC. It also reviews the relevance and feasibility of the strategy chosen for achieving these targets within the timeframe and budget allocated.

1.14 MTR strategy systematically examines and evaluates Efficiency and Effectiveness of the Programme's Activities, quality and level of achievements and the status of expected Results and Outputs to date, following a coordinated and linked series of activities set out in the attached GANTT chart which describes specific actions, methods to be used, levels of resolution and the timing of their implementation.

1.15 The Review has given full consideration during the course of assessments and evaluations of the Programme to the following key issues:

- i. Performance of the programme.
- ii. The circumstances and impact of the delayed implementation phase.
- iii. The significance of the two-year Project extension.
- iv. The consequences of the need to commit all grant funds that are available by December 2005.
- v. The responsiveness of the SGP PTF to the revision of deadlines caused by the delayed implementation of operations.
- vi. The Team has considered the implications of the original design in phasing implementation for nine target countries divided into "First Wave": Pakistan, Philippines, Thailand and Vietnam and "Second Wave": Indonesia, Malaysia and Sri Lanka and "Third Wave", Lao PDR and Cambodia. Focus has been on First Wave countries and Sri Lanka chosen from the Second Wave.

1.16 The Review has used a full consultative process at all levels and held an Inception Meeting on 23 June 2004 to review and agree the Work Plan, the Review Framework and travel itinerary and logistics with the ECUNDP, Central Programme Management Team of GEF SGP (CPMT) and other key stakeholders, covering the following components:

- i. Institutional and Organisational Arrangements
- ii. Operational matters
- iii. Strategy
- iv. Partnerships
- v. Long-term Sustainability

1.17 The Target Audience for whom the Review findings are presented were agreed to be: the EC AIDCO Brussels, the relevant EC Delegations in the region, GEF SGP New York, UNDP Country Offices, and SEARCA. It is expected that the organisations managing the grant projects together with communities that are already implementing activities in 62 funded by the Programme (121 estimated for December 2004), will be the ultimate beneficiaries of the Review findings.

C. The Work Programme Summary

1.18 The full Review Work Programme is shown in Appendix 2. The MTR team mobilised in Manila on 12 September and began operations on Monday 13th.

1.19 After briefing sessions at UNDP Country Office, Philippines and the EC Delegation, Manila on 13 and 14 September, the team transferred to SEARCA, College, Los Baños, Philippines and commenced the review process. In terms of the technical requirements set out in the Terms of Reference, the approved timeframe, details of the MTR methodology, tools to be used, the Review Framework and Work Plan were agreed in the Inception Meeting and covered:

- i. Mobilisation, briefings, literature review and desk studies.
- ii. Field visit to Philippine SGP PTF sites in Palawan. Followed by visits to Thailand and meetings with ECUNDP, SGP PTFC and PO direct beneficiaries and other institutional partners.

1.20 After Thailand the team split up and one member visited Vietnam while the other travelled to Pakistan and Sri Lanka.

D. Methodology

1.21 The basis of the methodology employed was to make optimum use of the time and resources available to visit as many countries as possible, restricting visits to the First Wave countries and one Second Wave country and to engage as many key stakeholders as possible to attain an understanding of the achievements and quality of progress of the Programme to date. These were coordinated by the RCO, PTFCs and the EC UNDP focal points as necessary. For the remaining Second and Third wave countries, where the Programme had hardly commenced, the Review was limited to a synopsis of their current statuses based upon the documentary information available. Methods were divided into systematic secondary and primary data collection.

1. Secondary data search

1.22 This involved reviewing all available documents with the RCO, NCOs, POs and NGOs, mainly including:

- EC UNDP Grant Agreement (GA)
- The UNDP Project Document (PRODOC)
- Annual, Biannual and Annual Programme review reports
- Monthly and Quarterly Financial Reports
- UNDP Combined delivery report
- Minutes of meetings and Workshops.
- The Philippines country SGP PTF Audit report.
- Regional Operational Manual (ROM).
- 5year Work Plan and Budget
- Logical Frameworks.
- Country Guidelines.
- The IC and V plan.
- The Programme web site.
- Brochures.
- Other Project materials
- Monitoring forms.
- Minutes of key official meetings.
- Projects funded by other donors.

2. Primary data search

1.23 Participatory processes were used for the review. Interviews and discussions took place with relevant personnel in the countries visited:

- UNDP COs, EC delegations and NSCs.
- Interview and discussions with relevant personnel at the RCO and PTFCOs.
- NGOs/POs.
- Members of the target communities, especially grantees or their representatives.
- Other stakeholders.

1.24 The instruments used were:

- Open ended questionnaires
- Focus Group Discussion Guides
- Dept Interview Guides
- Logical Framework Matrix

1.25 In order to assess the relevance, efficiency, effectiveness, sustainability and impact of SGP PTF mainly qualitative methods were used in more than 80 meetings and interviews. Assistance of interpreters was called upon where necessary. Grading on a 4 point scale was applied wherever appropriate (Grading scale: 1 = serious deficiencies; 2 = problems; 3 = good; 4 = very good).

1.26 The following Table 1 gives the approximate number of respondents covered.

Table 1: Summary List of Respondents

Sl. No.	Countries visited	Type of respondents			
		Community	Numbers	Others	Numbers
1.	Philippines	Community leaders, groups of men and women from the community	25	NSC, EC, GEF, UNDP, NGOs, PTFCO and PA	35
1B	Philippines	-	-	SEARCA and RCO	5
2.	Thailand	Community members men (only one woman) and community leaders	15	NSC, EC, GEF, UNDP, NGOs, PTFCO and PA	13
3.	Pakistan	Representatives of communities met at the NSC and PDF	13	NSC, PDF, UNDP, EC, NGOs	18
4.	Sri Lanka	Proponent representatives of the communities	7	NSC, EC, UNDP, WB	12

3. Analysis

1.27 Most of the analyses carried out were based upon qualitative interpretation of individual interviews, small group discussions or during meetings. Statistical analysis has been applied where appropriate, mainly on Programme achievement and financial delivery statistics – see Appendix 5. Qualitative information is analysed by Content Analysis techniques.

4. Levels of Analysis and Evaluation Criteria

1.28 The criteria used to attain the required levels of analysis and evaluation in a consistent and inclusive manner at each target review point closely follows EC guidelines (e.g. the Project Cycle Management Guidelines, March 2004) and used in structuring the Review Framework and analysis of questionnaires, focus group discussions and meetings, stakeholder interviews and informal workshops. The central five issues which were introduced as far as feasible in all meetings were as below:

- i. **Relevance of the programme**, its design, logical framework structure and content, Objectively Verifiable Indicators (OVIs) flexibility, validity of assumptions, validity of means of verification and needs analysis. Gaps in the consultative process, complementation, people's perceptions and coherence. The appropriateness of project planning (GWP and AWP) and whether the activities and strategies of the Project are sufficiently focused and well targeted.
- ii. **Efficiency of management**, cost-benefits, state contributions, donor contributions and value of collaboration with intermediaries, were considered and as reflected in project results.
- iii. **Effectiveness** is clearly a matter of prime importance and this was measured in terms of the tangible benefits stemming from the results and physical achievements. The Team paid particular attention to cross cutting themes such as poverty reduction, environmental integrity, forest resource utilisation and gender in development. The quality and effectiveness of project monitoring and evaluation was assessed.
- iv. **Sustainability** was central to many aspects of the Programme. Whether it will be able to continue after external funding ends and whether the impact encompasses real stakeholder ownership, effective support by local communities, the role of Peoples 's Organisations and local authorities, especially institutional links and integration, finance and technical capacity to continue with SGP PTF interventions.
- v. **Impact** assessment techniques used focus upon the perceived benefits, good practices, wider results and tangible achievement of overall objectives to date as set out in the PRODOC, Global, Annual Work Plans, project proposals, country specific guidelines, and the ROM.

5. Critical analysis of the data to assess the project benefit

6. Intervention Related:

- Does the intervention have a clearly defined audience?
- Does the intervention have clearly defined goals and objectives?
- Does the intervention provide opportunities to practice relevant skills?

7. Implementation Related:

- Is there a conducive environment for intervention?
- Is there a realistic schedule for implementation?
- Are the staff adequately trained for sensitivity of the target population?
- Are the core elements of the intervention clearly defined and maintained in the delivery?
- Is the communication strategy effectively delivered?
- Gender integration in the projects
- Attention paid to ethnic harmony and conflict resolution in the communities

8. Organization Related

- Is there a management support for the intervention at the highest levels?
- Are the resources sufficient for the current implementation?
- Are the interventions promoting sustainability?
- Are the decision-makers flexible and open to programme changes?

9. Target Population Related

- Does the intervention meet specified priorities and needs defined by the communities?
- For the target population selected, is the intervention socio-culturally relevant?
- Is the intervention developmentally appropriate for the selected target communities?

Is the intervention gender sensitive?
 Is the intervention as implemented is acceptable to the target communities?
 Do target communities have a palpable sense of ownership to ensure sustainability after the Programme has closed?

II. REVIEW FINDINGS

2.1 The findings of the review are centred on answering some key areas and questions to bring out the efficacy of the programme. These key areas are related to reviewing relevance of the programme, efficiency of management, effectiveness of the programmes, sustainability of the programme and finally, impact of the programme. The Review has been carried out after 54% of the Programme cycle which amounts to nearly four years from start up date, during which time about 30% of the total budget has been disbursed, reasons for which are discussed in this report.

A. Relevance:

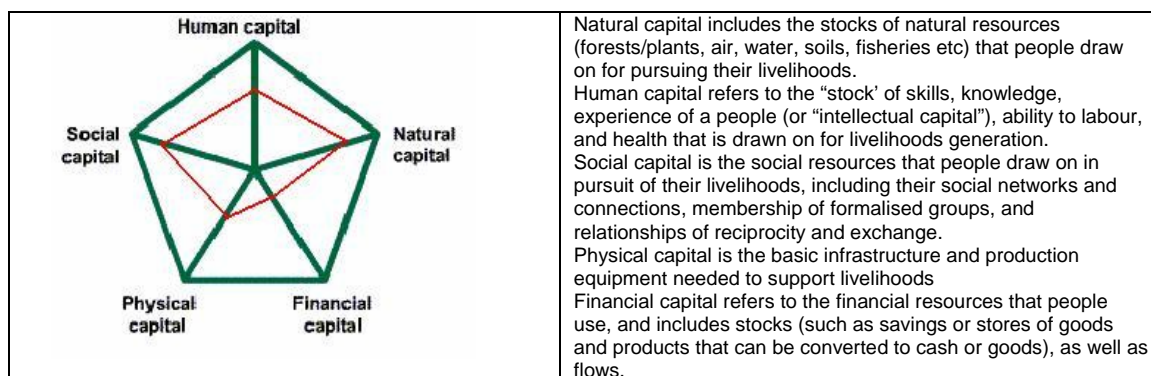
1. Intervention Related

a. Target audience

2.2 The interventions have a clearly defined audience described in the opening paragraph of the Grant Agreement, Overall Objectives 1.1. SGP PTF has correctly focused on rural poor and ethnic minorities dependent on forest resources and who reside either within or on in areas bordering on forests. The projects that are being implemented in the countries visited are catering without exception to a broad spectrum of socioeconomic backgrounds.

2.3 All the country strategy papers have analysed secondary data and reports and established that forest dwellers are generally poor, in most cases ethnic minorities. They have lower levels of physical, financial capitals, better human capital and comparatively high natural and social capitals. The following pentagon shows the current levels of five capitals in the communities that have been targeted by the Programme. The red line depicts low physical and financial capitals but higher human, natural and social capitals.

Figure 1: The Nature of Capital assets among Target Audiences



b. Goals and Objectives

2.4 The country programmes and the planned interventions have clearly defined goals and objectives which match with country needs. Overall, the Programmes aim are to:

- Improving quality of life of the poor forest dwellers following well accepted principles¹.
- Capacity building and empowerment of communities and their partners.
- Support policy recommendations through well demonstrated community initiatives in management and sustainable use of forest resources.
- Develop effective network to aggressively pursue rights on forest use (and protection).
- Developing livelihood practices that use forest resources sustainably and also organise alternate livelihood for the communities

2.5 In addition:

- Support the documentation of best practices in sustainable forest management and the spread of successful community level strategies and innovations.
- Establish mechanisms that will facilitate and promote transparency between SGP PTF, its community partners, and other key stakeholders.
- Promote PTF visibility by establishing linkages with other funding facilities, regional, national and local networks, with the end goal of generating support and complementary assistance to SGP PTF undertakings and to its partner NGOs, POs, CBOs and communities.

2.6 The projects likewise have also incorporated the basic ingredients of the country objectives. Examples from the three project sites visited in the field and one where site visits were not possible are as follows:

Table 2: Country Project Objectives

Countries	Name of project	Project objectives
Philippines	Indigenous People's Initiatives on Community-based Tropical Forest Conservations and Management in Mainland Palawan (Proponent NATRIPAL)	<ul style="list-style-type: none"> • Establish data base on community and natural resources as basis for all development activities, including its efforts for certificate of Ancestral Domain Title. • Strengthen capacities through training, education campaign, material and technical support for community based natural resource conservation through strengthen cooperation between other NATRIPAL's other organizations. • Organizing actions towards tropical forest resource management. • Establish modern and indigenous forest management schemes. • Establishment of demonstration farms for showcasing improved Integrated Sloping Land Technology. • Establish environment friendly livelihood initiatives that would cater to daily survival needs of the communities.
Thailand	Project for Networking and Reforestation of Community's Food Resources in Nongbualampu (NGO NERDA)	<ul style="list-style-type: none"> • To develop forest to be natural food sources for the community by enhanced collaboration of people. • To build capacity in management to rehabilitate forest as natural food resource and development of coordination between public and private sector. • To promote and develop indigenous knowledge. • Strengthen networks and establish the pilot project of participatory approach in community forest management.

¹ Benefits and impacts shown in Maslow's Hierarchy of Needs and DFID's Sustainable Livelihoods framework: Appendix 6.

Vietnam	Strengthening community capacity in managing, protecting and developing community forest through forest land allocation and to the Dao ethnic groups in Village 6, Tan Dong Commune, Tran Yen District, Yen Bai Province (Support Group)	<ul style="list-style-type: none"> • To allocate the forest and forest land to the villagers and legalise the user rights of the villagers. • To manage, protect and take care of the community-owned forest to contribute to improving living standards and improve the environment. • To build the capacity of the villagers so that they can manage and sustainably develop the allocated forest and forest land. • To improve the villagers' living standards, contributing to poverty reduction and hunger eradication through strengthening combined agro-forestry production and community forest management.
Pakistan	Sarhad Rural Support programme in villages of Sra Zamka and Dalian, Hangku District, Kohat Region, NWFP.	<ul style="list-style-type: none"> • Integration of efforts of all stakeholders for promoting Mazri forests. • Development of comprehensive CB management systems for sustainability of Mazri forests. • Train and build management capacity for stakeholders in sustainable utilization of forest resources. • Provide guidance and assistance in alternative sources of energy, ICS and solar power to offset reliance on forest resources.. • Assist communities to identify and harness new livelihood options.

2.7 All First Wave country projects follow the same general pattern of empowering local communities to make better use of forest resources in order to enhance their economic statuses and to help in national and local endeavours to achieve improved forest conservation and sustainable use of forest resources. Likewise in Sri Lanka there are growing numbers of applicants for small grants for projects with similar objectives that are under consideration by the NSC and PTFC pending approval of the PDF.

2. Implementation Related

i. Enabling environment

2.8 All the countries under the Programme have positive environments within which to implement the planned activities agreed in Annual Work Plans by the UNDP and EC. In each country but at varying pace, government policies are moving more and more towards community participation in forest management, ranging in substantial empowerment in the Philippines through approval of ancestral rights over specific forest estate to Sri Lanka where community and user group approaches to forest resource management are still in the very early stages of inclusion in forest management policy. In most countries in the region there are moves to allocate use of forest land to communities for management and the Programme is viewed as an effective entry point in the process.

2.9 UNDP's Country Cooperation Framework in the region provides support in designated thematic areas which underpin the SGP PTF objectives of meeting the challenge of commonality between sustainable forest management, natural resource conservation and community development that apply to all participating countries.

2.10 In Philippines the efforts at promoting ecological balance and environmental sustainability in the country is guided by the Philippine Government's Medium Term Philippine Development Plan (MTPDP 2001-2004). The primary government agency mandated to facilitate the actualization of the MTPDP's goals and targets is the Department of Environment and Natural Resources (DENR), the same agency which is "responsible for the conservation, management, development and proper use of the country's environment

and natural resources, including those in reservations, watershed areas and lands of the public domain, as well as the licensing and regulation of the benefits derived therefrom.

2.11 In Thailand, the Royal Thai Government has developed clearly articulated strategies for natural resources, environmental management and sustainable development. These are clearly addressed in the RTG Ninth National Economics and Social Development Plan 2002-2006 which states its two principle objectives are to firstly ensure sustainable use of natural resources, and to secondly provide more opportunities for community based management of local environment and resources.

2.12 In Vietnam, there is tremendous scope of improving forest covers through community participatory models under the present socio-political agenda of GoV.² A system of special use, protection and production forests has been established and strengthened, resulting in better management of the forest resource. In recent years, development orientation in the forest sector, particularly the Land Law, has shifted from state forestry, to people forestry which promotes community participation in forestry management and aims to mobilise labour potential, create job opportunities, contribute to poverty alleviation and sustainable livelihoods.

2.13 In Pakistan, UNDP under the mandate of the Country Cooperation Framework with the Government of Pakistan is committed to provide support in designated thematic areas. Issues of environmental protection along with concerns for poverty alleviation are priorities now resulting from the Country's status as signatory to various global environmental conventions. CB joint forest management is an innovative strategy which is becoming increasingly adopted.

2.14 UNDP initiatives at the small grants level is largely under the aegis of the Global Environment Facility (GEF) funded small grants programme (SGP). The GEF SGP small grants programme that is implemented directly through civil society organizations to whom grants of up to US\$50,000 are disbursed for community led projects relating to climate change, international waters and biodiversity. This Programme is focused on grass-root institutional strengthening to foster environmental conservation together with sustainable forest management.

2.15 The lessons learned by all participating countries from the GEF SGPs, with respect to operational and programme issues, are invaluable pointers for the direction and operating procedures of the PTFs. It was clear to the Consultant that the PTFCOs make direct use of the existing GEF SGP mechanisms and networks and liaise closely and cordially with the GEF SGP in ensuring close complementarity between the two programmes. Furthermore the GEF/LIFESGP (specifically in Pakistan) has developed sophisticated guidelines for proposal evaluation, project scrutiny, NGOs capacity assessment, etc. which provide a readymade template for the complimentary PTF activities. Consultation and collaboration between the two programmes was noted by the Consultant to be a tangible cornerstone for an admirable foundation for the SGP PTFs.

2.16 Taken overall UNDP is providing an opportunistic environment for small projects with funding support from EC. It is supported at no cost by the involvement of voluntary NSC members who are experts in a wide variety of specialisations and well known in the development sector. The target communities are receptive, have absorptive capacity and have realised a genuine need for technical and funding support for rehabilitating and protecting forest cover.

² GoV has shown major interest in forest management, protection and development in recent years. As per official reports (National Forestry Development Strategy 2001 – 2010 and Agriculture and Rural Development 5 Years Plan 2001-2005, MARD, 2000) protection of 9.3 million ha of existing natural forests is in place, from 1995-1999, 1.120 million ha of plantation forest was established. As a result forest cover has increased from 28,2% in 1995 to 33% in 2000 and annual deforestation decreased from 47,200 ha per annum during the period 1991-1995 to 11,000 ha per annum during the period 1996-1999.

2.17 GEF SGP is active in seven of the nine PTF participating countries having projects benefiting directly NGOs, POs and other community-based organizations and local communities. PTFs in all these countries have developed excellent relationships with GEFs. They are to jointly fund some projects.

2.18 In most of the countries, SGP PTFs are housed within UNDP COs which gives appreciable support to the PTF programmes.

2.19 There is a strong NGO movement in most of the countries. However, exceptions were noted especially in Vietnam where there are no national NGOs but INGOs do operate. In such circumstances the SGP PTF works with other people's organisations, farmers' unions and concerned groups. Also in Vietnam there is a National Working Group that is working towards policy advocacy for legally allotting forest and forest lands to the communities both for protection and management and sustainable use.

2.20 The PTF programme is further supported by the involvement of the NSC members who are experts in various development fields, well known in the development sector, influential personnel and is a great body of knowledge.

2.21 The target communities in all the countries are receptive and capable of implementing the projects due to their prior involvement in the forest related activities, often with knowledge of the GEF SGP small grants programme.

ii. Schedule of implementation

2.22 Unfortunately, in many instances, whilst it is likely that the immediate objectives will be realised, long-term sustainability and lasting impact require more time than the project design provided thus, even with the additional two years' extension, the time factor appears to be an overriding constraint to these two requirements. This was borne out in all meetings and findings are described country reports. Implementation schedules for forestry-based programmes clearly require more time. A minimum of eight to ten years is required and recommendations are made to this effect for any future follow on or new programme of this nature which requires a long term perspective.

2.23 Although the Programme appeared to be slow during the start up period it appears that much of the delay was due to unavoidable demands required for preparation of guidelines and work plans and their subsequent approval by UNDP and the EC. A modality which inextricably incorporates two different project documents – the EC UNDP Grant Agreement and the UNDP PRODOC, each of which having its own form of logical framework, financing mechanism and work plan layout, couched in varying official terminology, clearly took some time to rationalise by all parties concerned, especially SEARCA and the RCO. As a result, more than a year of the initial 46 months to date (December 2000 September 2004) were taken up by start up, effectively non-operational activities, and it was only after nearly three years from the Programme start date of 27 December 2000 that the first grant Projects received funding to begin country Programme implementation. In a corresponding manner each First Wave beneficiary country went through a lengthy preliminary learning phase which has been greatly speeded up in the second phase, as demonstrated by Sri Lanka.

The history of the slow accomplishment is summarised in Figure 2 and is as follows:

- i. The GA was signed on 26 December 2000. There was a delay in the recruitment of the RPC who was contracted in October 2001 and started setting up the RCO in November 2001 at SEARCA.

- ii. Within the start up phase required in the UNDP PRODOC an Inception workshop was held in December 2001 and all major documentation including the Regional Operations Manual, Regional Strategic Framework, Annual and Global Work Plan and Budget were completed and submitted to EC AIDCO for endorsement by July 2002.
- iii. Formal approval of the Annual and Global Work Plan and Budget was received from EC AIDCO on the 20 November 2002.
- iv. As a result no implementation activities took place from December 2000 until late November 2002.
- v. Signing of grant agreements in the First wave countries began in October 2003.

2.24 By the same token, in the current year, appreciable strides have been taken and speedy progress has been made in all the countries, thus defraying some of the initial delay. Although at first sight the project financial statements (see Appendix 5, Tables 1 and 2 and Summary Table 4 below) do not bear this out, the first wave countries have made full commitments of grant funds while those in the second wave are poised to do so by December 2005 or even earlier. Out of the two in the third wave, Cambodia has started operations and is expected to be ready with commitments also by December 2005. This is the deadline that has been set in the Amendment to the GA by the EC and UNDP for commitment of all grant funding and "selection of projects to be financed under the project fund". The second and third wave countries would therefore have even shorter time for operations.

2.25 Pressure for second and third wave countries to commit grant funds within a year; the current slow delivery rate and the variable start-up time have necessitated a UNDP review mission to Laos on which the future course of action will depend.

2.26 The impacts cannot be measured in such a small period of time and current operational statuses are shown in the table below.

Table 3 : Summary of current status of SGP PTF countries

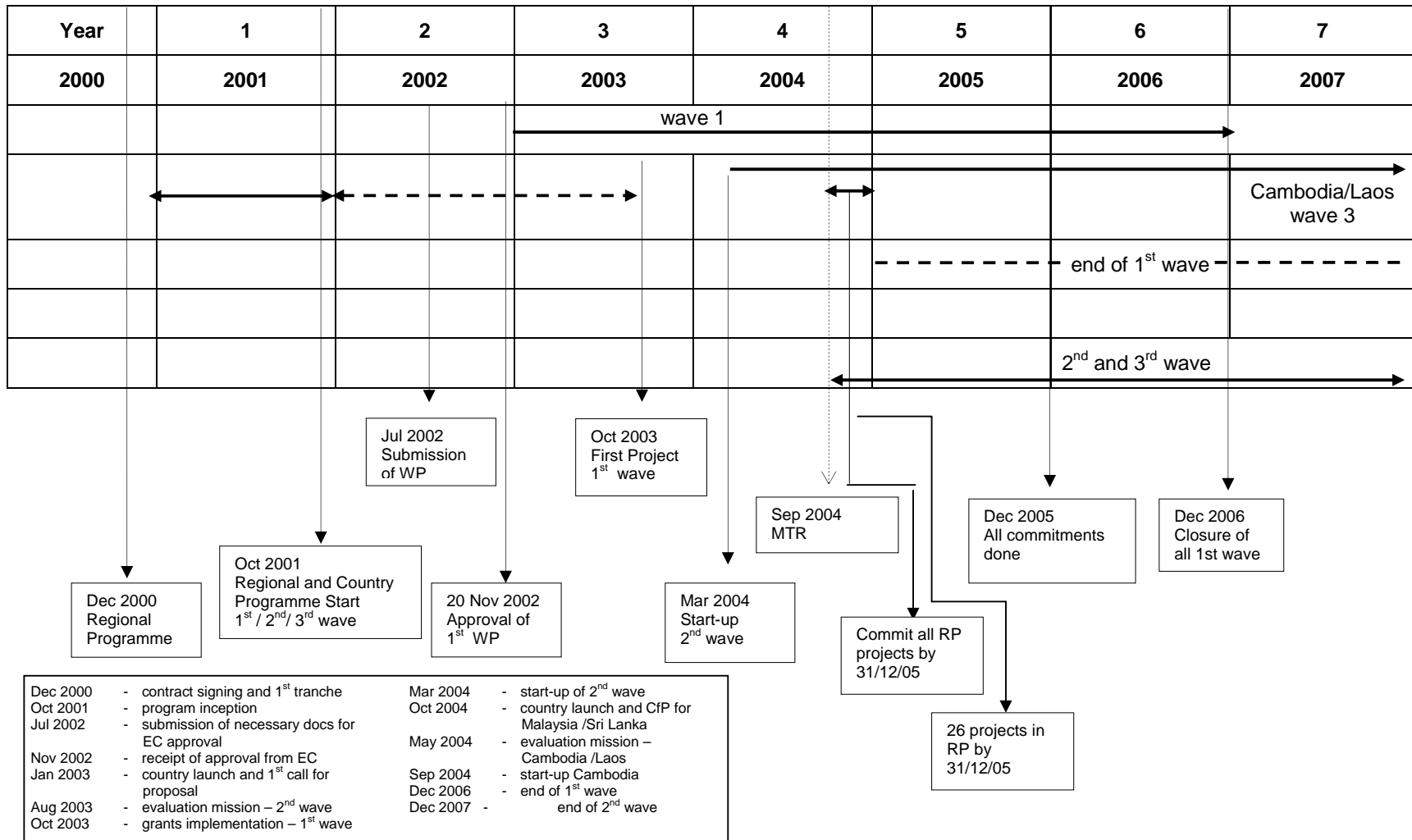
Name of Country	Current Status	Findings
Philippines	Operational – grants awarded	42 projects agreed 11 being implemented
Thailand	Operational – grants awarded	32 projects agreed 10 being implemented
Pakistan	Operational – grants awarded	24 projects being agreed 10 being implemented
Vietnam	Operational – grants awarded	23 projects agreed 6 being implemented
Sri Lanka	Operational – NSC formed	142 concepts received and 15 agreed
Indonesia	NSC formed	Starting up. PTFC appointed.
Malaysia	NSC formed	29 concepts received 15 agreed
Cambodia	Starting up	PTFC being recruited
Laos	Pending	Eventual status remains uncertain

Note: Refer to Table 2 Appendix 5 for more details.

2.27 From the point of view of the TA provided, it is noted that the Programme has only one international staff, the RPC, whose contract is due to conclude under the current modality in October 2005, which will result in the extended Programme not having the benefit of the continuity at the regional level.

Figure 2 illustrates the past and future scheduling of the Programme and underlines the time pressure that is being felt by Second and Third Wave countries.

Figure 2: EC UNDP SGP PTF Timeline of Activities



iii. Process of implementation

2.28 Programme implementation processes that are being used are conducive for thorough and well organised delivery of contractual obligations but the process is time consuming and deserves review. The process of implementation begins with a call for proposals, after which a preliminary short-listing is made by the PTFCO prior to referral to the NSC Technical subcommittees and then sent to the NSC for approval. After this the approved applications become incorporated in MOAs signed by the proponents and the UNDP RRs. The final step is provision of grant funding through UNDP and the RCO. The entire process takes three to six months. Field visits are always made either by the PTFC or members of the NSC before signing of proposals to validate proposals on the ground before they are finalised by the PDF.

2.29 At the grass roots, the proponents and communities work closely together for planning and implementing using participatory processes required by the Programme. Communities depend on the NGOs, CBOs and POs for proposal writing, report writing and to some extent on accounts keeping. Nonetheless training is widely needed.

iv. Qualification of staff

2.30 The PTFCO staff is outstandingly well qualified in all the countries and the entire Programme benefits from this both collectively at the RCO level and at the individual country level where much responsibility and autonomy has been vested. Scope for additional training and capacity building is almost zero since the Programme has no provision for staff training. The Programme however, does facilitate no-cost opportunities wherever they can be accessed from time to time.

2.31 The UNDP COs and SEARCA have technical expertise which can be drawn upon by the RCO and PTFCOs as required for technical support and backstopping.

2.32 Good training programmes are conducted for the stakeholders covering many issues to equip and empower them and this is integral to most country project designs.

v. Communication

2.33 The IC&V documents prepared by participating countries and collated by the RCO defines regional as well as country plans. However, the communication budget is very low for PTFCOs constituting 1 percent of the total budget. For instance it is well known that Thailand is very expensive for advertisements in papers and the allocated budget in Thailand can actually provide for only about two workshops.

2.34 So far, training programmes, workshops, interpersonal discussions, some advertisement for 'call for proposals' through newspapers, word of mouth, GEF Newsletters, etc. have been the main communication vehicles. TV and radio, newspaper advertisements have also been used. Few communication materials have actually been prepared by PTFCOs for technical and budgetary reasons.

2.35 The individual projects have prepared brochures, 'T' shirts, books, caps, pens, leaflets, cloth bags and display of photographs in workshops and seminars where possible.

2.36 UNDP and EC are both visible but awareness is skewed towards UNDP, which is not surprising considering its much longer historical position in the respective countries and despite the diligent efforts made by the Programme.

2.37 Although the RCO has contracted a private firm to develop an informative and user-friendly web site (www.sgpptf.org) which has received at least 8000 thousand visits and 1000 direct queries for funding and which also provides an immediately accessible source of information for some segments of society, there remains a need to improve the communication strategy. A plan for the regional Programme as a whole and for individual country programmes should be professionally designed.

2.38 Assuming that the Programme intends to extend its mark in the region, an enhanced communication campaign should be actively considered as a high priority in future work plans. The existing SGP PTF IC&V document defines regional as well as country communication plans but lacks a comprehensive strategy. The plan recognises in its design the budgetary constraint for implementation.

c. Organization Related

vi. Management support

2.39 There are well designed administrative and management documents that support interventions at all levels, from regional office to grassroots, many are based upon well-tested GEF SGP models and therefore help protagonists in understanding the SGP approach. These documents relate to all aspects of Programme management, country project development, formation of NSCs, IC&V plans, proposal writing, financial control, monitoring. These include:

- EC UNDP Grant Agreement (GA)
- The UNDP Project Document (PRODOC)
- Atlas accounting
- Regional Operational Manual (ROM)
- 5year Work Plan and Budget
- Annual Work Plans
- Logical Framework
- The IC and V plan
- Grant disbursement MoAs
- Quarterly and Annual Report TOCs
- Monitoring forms

2.40 These are supplemented by core programme management guidelines developed by each country that indicate agreed strategies and procedures to be followed by PTFCs and their immediate associates.

2.41 The PTFCs receive support from the Regional Coordination Office in many aspects of project cycle management, direction and operations including development of institutional linkages, administrative procedures and financial control. The RPC's policy is to maintain a non-interference yet supportive position in relation to PTFCOs. The RCO is instrumental in Programme consolidation and in fostering and maintaining institutional linkages with other similar regional initiatives. A database listing individuals and institutional networks has been developed and is maintained by the Regional Coordination Office (RCO), Los Baños, Philippines. The Regional Office aims to do the following:

- i. To achieve visibility and create widespread awareness of the SGP PTF both regionally and internationally.
- ii. To monitor OVIs for PTF community-based NRM initiatives and policy changes at the national, regional and international level and ensure that this information is made available to Programme partners.

- iii. To keep a current overview of EC, UNDP, GEF SGP and SEARCA policy and initiatives pertinent to the environment and development sector and ensure that this information is made available to the SGP PTF and partners. An additional role in this is to flag opportunities presented by policy changes to the SGP PTF and to suggest and indicate actions to be taken e.g. the EC central role in illegal logging policy, the UN approach and initiatives for Indigenous People and any policy for meeting the MDG relevant to the PTF.
- iv. To keep a current overview of lessons learned from SGP PTF funded projects with a view to contributing to the regional and international dialogue on community based natural resource management.

2.42 The Annual Report for the period June 2000–July 2004 provides a comprehensive record of operations, projections to June 2005 and individual country reports. Taken overall the Programme continues to meet and build on the goals outlined in the EC UNDP Grant Agreement and UNDP PRODOC.

2.43 The country programmes focus on poverty and the environment with cross cutting themes related to gender, sustainability, capacity building and indigenous people. Most of the Programme's activities ongoing and planned, contribute towards the UNDP Millennium Development Goals of Poverty and Hunger eradication and MDG 1 and at the same time endeavouring to ensure Environmental Sustainability, MDG 7 and together with the EC and its Member States there is an overarching commitment to poverty eradication defined in the Cotonou Agreement (2000). In its present form the Programme provides an example of UNDP and EU commitments to embrace international and national environmental and development conventions.

2.44 The Programme has introduced a grant making system, following the GEF SGP model that avoids cumbersome traditional bureaucratic mechanisms.

2.45 The Programme aims to be a partner to poor, often marginalised forest dependent communities, through active facilitation to enable relatively un-bureaucratic access to development resources, thus empowering communities to realise their own potentials, use indigenous technical knowledge and skills and more effectively stand on their own feet. Recent proposals in some countries for organization of revolving trust funds to secure continuity of SGP PTF initiatives after the Programme closes are a clear indicator of tangible impact of the programme in the field.

2.46 Much of the current headway that is being made up for past slippage (see Figure 3) has been brought about through highly effective, well focused and committed PTFCOs as confirmed by the RPC and the Programme is most fortunate in this regard.

Figure 3: Award and Expenditure

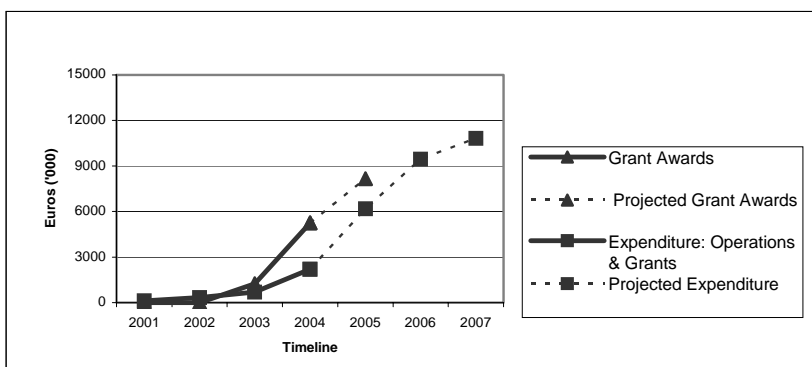


Table 4: Summary of Total Expenditure achieved to 23 October 2004

Budget Line and Position as at 23 Oct 2004	Code	Total Budget	Expenditure				Balance US\$	%
			Y2001/02	02/03	03/04	Total		
PERSONNEL	010.00	432,100.00	148,588.62	115,175.48	85,938.96	349,703.06	82,396.94	80.93%
International Consultants	011.01	369,800.00	137,705.80	100,514.98	74,345.94	312,566.72	57,233.28	84.52%
Administrative Support	013.01	62,300.00	10,882.82	14,660.50	11,593.02	37,136.34	25,163.66	59.61%
MONITORING AND EVALUATION and Travel	015.00	313,800.00	4,389.70	23,082.25	21,642.63	49,114.58	264,685.42	15.65%
HQ SUPPORT and MISSIONS	016.00	286,888.00	41,966.13	16,918.14	19,702.37	78,586.64	208,301.36	27.39%
Start-up/Monitoring	016.10	84,588.00	38,188.00	0.00	0.00	38,188.00	46,400.00	45.15%
Regional Missions	016.20	72,600.00	3,778.13	14,714.59	11,576.05	30,068.77	42,531.23	41.42%
Evaluation	016.30	129,700.00	0.00	2,203.55	8,126.32	10,329.87	119,370.13	7.96%
NATIONAL STAFF	017.00	770,500.00	52,443.16	72,782.40	76,363.75	201,589.31	59,307.45	26.16%
TRAINING	030.00	138,400.00	24,548.87	21,277.24	33,266.44	79,092.55	59,307.45	57.15%
Regional Workshops	032.10	86,500.00	11,451.35	18,477.45	28,481.52	58,410.32	28,089.68	67.53%
National Workshops	032.20	51,900.00	13,097.52	2,799.79	4,784.92	20,682.23	31,217.77	39.85%
EQUIPMENT	040.00	155,700.00	15,052.51	14,490.56	20,396.58	49,939.65	105,760.35	32.07%
MISCELLANEOUS	050.00	1,109,012.00	23,339.34	51,344.95	30,165.77	104,850.06	1,004,161.94	9.45%
Reporting Costs	052.00	963,100.00	22,885.99	38,627.06	24,849.71	86,362.76	876,737.24	8.97%
SUNDRIES *	053.00	145,912.00	453.35	12,717.89	5,316.06	18,487.30	127,424.70	12.67%
Visibility	053.10	116,300.00	453.35	7,606.82	5,316.06	13,376.23	102,923.77	11.50%
CO support cost	053.11	29,612.00	0.00	5,111.07	0.00	5,111.07	24,500.93	17.26%
Sub-Total OPERATIONS	for	3,206,400.00	310,328.33	315,071.02	287,476.50	912,875.85	1,783,920.91	
% EXPENDITURE OPERATIONS	for		9.68%	19.50%	28.47%			28.74%
Grant disbursement								8.08%

Note:

1. Extract from Appendix 5 Table 1
2. The above figures are derived after 54% of Programme time.

2.47 Discussions by the Consultant with PTFCOs and UNDP DRRs revealed an evolving role for the RPC as a more influential supervisor of the country level implementation of projects and providing more guidance and help in technical problem solving. It was perceived by PTFCOs that the RCO should become a more prominent hub and major carrier and promoter of good forest sector practices to the country offices, over and above keeping up-to date with relevant forest sector initiatives in the region and dissemination of lessons learned. The heightened role would not be looked upon as interference but as providing "technical supervision" and support defined in section 13 of the PRODOC, especially when this could embody sharing of ideas that are effectively applied in other countries in the region and elsewhere.

2.48 These expected roles for the RCO as the "main forestry expert of the Programme" are not new. The position and responsibilities of the RCO and RPC are defined in the PRODOC and ROM which state that "The RCO is responsible for the monitoring and evaluation frame work and communication strategy, it monitors country programmes and

coordinates in documentation and dissemination of lessons learned from the programme's community-based experiences." The PRODOC also refers in section 13.1 to the formation of partnerships and linkages to "allow the longstanding EU technical expertise in sustainable forest management to be used in the training, evaluation and visibility components of the programme and to have an important impact on it." At the RCO level, monthly consolidated financial reports on expenditure should be linked with weighted achievement reporting to enable better control and direction to the PTFCOs and EC-UNDP as recommended in the COA Audit for 2002-2003.

2.49 The budget for Equipment, line 040.00 is under-spent, and in view of the increasing need for information management and requisite hardware and software, it is deemed necessary that this budget line and associated activities be given early review and at the same time country and consolidated Non-Consumable Inventories should be rationalised and reported on by the RPC.

2.50 Support by NSCs was highly appreciated by all PTFCOs. The NSC is comprised invariably by highly qualified and experienced people who are able and willing to provide technical backstopping which might otherwise be lacking in the programme. They play an important part in project selection, advising PTFCOs and by providing technical review and inputs as and when necessary. Thailand PTFC has innovatively introduced members from provinces where projects have been initiated thereby encouraging NSC members to have a tangible stake in project supervision and to foster a true sense of ownership. The RPC is expected to "participate in NSC meetings in each participating country" when PTF projects are being considered (PRODOC section 13.4), this has been constrained by the way the budget has been formulated and scheduling synchronised.

vii. Flexibility in programme

2.51 Programme decision makers are flexible and open to innovation at country level and to requisite programme changes. As discussed earlier, all countries have adapted the Regional Guidelines to their country needs. UNDP and EC are generous in supporting flexibility.

2.52 Countries have been highly adaptive in their use of the PDF facility. Most country PTFCOs have strengthened their management capacities through gathering support from PDFs which are treated as grant project grantees with flexible mandates. For instance, PTFCO Thailand has effectively modified the role of the PDF to monitor and evaluate the projects that have been implemented since the proponents themselves have the capacity to assess and prepare project proposals themselves. PTFCO Philippines is using the PDF avenue to develop project proposals and is planning to appoint another PDF for systematic documentation of good practices and case studies. It was felt that PDF should become part of the operations and release funds for more projects. In Pakistan and Vietnam the PDF acts on behalf of direct beneficiaries and proponents. It receives EOIs that have been approved by the PTFCO and NSC and translates these into full project proposals for the NSC to finally select.

2.53 The proponents implementing projects also have flexibility in their operations and deliveries. Innovative activities were noted during our discussions. For example in Thailand, Buddhist monks have been invited to tie their sacred saffron cloth on the trees in order to demotivate people from logging.

viii. Sufficiency of funds

2.54 Using un-audited statements provided, there are sufficient resources for operations and micro-grants in the Programme and for all PTFCOs. Funding appears to be insufficient for adequate project monitoring, programme staff training, audit, and communication. Tables 14 in Annex 5 illustrate the budgetary position. Examination of the Euro Account indicates that at programme closure in 2007 there may be an overall surplus of €219,232 for Programme Operations and € 1,792,636 for Country Project Grants see Table 3 Euro Account. Evidently the anticipated surplus, despite a concomitant increase in delivery rate is attributable to the favourable €/€ exchange rate that prevails at the moment.

2.55 The picture is different in the UNDP budget which is expressed in US\$. Using the same delivery and achievement assumptions it is anticipated that there will be a deficit of US\$ 607,526.08 in Operations and a surplus of 704,912.20 in Grants. The former deficit is a reflection of proposed funding requirements for Personnel Budget lines 011 and 013 and 017 all of which relate to Staff emoluments and Regional Workshops line 032.10. It is intended that funds be re-aligned from Equipment and Miscellaneous lines 045.01 and 053.10.

2.56 The surplus in the US\$ Grant budget is due largely to the expectation that expenditure may not occur in Laos and that the ability to make full commitments by December 31 2005 for all counties may not be achievable.

2.57 However, assuming that the staffing budgetary requirement is properly justified then it could be argued that the additional inputs would serve to ensure that all the grant funding would be effectively applied and disbursed by Programme closure.

2.58 The evident low delivery of Grants of 8.8% as at 30 September 2004(see Appendix 5), is a reflection of project design rather than performance since it has taken a considerable amount of time, commented upon previously (see para 2.22) to complete the lengthy procedures for grant awards and secondly because grants are not paid as lump sums to proponents but in stages. Having examined sample staged payment schedules it seems likely that the delivery rate will increase significantly after the second call for proposals are completed for First Wave countries and Second Wave countries have also reached the stage for award payments. In any case, although the low delivery perception will carry forward in the forthcoming period, the situation appears to be under control and that high delivery will be achieved by Programme closure (see Figure 4).

2.59 Budgetary realignments are proposed for salaries, regional workshops and travel as set out in Tables 3 and 4, Appendix 5 and this matter should be given due consideration, together with the identified imperatives of training and communication, at the next Programme Regional Workshop in which Annual Work Plans and Budgets are reviewed and approved or sooner if feasible.

ix. Gender

2.60 The interventions have been shown to be gender sensitive and all aspects of GID are introduced in planning and management by PTFs whenever appropriate and feasible. Discussions, documents and visits to project sites revealed good participation by women in most of the projects. There are conscious efforts made by all PTFs to provide for the participation of women in as many project activities as socially and culturally feasible at that prevailing socioeconomic evolutionary stage.

2.61 The CBOs and NGOs also have women working with the communities, many of whom are from the target communities.

x. Ethnic harmony and conflict resolution

2.62 The Programme has no clearly defined strategy to deal with conflicts and ethnic problems, stemming mainly from an absence of in-house expertise although this matter should be considered in light of para 2.44. which refers to drawing upon EU experience and technical capability and also since the UN is increasingly concerned about security and the added risk of low delivery in conflict-prone areas.

2.63 The need for strategies for making a useful contribution to conflict amelioration was mentioned in Sri Lanka, Pakistan and Philippines. Communal tensions were not reported in Thailand and Vietnam, although in the former its significance is becoming increasingly evident. In Sri Lanka it was clearly stated that the Programme is viewed as having an important part to play in helping facilitate reconstruction processes after the civil war. In particular in helping raise awareness of the need to conserve forest resources and to manage them sustainably during an expected burgeoning in demand for construction materials and in meeting the anticipated demand for forest resources by returning residents and for commercial infrastructure.

B. Efficiency of management

2.64 The Programme is well managed and directed by the RPC who is stationed at the Regional Coordination Office within the premises of the NGO, Executing Agency's office at SEARCA in Los Baños, Philippines, accordance with Section B4 13.1 of the PRODOC. The RCO is supported through UNDP Country Offices in participating countries and works in close liaison with the EC Delegation in Manila and with the other concerned EC and EU member country delegations. Whilst this appears *de facto* to be a viable working arrangement, borne out by the wholly positive performance of the Programme to date, perceptions elsewhere seem to indicate that it might be more appropriate if the RCO and also the Philippine PTFC offices were to be housed within the UNDP Country Office in Manila. The RCO office location and working environment does not provide a good public interface.

2.65 Justification for the extension (EC "Note explicative" 3 March 2004) rested largely on the delay in fielding of the RPC thus with this time having been made up the Programme delivery should no longer incur any slippage in achieving annual and overall targets. Examination of the financial disbursement figures to date suggest that this matter should be monitored closely in each quarterly report. It should also be borne in mind that the ultimate year 2006-2007 is intended for finalising activities and audit.

2.66 Overall, all PTF country offices visited were found to be well managed by PTFCs and their assistants where appointed. With the exception of the Philippines, the PTF offices are located within the main UNDP country office with other UN agencies which include the UN Security offices in countries where there are possible security risks, and with which they have fostered excellent working relations.

2.67 All the offices are adequately equipped with sufficient accommodation to hold meetings. They are supported by good communication systems that are available in the UN offices and these are being efficiently utilised. However, it was evident that optimum use of space and existing IT is being made by PTFCs whilst only about 30% of the approved budget for equipment has been utilised. There is clearly scope for upgrading and supplementing equipment especially for communications, and IC & V activities.

2.68 The staff are well qualified and competent to carry out their responsibilities in a responsible and professional manner and were found in all cases to be well respected and on have harmonious relations with PDFs and NSCs and the GEF personnel.

C. Effectiveness

2.69 The PTFs have developed relevant country guidelines and operational documents which are appropriate to local needs following the excellent guidelines set out in the ROM.. The following are now available as standard PTFCO documentation:

- Country Strategy Papers
- Guidelines for proposal making
- Schedules for proposal submission
- Reports on stakeholders workshops
- Brochures with guidelines
- Soft and hard copies of proposals
- Reports on site visits and appraisal reports
- Reports on NSC meetings
- Documents on M&E system for projects
- Roster of expertise
- Minutes of NSC meetings

2.70 Modifications were subsequently made by the countries during implementation which are documented in the form of reports and notes to the RCO.

2.71 The Programme web site (para 2.32) was developed by ISKULNET, a private company and is updated regularly by the RCO. This site is an important tool in the whole information dissemination process but its application is obviously limited in scope by local socioeconomic conditions and is often not appropriate for communities and direct beneficiaries who live in remote places and who do not have the means to access the internet.

2.72 Whilst the Programme is managed very largely through internet Email correspondence, backed by hard copies where necessary, the associated document storage and retrieval systems are adequate but a unified filing system and integrated data base, including GIS, have yet to be developed to keep pace with the volume of valuable information arising as the number of projects and regional partners multiplies. Apart from day-to-day management, operational cohesiveness and transparency, this form of Information Management (MIS) will prove invaluable in any future follow on phase for the Programme and in ultimate technology and data transfer to host countries.

D. Sustainability

2.73 All grantees know about the time-bound nature of the Programme and that the time frame is extremely tight if all goals and objectives that are agreed for projects are to be accomplished properly. They are already involved in forest protection and forest related movements. Hence, sense of ownership of the projects is not only high but also traditional.

2.74 At the project level, communities have set up forest management committees which liaise with government agencies at the village levels for technical support. All projects are trying to develop good and working relationships with government at local and provincial levels.

2.75 Project Steering Committees are part of every project in most countries and sometimes their title may change to suit local needs but all retain similar functions of responsibility for overall quality control, transparency, accountability, monitoring, learning and feedback. As an enduring facet of sustainability the knowledge and experience that is gained will continue long after the Programme closes and could indeed be readily called upon in any future Phase or new follow on small grants project.

E. Impact

1. Training

2.76 Capacity building is the most visible and lasting impact narrated by all stakeholders. While CBOs, NGOs and communities have undergone many training capacity building exercises, there were some more suggested for further training.

2.77 Additional training was specifically requested for:

- Project Management
- Conflict Resolution
- Project Planning, Monitoring and Evaluation
- Documentation and publication
- Accounts and book keeping
- Knowledge sharing
- Computer and internet access

2.78 Other than these, study tours and exposure visits were also felt necessary by community members, NGOs and CBOs.

2. Communication

2.79 There is an IC&V plan but funds are not sufficient for a full-scale campaign. The Programme web site appears not to be visited by rural communities but it is understood that very often their representatives in NGOs do visit the site. The impact is measured through the large number of visits to the Programme web site and receipt of an increasing number of funding enquiries (see para 2.33).

2.80 PTFC is mainly using inter personal communication as the main vehicle for communication with the NGOs, CBOs and GOs through meetings, attending Seminars & Workshops and community visits. This has resulted into invitations to PTFCs as resource person on many occasions, specifically for training. Call for proposals are advertised in the local newspapers, GEF Newsletter and through other NGOs. The impact is reflected in the large number of proposals received by the PTFCOs now in all the first wave countries.

2.81 The UNDP and EC are both well known in participating countries for their highly appreciated support and positive measures are always taken by PTFCs to guarantee visibility whenever opportunity presents itself but awareness is undoubtedly biased towards UNDP and this requires attention.

2.82 Overall, the budget for communication is insufficient and the Regional Office has limited budget in the sundries line 053.10, Appendix 5 table 1, for developing a communication plan. Hence, so far the campaign has not had much impact on the target

communities and even less on the larger communities. An intensive communication campaign is essential for a programme of this stature.

3. National Steering Committees

2.83 NSCs have proved to be a dominant factor in facilitating progress of country programmes and project selection. Members are usually experts in related fields, articulate, well known and motivated. Most of them are also experienced with GEF SGP. However, with the flow of proposals increasing, the task of the PTFCs is to keep the NSC members motivated and reduce work pressure. Project Review Committees have been formed to ease the situation.

2.84 Some NSC members have not been able to visit their projects and the PTF SGP needs to strategise and facilitate such visits so that their evaluations and opinions may be well balanced.

4. Sustainability efforts

2.85 It was quite clear that the communities and the other stakeholders have full knowledge about project time frame. They do have some apprehensions about project continuity after the funding is over. They are therefore, developing community funds and livelihoods projects for increasing scope of sustainability. Further, they are traditionally forest dwellers and have always been protecting their forests.

5. Lessons Learned

Several important lessons have emerged from discussions with respondents. These are summarised below.

- i. With the limited time remaining for operations (see Figure 2) the main stakeholders consider that the timeframe for forestry related interventions is too short and that for future programmes of this nature a timeframe of at least ten years, or even a rolling programme, should form the basis of future project design which should consider seasonality, climate and local ecological factors.
- ii. The second lesson which is highly pertinent is that gradual and orderly involvement of poor forest-dependent communities who have a deep vested interest in improving management of forest resources to be able to match supply with demand the PTF approach is recognised everywhere to be a most welcome contributor to this relatively new approach to forest management and enabling forest related legislation.
- iii. The PTF focus which includes livelihood strategies offers hope for improving the quality of life of the poor through alternative income generation activities, especially when these concern NTFPs, forest services and tourism.
- iv. In many instances the support organisations were found to need more training for project specific needs without which they are unable to effectively help the communities or implement PTF programmes.
- v. Many participating countries like Thailand and Vietnam do not have many institutions focusing on development related training, research and integrated development

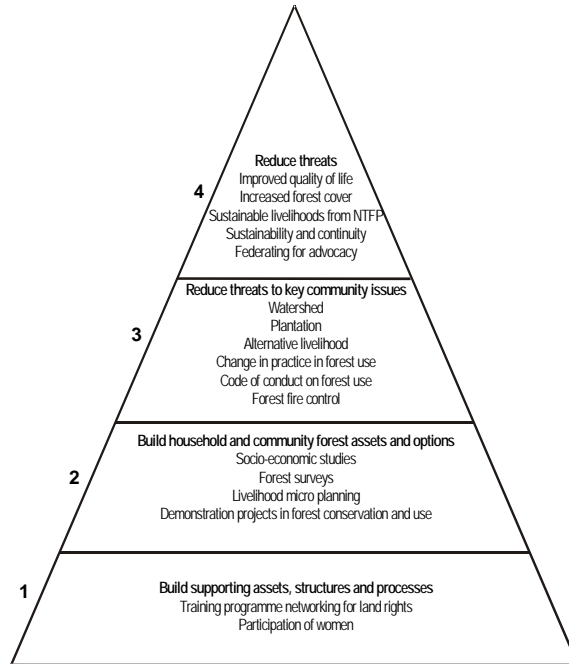
strategies and there appears to be an opportunity for SGP PTF to coordinate new initiatives for this purpose.

- vi. Vietnam being heavily funded by various foreign funding agencies is creating an insatiable demand for the few professionally trained personnel and experts available.
- vii. Insufficient response to Eols in the initial years for PDF was a problem for the programme and Third Wave countries should learn and respond accordingly.
- viii. The grantees are generally not very good at documenting and hence receiving reports from them is a perpetual problem. Also, telecommunication is a problem due to lack of such facilities in the remote areas. The PDF in future should be structured to help in this regard.
- ix. Reaching the point for signing of MOAs is a time-consuming process. MoA and support document preparation, translation and signing between UNDP Resident Representative and grantees could be simplified.
- x. The minimum amount specified is too large for community managed projects who can work with smaller grants in line with the GEF SGP policy.
- xi. The communities faced problem in opening Bank accounts and it was widely expressed that other mechanisms for fund handling could be considered.
- xii. The communities were over ambitious about the activities they could undertake and this aspect of proposal preparation should be given more attention.
- xiii. The Programme is generating positive responses from government line agencies, especially forest departments, that now see that CB management is of great mutual benefit.
- xiv. The role of PDF is important for building capacities, developing proposals, monitoring, etc. depending how each national PTFC utilizes PDF, hence selection of right PDF is critical for the effective implementation of the Programme without them the process would be seriously impaired.
- xv. Networking has given the communities, CBOs and NGOs new and effective partners in their pursuit for advocacy with government bodies.

5. Others

2.86 The stakeholders perceive increase in tourism due to increased forest cover. This, they apprehend, would bring in socio-cultural degradation in the community. Several areas in Thailand have experienced this and the stakeholders are aware of such impacts. They have already geared up to counter these. Code of conduct for tourists has been developed so as to maintain traditions and cultural ethos and minimize conflicts of interest.

2.87 Field visits, documents and discussions revealed that most of the country projects are distributed in the 1st, 2nd and 3rd strata of the triangle, more numbers being in the 1st. All are targeted to reach the 4th stratum. Only a few projects in the Programme with its current timeframe can reach the 3rd stratum and most will achieve only the 2nd stratum.

Figure 4: Hierarchy of PTF SGP Forestry, Livelihood and Poverty Alleviation Project

III. CONCLUSIONS

3.1 This is a relevant project for the region and the nine participating countries. The Programme is well managed and is likely to have a high level of achievement of its goal and objectives although the lasting impact remains in doubt. There are two central issues which have a bearing upon the Programme's efficiency and effectiveness that have emerged during the review. Both relate to the fundamental underlying principles of forest management and institutional development for forest-resource livelihood innovation on which the programme is predicated. These are:

- i. **Forestry and institutions:** The intervention is in the forest sector and is wholly community-based, targeting economically disadvantaged and marginalised communities, with special emphasis upon poor forest-dependent minorities and indigenous people. As such the audience is often difficult to identify, naturally conservative and sometimes diffident to change and can be outstandingly slow in taking up novel ways of sustainable forest use. Developing absorptive capacity and essential institutional arrangements is therefore not easy.
- ii. **Livelihood:** Secondly the time provided for achieving ambitious objectives within the forest sector, substantively to reverse trends in forest denudation and degradation by "addressing underlying socioeconomic causes", is inadequate to achieve sustainability and lasting impact. By its very nature it is not only the exigencies of forest management *per se* that are time consuming but introduction of new livelihood options and their adoption and implementation, when reliant upon forest resources, is also a laborious and time consuming task which cannot be rushed.

3.2 The financial tables in Appendix 5 at first sight indicate a very low Programme disbursement rate of 28.5% to date for the US\$ budget (excluding Contingencies) and about 8% measured against the provision for grants. However, the Programme should not be judged by this alone and should take into account the points 3.1 (i) and (ii) made above, to the slow start up phase and the evidence that there is a good prospect that the increase in delivery rate that is reflected in Figure 3 will continue and that the likely prognosis is that most, if not all the objectives, could be realised by 2007 unless there are any unforeseen circumstances that may arise to throw the programme off course (see the Threats in SWOT analysis in Table 4.)

3.3 The findings of the Review are summarised below and are based upon synthesis of discussions and interviews with key stakeholders listed in Appendix 3 and which are reported upon in depth in the country evaluations that are provided in Appendix 6.

1. Relevance

a. The Programme Intervention

3.4 It is a highly relevant programme for the selected countries with clearly defined objectives and modalities of work and has a clearly defined audience focusing on rural poor and ethnic minorities dependent on forest resources to a greater or lesser extent and those who reside in forest fringe areas in full accordance with the GA and PRODOC.

3.5 Almost without exception the desire to have the SGP PTF followed on by either another similar programme or a new project with the same goals and objectives, was made by persons and groups contacted. This was an unequivocal measure of the perceived relevance, effectiveness and good management of the Programme.

3.6 The roles of the EC and UNDP were also highly regarded and generally well understood, but at the community and grantee level it was seen that there is a gap in knowledge which should be addressed in future IC&V programmes (see The provision of financial and technical support was also found to be extremely well appreciated everywhere.

3.7 There is enabling environment present in all the countries where the country governments are developing policies and programmes increasingly towards community participation and management of forests. Finalised modalities are not yet available. Hence this programme is poised to support and influence the respective governments in their decisions with pro poor stance.

3.8 UNDP is providing an enabling environment for the small projects with due funding support from EC. It is further supported by the involvement of NSC members who are experts and well known in the development sector.

3.9 GEF SGP is active and has already set precedence in seven of the nine countries in this programme. The GEF projects have benefited NGOs, POs and community-based organizations (CBOs) and local communities directly.

3.10 There is a strong NGO movement in most of the countries. However, exceptions were noted in Vietnam where NGOs are not common the Programme is demonstrating that it is working effectively in such circumstances and is relevant to innovations in the forest sector.

3.11 There is a strong NGO movement in most of the countries. However, exceptions were noted especially in Vietnam where there are no national NGOs but INGOs do operate. In such circumstances the SGP PTF works with other people's organisations, farmers' unions

and concerned groups. Also in Vietnam there is a National Working Group that is working towards policy advocacy for legally allotting forest and forest lands to the communities both for protection and management and sustainable use.

3.12 In most of the countries, PTF SGP housed within the UNDP building which gives additional support to the programmes.

3.13 And finally, the target communities in all the countries are receptive and capable of implementing the projects due to their prior involvement in the forest related activities.

3.14 For such a relevant programme a minimum of eight to ten years is required for a programme of this nature which has a long term perspective. The impacts cannot be measured in such a small period of time. Networking relations and coordination efforts can only begin when the projects have reached a stage of maturity to develop sustainability of the constituent projects.

3.15 The slow momentum of the initial stage of implementation from December 2000 until June 2003, reduced the operational time span by several months. Like all programmes, the individual country programmes went through a lengthy learning phase. Since then much progress has been made in all the countries thus offsetting some of the initial slippage (except Laos). Time has been also been extended until December 2006 for the First Wave and December 2007 for the Second and Third Wave countries through Amendment No 1 of the Grant Agreement. Lost time has been recovered but it is unavoidable that the second and third wave countries have very short time for operations since this is a product of the original project design for which the Programme management cannot be criticised. The two-year extension has gone a long way towards ameliorating the serious time constraint that the Programme faces and good use is being made of the extra time.

b. Implementation

3.16 The implementation processes are appropriate and well organised for Programme implementation but at the country level it appears that considering the timeframe the process could be speeded up. However this may require additional staff for which there is no budgetary provision.

3.17 The staff is adequately trained and is sensitive to the diverse needs of the target beneficiaries. They well qualified and experienced. Unfortunately the Programme provides little scope for developing further capacity. Several training needs have already been identified by the staff at this stage if the programme to be more effective.

3.18 The essential elements of the intervention are clearly defined and maintained in the delivery. The planned activities, agreed in Annual Work Plans, are being delivered and the community contribution of 20 percent, or more, towards project activities is occurring but should form part not only of project reports but should become part of public audit and annual external audits.

c. Communication

3.19 There are IC&V documents available for countries which are incorporated in Annual Work Plans and Budgets. However, the communication budget is very low for PTFCOs and in general there is a lack of communication strategy and plan for the programmes and the region as a whole. This is a matter that should be addressed as soon as possible in light of the positive benefits to the budget as a consequence of favourable Euro exchange rates.

d. Organization

3.20 There is good management support for the intervention at the highest levels, well laid out management documents are available relating to project development, day-to-day management, formation of NSCs, IC&V plans, proposal writing, monitoring etc.

3.21 Support from NSCs is highly appreciated by all PTFCOs and the RPC. The NSCs are composed of highly qualified and experienced people who very often offer pro-active services in their own right to help facilitate project implementation. They play an important role in project selection, advising PTFCOs and help by providing technical inputs as and when necessary. Very often it seems that they are also encouraged to collaborate directly with Project Steering Committees, as in Pakistan for example.

3.22 The PTFC receives support from the RCO, the RPC in particular, covering most aspects of programme management and direction, especially financial control. The RCO maintains linkages with other major players in the region. It has maintained a non-interference policy and insures adherence to the rules and procedures outlined in the Regional Operations Manual, providing guidance for adaptation to meet specific country contexts.

3.23 A changing role is being sought by key stakeholders for the RCO and RPC in most countries to keep pace with the shift in emphasis which stems from the changing phases of the project cycle, moving now on from Programme start up and consolidation, through operations to eventual closure. In the meantime, referring to paragraph 2.24, prospects for this may be diminished if the RPC or the mooted counterpart position is not extended for the duration of the Programme.

3.24 The decision makers are flexible and open to Programme changes. UNDP and EC are generous in supporting flexibility. An expanded and adjusted role for the RCO may not be difficult to agree. The expanded regional role to act as a more prominent fulcrum is related to training and capacity building, communication strategy, greater emphasis on aspects of good governance and regional development planning internal monitoring of the country forest programmes and greater fiscal control at a time when all the projects in all the countries are in full swing and disbursement is reaching a peak. Additional collaboration with SEARCA and additional staff support at the RCO could be envisaged. The Regional Office Manager could be made available for monitoring and her position should be assisted in financial management through appointment of a qualified accountant since the volume of transactions and necessary processing and collation of financial reports will greatly increase in the next two years.

3.25 It is generally agreed that the PDFs should become part of operations *per se* and the costs be set against operational budgets. Currently they are being funded from grant funds. This appears to be a convenient adjustment to the purpose for which grants are provided. Any continuity that might be required in order to provide additional support to PTFCOs, especially for Second and Third Wave countries, perhaps could be taken as a legitimate charge against the Contingency budget line.

3.26 The resources are sufficient for the current level of operation and implementation. The impact of additional funds that are accruing through favourable exchange rates between the Euro and US dollar and participating country currencies should be reviewed as soon as possible by both UNDP and the EC. Consideration should be given to budgetary adjustments required by the RCO and to the demands of project monitoring, staff training for PTFCOs and communication, which are currently insufficient see para 2.46 and Appendix 5.

3.27 The interventions at country level are gender sensitive. The Programme employs female staff and the project proponents and grantees are consciously involving women in the Programme as an accepted routine.

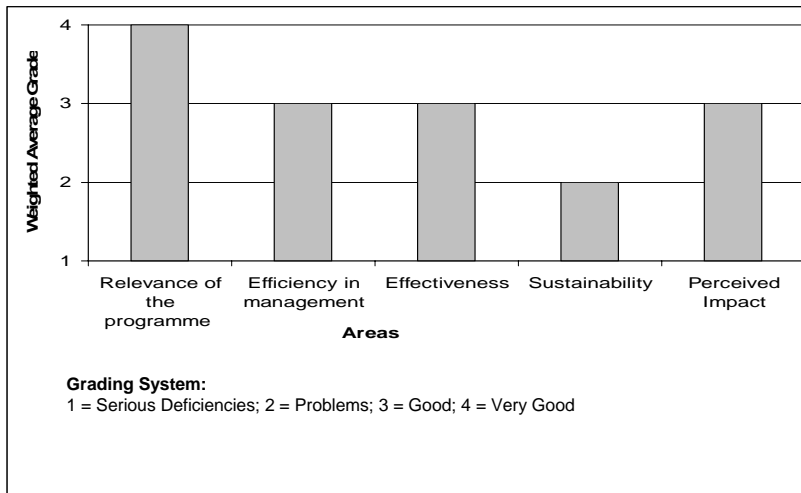
3.28 The Programme needs to pay more attention to ethnic harmony and conflict resolution in the communities as many of the countries have ethnic tensions, on going civil wars and ethno-cultural differences.

e. Efficiency

3.29 The Programme is being directed and implemented effectively by the RCO and country programmes are being carried out efficiently by the respective PTFCs. The RCO office location and working environment does not provide a good public interface. A more prominent presence for the RCO, often mentioned by respondents, suggests that the RCO should be ideally located in Manila either in or near the UNDP CO and PPO.

3.30 The Programme and the RCO specifically, would benefit considerably, especially in the event of an enhanced role of providing further inter-country direction and coordination, if an official counterpart preferably with substantial experience of SGPs in the region could be recruited or seconded for this purpose, possibly from SEARCA.

Figure 5: Programme grading responses from country visits



2. Effectiveness

3.31 The Programme has proper documents and guidance papers to effect project implementation. Relevant country guidelines and documents have been developed. Good amendments have been made as required by participating countries during the course of programme implementation and these have been documented in the form of reports and notes, Emails and memorandums to RCO and should be inserted iteratively into the original material.

3.32 As already emphasised the Programme is pro poor and targeted at ethnic minorities and indigenous people who are forest dependent and living in the forest lands. The communities are receptive towards the programme.

3. Sustainability

3.33 The target communities have a good sense of ownership and are attitudinally geared to ensure sustainability after the programme has closed. They are already involved in forest protection and forest related movements. Hence, the sense of ownership of the projects is not only high but also traditional. However, there is apprehension among some stakeholders as to whether linkages with NSC members and other agencies would survive in the absence of facilitation by the PTFCs.

3.34 It was quite clear that the communities and other country stakeholders have full knowledge about the implications of the Programme timeframe. This was often reflected in concerns expressed about project continuity after the Programme funding is over. They are therefore actively considering available options among these are savings schemes, revolving funds and profitable livelihoods projects to underpin future continuity of project activities that cannot be completed within the timeframe.

3.35 Whilst it is recognised that the Programme is meeting much appreciated and well executed development objectives, the concern for future sustainability appears to require concerted attention by the key stakeholders at national and international levels to develop support mechanisms for the future.

3.36 The majority of direct beneficiaries are traditionally forest dwellers and out of self-interest, have always been protecting their forests but this natural equilibrium has been extensively disturbed thus providing ample justification for the Programme and measures needed to achieve positive and lasting impact, which usually means not only resources but enough time to ensure that the risks mentioned in the PRODOC Section F paras 30-32 are minimised, notably those connected with marketing, seasonality, climate, pestilence and disease.

3.37 There is a pressing need now for the RPC and the PTFCs of participating countries to devote time to site monitoring and guidance for sustainability by developing strategic linkages for funding and federating CB forest sector initiatives. This fundamental issue should be further addressed in high level planning at the next SGP PTF Regional Workshop and by regional governments since the PTFCs are already working to capacity with limited travel budgets although the budget for Monitoring and Evaluation travel, appears to be under-spent at less than 16% see Table 1, Appendix 5 and Summary Table 5.

3.38 At the project level, communities have set up forest management committees which liaise with government agencies for technical support these links could be facilitated through SEARCA's regional network.

3.39 All projects are trying to develop good working relationships with government agencies and are positive about integration and collaboration at local and provincial levels, particularly when this helps acquire new management and usufruct rights such as Ancestral Domain Claims and Titles (CADCs and CADTs) in the Philippines. Activities in several projects in other countries are also geared towards this objective.

4. Impact

a. Training

3.40 The training programmes included in projects have been well appreciated by all stakeholders. This has given a great sense of empowerment to the communities. The NGOs,

CBOs and communities have undergone many training and capacity building exercises and they expressed need for more.

3.41 It was noted that the Programme lacks a systematic training component since training in Budget lines 03.10 and 03.20 refer specifically to workshops and nothing else. At present therefore training is not planned for Programme staff who, without exception, have expressed their requirements in order to carry out Programme responsibilities more efficiently. A Training Needs Assessment and strategy are required and budget realignments for this purpose should be considered by the RCO.

b. Communication

3.42 The impacts of IC&V plans have been minimal for the larger community in the programme countries. PTFC is mainly using interpersonal communication as the main vehicle for communication, in meetings, attending seminars and workshops and community visits. Just as for training, the RCO has little budget for this purpose.

c. National Steering Committees

3.43 All NSCs are seen to play a vital supporting role through their work with project selection and guiding the progress of country programmes. It was generally found that they are over worked and that their work loads will increase with the growing number of project proposals that are being received this year. Most NSC members have not been able to visit the projects and the PTFCs need to strategise further to facilitate visits to project sites.

f. Other impacts

3.44 Programme-initiated networking has given the communities, CBOs and NGOs a new and effective dimension in fostering partnerships in their pursuit for advocacy and influence over policy innovation in the forest sector, also in acquiring technical expertise from government line agencies. This can be further extended in the region within existing budgets.

3.45 The stakeholders perceive increase in village and nature-based tourism due to increased forest cover, coupled with biodiversity and natural resource conservation. However, all expressed concern that tourism could easily encourage socio-cultural degradation within the community. Several areas in Thailand have experienced this firsthand and the stakeholders are aware of such impacts. They have already geared up to counter these through developing a locally acceptable Code of Conduct for tourists in order to maintain traditions and cultural ethos and to minimize cultural conflicts of interest.

Table 5: SWOT Analysis for the programme

<p>Strengths</p> <ul style="list-style-type: none"> • Clear linkages with the EC and UNDP • Compact programme with well laid guidelines and strategic plans • Flexible approach for country based needs • Communities involved directly in planning, implementing and monitoring • Experienced and qualified staff • NSC a respected body of knowledge • Helped communities become more cohesive and cooperative • Great amount of learning gathered from local and traditional wisdom • Good amount of funding useful to do many activities at the community level • Helped change crisis into opportunities • Excellent process of knowledge transfer through training programmes • Expansion of network of like minded organisations • Networking with international and regional level organisations • Small grant projects are cost effective 	<p>Opportunities</p> <ul style="list-style-type: none"> • SGP PTF's lessons learnt could go a long way to influence policies and new legislation related to CB management of forests • Many forest areas still not included in any CB management programme • Bridging economic gap between urban and rural economies • High percentage of rural poor in forest areas • The Programme is easily replicated. • Opportunity exists to make use of positive exchange rate fluctuations.
<p>Weaknesses</p> <ul style="list-style-type: none"> • Short time frame with long term goals • Lack of staff incentives and synchronisation with the implementation schedule • Lack of process documentation by CBOs • Case studies yet to be recorded and documented • Lack in consolidation of data, information and training documents and materials • Limited scope of exchange and sharing between grantees • Communities lacking systematic project management skills • Difficulties in managing currency exchange and utilisation of surplus • Lack of environment in some national indicative plans of some key donors 	<p>Threats</p> <ul style="list-style-type: none"> • Lack of some government policies related to community forest management. • Decline in security and in crease in conflict. • Other top down projects with more funds and offering flexibility in funding lowering popularity of PTF SGP • Fear of loss of contact between NSC and PTFCO personnel and the CBOs/NGOs after the project period • Withdrawal of donor support to small grant programmes. • Detrimental exchange rate fluctuations.

IV. RECOMMENDATIONS

4.1 This is a well designed and effective programme where involvement of the target forest dependent communities in planning, implementation of activities and handling funds is well established and is manifestly creating a cost-effective example of innovative CB forest management which can and should be replicated on a greater scale. Options for the future are provided in 5.vi below and it is recommended that the process to attain a consensus between the key stakeholders should commence as soon as possible.

4.2 Early consideration should be given to pressing immediate and middle-distance management requirements such as the organisational issues discussed in para 3.23 and especially for budgetary re-alignments outlined in para 2.46 and 3.25.

4.3 The Programme requires more overall implementation time to achieve a lasting impact since forest dependant communities, especially IPs, need considerable lead time to attain effective capacity to carry out requisite tasks and the timeframe should be reviewed in

the next regional workshop in light of the expected increase in Programme delivery during Y20042005.

4.4 It is clear that many of the activities set out in the grant implementation plans have a need for relatively high levels of technical back up and support and this appears to be inadequate since it is not included in the project design and therefore depends very largely upon voluntary NSCs, PSCs, the versatility of PTFCs. This should be recorded as a lesson learned and used in future PTF small grant project design.

4.5 As a product of the above it is apparent that there should be greater provision for training, monitoring and evaluation, Environmental Impact Assessment or IEE and a communication campaign for the direct beneficiaries, the supporting organisations, the PDF and the wider community.

1. Relevance

4.6 There is no doubt about the relevance of the Programme for achieving the goal embodied in the GA and PRODOC for the forest sector and more immediately for the selected countries. The Programme has clearly defined objectives and modalities of work and is outstandingly relevant to the target audience, solidly focusing on rural poor and ethnic minorities who are dependent on forests and who in some cases reside in highly degraded forest fringe areas. Its immediate relevance should be highlighted and integrated by the RCO in the Programme web site and in Programme literature giving specific examples to support the point.

a. Intervention

4.7 It is recommended that the timeframe be extended beyond 2007 for at least two more years in order to reap commensurate results for all participating countries and to consolidate impacts through enabling CB innovations to reach maturity and by being able to systematically document good practices and by developing stronger intraregional linkages for sustainability.

4.8 The Programme needs to incorporate user friendly and inexpensive GIS mapping of communities and socio-economic information in its MIS. PTFCs, PDFs, NSCs and government line agency partners could be involved in holistic baseline data acquisition and through links with other appropriate databases such as those at SEARCA, AIT, IRRI and ARCBC. The value addition to the entire regional effort in current SGP operations and in the future small grant programmes for the forest sector are clear since time series data management and their spatial presentation in an integrated manner are invaluable assets for management and continuity.

4.9 Up to date information for socioeconomic, socio-ethnic, ecological and cultural issues are important for developing impact indicators and using them for time series Benefit Monitoring & Evaluation, impact assessment, project management, reporting and comparison.

4.10 Mechanisms should be developed to share data and information with communities so that they can better understand impacts and benefits of the Programme.

4.11 Greater inputs need to be made to ensure that the EU/EC is seen to be a partner and the primary funding agency for the Programme.

4.12 Also additional efforts should be made now to coordinate arrangements between grantees and technical line agencies such as agriculture, and forestry and environment.

4.13 Consideration should be given that independent external agencies, such as IUCN, PBSP or RECOFTC, should be part of national and regional monitoring and give suggestions which will be from a different platform and benefit the Programme.

4.14 The Programme needs to pay more attention, in country project content, to ethnic harmony and conflict resolution in the communities as many of the countries have ethnic tensions, on going civil wars and ethno cultural differences.

b. Implementation

4.15 The implementation processes are conducive to Programme implementation but mechanisms for faster approval of projects need to be developed.

4.16 The staff is adequately qualified and experienced for discharging their responsibilities and they are well received by direct beneficiaries when they make site visits. The Programme, however, does not provide any scope for HR capacity building. Several training needs have already been identified by the staff to help the Programme to be more effective. Training Needs Assessment (TNA) of all stakeholders to develop a training plan is essential for a programme of this dimension and depth.

4.17 In future programmes of this kind the role of the Project Development Facility should be included in the design as part of the operational side of the programme and not as a charge to the grant budget line.

4.18 Community based monitoring of project activities should be developed through training in management and M&E skills. This should feature in all annual work plans.

4.19 It is fortuitous that the Programme was extended for two years, as commented upon in paras 2.24 and 3.14, but it is recommended that exit strategies be devised to accommodate the milestones that mark the end of the first, second and third waves and the current contracts of the RPC, the RMO and PTFCO staff and eventually the Programme closure in 2007.

4.20 The difficulties for second and third wave countries requires speeding up of Programme delivery and in particular for Laos fall-back position options should be developed along the following lines:

- i. Abandon the idea of grant project implementation.
- ii. Consider using the available budget for technical assistance to support other small grant similar initiatives, in particular institutional development, HR development, information systems and databases and establishment of regional links to share lessons learned.
- iii. Transfer the grant budget to successful first wave countries for expansion and replication of good project and practices as described in PRODOC F 27 page 15.

4.21 There are some special areas where the SGP PTF is providing small, yet valuable, support to national initiatives that have deep social and environmental implications such as legislation relating to IPs and usufruct and forest land title rights; GID, introduction of CBNRM in national legislation and to trans-border conservation initiatives. Any funding that may become available through the measures mentioned above in 4.20 or in positive currency fluctuation could be used to provide additional support for to these initiatives where possible.

c. Communication

4.22 At the national level IC&V plans were drawn up in collaboration with the UNDP and EC Delegation communications officers. These were endorsed by NSCs and consolidated by the RCO and submitted to the EC Philippines for further endorsement. This will be supplemented by countries when they become operational. Unfortunately, the communication budget is very low for PTFCOs. In addition there is lack of coordinated communication strategy and plan for the participating countries and the region as a whole. It is strongly recommended that a comprehensive communication strategy and campaign be developed through professional support for lasting impact.

d. Organization

4.23 RPC should re-position to increase visiting countries for monitoring and supervising operations (PRODOC 13.2) , sharing experiences and strategising for sustainability since start up phase for the majority of the countries is over. By invoking the generous flexibility provided by UNDP and EC and by taking advantage of the favourable Euro exchange rate, it should be possible to mobilise sufficient funding for this purpose.

4.24 The noted surplus of operating funds indicated in Table 3, € account, should be reallocated for training and capacity building, communication strategy and supervision for the region, internal monitoring of the country programmes, looking at trans-border environmental issues among neighbouring countries and greater financial management when all the projects in all the countries are in full swing. Additional staff support at RCO is envisaged through engagement of a qualified accounts person for effective financial management and control in particular screening and authorization prior to disbursements by UNDP. The direct assistance of SEARCA should also be considered in terms of their Project Cooperation Agreement. In addition for support and continuity, consideration should be given to providing a counterpart for the RPC, preferably with substantial experience of SGPs in the region.

4.25 PDF could become part of the operations cost. Currently it is being funded from grants funds. This should be considered on a case by case basis and incorporated in future budgetary realignment arrangements.

4.26 Possibilities of sustainability are high due to the involvement of communities in the Programme both as proponents and beneficiaries. However, as mentioned above, early linkages with government forest sector programmes still needs better and coordinated organisation. Also, exit strategies have to be consciously built into the Programme and project plans in order to build sustainability and avoid disappointment and loss of credibility at closure time; mere awareness of timeframes is not enough.

4.27 Having implemented the projects, PTFs will now need to devote more time to M&E of the projects. Financing of this should be considered during discussions on budgetary realignment.

4.28 The role of SEARCA, despite the unambiguous original intention and the clear terms of the executing agency agreement, was not properly understood by key stakeholders and proponents in all the countries visited. Hence, it appears that there is a need for SEARCA's position to be clarified, possibly through a tripartite review of the Annex attached to the original Project Cooperation Agreement signed on 3 October 2001 between UNDP and SEAMEO and by follow up activities to be jointly approved and included in Programme Annual Work Plans.

4.29 There is no proven advantage in the Regional Office being located at Los Baños in the SEARCA premises, other than transfer of rent. For enhanced regional coordination and

collaborative management, a better office environment and an improved public interface is needed. A more prominent presence for the RCO, often mentioned by respondents, suggests that the RCO should be ideally located in Manila either in or near the UNDP CO and PPO.

4.30 This would not conflict in any way with SEARCA's capability for assisting the Programme. Arrangements could still be made for the RCO to benefit through active coordination and by taking advantage of SEARCA's long operational experience in the region and in house technical strength. The budgetary implications could be reconsidered in light of the anticipated € budget surplus.

4.31 NSC members should be given public recognition for their voluntary work for the programmes and their visits to projects need to be better facilitated.

4.32 Inter country exchange visits by PTFs and appropriate community representatives, would be of great benefit to the Programme as a whole and to individual countries. This matter should also be considered in budgetary realignments and annual work plans.

2. Effectiveness

4.33 The Programme has proper documents and guidance papers for project implementation. Relevant country guidelines and documents have been developed. Modifications were subsequently made by the countries during implementation which are documented in the form of reports and notes to the RCO. It is necessary to include them as updates or amendments in the original documents so as to make them more dynamic and as building blocks for other similar projects or any follow-on programme. To achieve this more attention should be given to creating an integrated database including readily available relevant socioeconomic and GIS data and by ensuring that there is an awareness of the MIS system within the regional area of responsibility (see paras 2.61 and 4.8).

4.34 Effectiveness of the Programme can be improved by ensuring that country grant projects specifically address issues of human and animal conflict in the same vein as that used for incorporating GID in project designs.

4.35 In the next two years a specific priority activity should be the consolidation of experience gained and lessons learned so far by including this task in Programme management in the forthcoming annual work plans.

3. Efficiency

4.36 Referring to comments made in para 3.17 country accounts have not been audited except for one year only (Y2002-2003) in the Philippines despite the fact that disbursements started in 2002.. From the point of view of good financial management and transparency, consolidated audits should be carried out annually in each participating country and the findings should be combined in the Programme audit as required in Article XI of the PRODOC, Project Cooperation Agreement and Article 16 of the GA. It is noted that there is provision for this in the Global Work Plan. At the country level 5% of total project grant is allocated for monitoring and includes a 2% allocation for the audit of individual projects.

4.37 It is also recommended that for individual projects, provision should be included in work plans for an open public audit of the project at closure of operations which can be attended by all direct beneficiaries if they so wish.

4.38 Financing of audits, assuming that there is no scope within currently under-spent budget lines (see Appendix 5, Table 1), should be considered during budgetary realignments.

4.39 In view of the increasing need for information management and requisite hardware and software, it is deemed necessary that the unspent budget for Equipment, line 040.00 should be given early review by EC-UNDP and at the same time country and consolidated Non-Consumable Inventories should be rationalised and reported on by the RPC for the next audit, now overdue.

4.40 The volume of Atlas accounting and coordination that will be required as the Programme reaches its peak may become excessive if proper financial management and control is to be maintained. It is recommended therefore that UNDP and the EC Finance Divisions assess the possible need for a additional accounting staff support at the RCO staff, possibly on a part time basis. Perhaps the SEARCA accounts section could be employed to assist at the time that quarterly reports are jointly prepared (see Annex on UNDP Country Office Support page 4 point 3 of SEAMEO-SEARCA responsibilities).

4.41 An early review should be made of the impact and potential usage of the apparent substantial increase in the Programme funding as a direct result of favourable Euro exchanges rates. In view of the evident need for additional support staff at the RCO and the under-financing of some crucial Programme activities, consideration should be given by the EC and UNDP to realigning the budget, assuming that this is contractually feasible within the new EC fiscal guidelines. Proposals for additional funding for much needed training, communication and monitoring-related activities should be assessed as soon as possible and on account of the tight timeframe, preferably prior to the next Regional Workshop.

4.42 The entire MIS system that links the RCO with participating PTFCOs requires further elaboration to accommodate the future transfer of technology and data to the Executing Agency and other concerned local and regional stakeholders (see paras 2.60 and 4.31).

4.43 To achieve a requisite MIS system it is recommended that use be made of the Equipment budget line 2.5.

4.44 There is a considerable disparity between the styles and approach to the use of logical frameworks and this should be the subject of a rationalisation and training programme. Since the basic logframe is founded on the goal, objectives and expected results set out in the GA, the PRODOC and ROM it still needs to focus on risk management which should be derivable from the Assumptions and be related to the Threats listed in the SWOT analysis (Table 4). This work should be initiated by the RCO in coordination with the EC and UNDP before being transferred to PTFCOs. Detailed analysis should be made of the OVIs and Means of Verification to support future monitoring and evaluation of the Programme's own performance as well as the country programmes' and grant-aided local projects. The Review developed a guideline collation logframe matrix (see Appendix 4) which can be used readily as the foundation.

4. Sustainability

4.45 The target communities have a good sense of ownership and are attuned to ensure sustainability after the programme has closed. At the project level, communities have set up forest management committees which liaise with government agencies. At the village PO levels for technical support and trying to muster good and working relationships with official agencies at local and provincial levels.

4.46 At this stage, it is recommended that PTFs should endeavour to develop stronger bonds with other community level initiatives by federating and developing rights-based movements to guide governments to promulgate legislation in favour of forest dwelling communities for resource use and indigenous rights for forest management and occupation (see para 3.32).

5. Impact

i. Training

4.47 The training programmes have given a great sense of empowerment to the communities. There is a need to systematically develop a cohesive training plan for all the staff and stakeholders which could be coordinated at the regional level to maintain consistency and standards and to correlate with Programme and project guidelines and operating instructions.

ii. Communication

4.48 The impacts of IC&V plans have been minimal other than in achieving adequate dissemination of information at the time of calls for proposals. A comprehensive Communication Plan and Campaign for the programme is a pressing need. Since this is a specialised subject an communication expert may be employed for this purpose. It is recommended that the outputs of a communication campaign for the forest-based communities should incorporate change of knowledge, attitude and practice (KAP), increase in visibility of the donors (the EC is insufficiently known in some places) and help in leaving messages for recall even after the programme is closed. For the wider community it should cover environmental awareness and new opportunities for raising funds for the environment.

iii. Documentation

4.49 Even though the Programme is well documented in the form of reports and emails, there is need for process documentation. It is recommended that case studies, good practices and lessons learned be documented and included in a central database for replication, dissemination and resource archives.

iv. National Steering Committee

4.50 Most NSC members have not been able to visit the projects and PTF SGP needs to strategise and facilitate on their visit to project sites.

v. Sustainability

4.51 It was quite clear that the communities and the other stakeholders have full knowledge about project timeframe. They are traditionally forest dwellers and have always been protecting their forests. However, it is recommended that the RCO and the PTFs of the participating countries devote more time for onsite monitoring and provision of guidance for sustainability by developing strategic linkages for funding and federating. This will enable greater visibility and more cohesion at country level for objectives that affect all partners such as regional planning and international legislation and agreements.

vi. Options for future organisation and development

4.52 Having established in all participating countries and at the donor and Executing Agency levels that the Programme is being well implemented and is generally well received, there have been many different planning suggestions for the future after the project has closed in 2007. This is a positive reflection on the incumbent management of the Programme as a whole. These options are therefore randomly summarised below.

Option one

4.53 The programme continues to operate as it does now but with an enhanced role for the RCO working in closer collaboration with the Executing Agency as originally envisaged and with joint visits to participating countries. This will accommodate the synergy currently perceived, by many regional and national stakeholders, to be lacking. The Programme would close on December 31 2007 as planned.

Option two

4.54 In view of the fact that nearly all respondents commented on the timeframe, take measures to further extend the Programme beyond December 2007 by another two years to give Second and Third Wave countries a better chance to fulfil their targets and to facilitate Programme sustainability. Funding for this could be available at no extra cost to the original budget by making use of favourable Euro exchange rates. In such a case, shifting the RCO to Bangkok UNDP which is a hub for regional environmental resources and gather additional support from UNDP including that of the accounts division.

Option three

4.55 The country UNDP offices arrange direct implementation of SGP PTF as for the GEF SGP in a new follow-on phase by adjusting the current thematic guidelines and budgetary thresholds and by accessing financial support from EC TFBL or developing a basket of funds through various other funding sources. It would appear that there are several economies of scale and the SGP PTF would attain a critical mass which is currently lacking for such a well-received forest management programme which is seen to have increasing relevance to the sector and region.

Option four

4.56 The UNDP Philippines houses the RCO after the Regional Coordinator's term expires next year, supporting completion of the Programme to December 2007 and takes on any bridging period for another phase thereafter using UNDP core funding or the EC TFBL UNDP Philippines has in-house environmental expertise to take over the role of regional coordination.

4.57 In all the four options it is recommended that the following matters should be incorporated:

- Active role of a professional accounts person after an assessment by UNDP and EC.
- Provision for public audits for individual projects in country programmes.
- Increased visits by the RPC to countries for monitoring, financial guidance, sharing knowledge and lessons learned, including cross visits.
- Developing sustainability plans.
- Structured quarterly report follow ups by the Executing Agency, UNDP and EC, as part of internal monitoring specifically on quantified activity achievement levels and

financial delivery measured against annual work plan targets as mentioned in the last (NCA) Audit Report.

- Provision for public versions of annual reports.
- Developing and implementing communication and training plans.
- Annual Work Plans that include these activities costed to task level.
- An enhanced MIS system with an integrated database including country project data, GIS linkages and Programme data.

xi. Key issues that require early attention

4.58 It is recommended that, in the absence of a formal steering committee for the SGP PTF there should be a forum that would have much the same responsibilities and composition as a programme steering committee, to address policy and other operational exigencies that affect day-to-day Programme management, unlike the Regional Workshop which only meets once a year and has agendas that extend beyond the requirements of the RCO operations which require more regular and specific attention. This should meet at least twice a year and these meetings should preferably take place to review the half-yearly report and to assess the Annual Report and new Annual Work Plan as soon as it is prepared after completion of the preceding year's activities and financial closure for ratification in the Regional Workshop.

4.59 The key issues that have been identified and commented on earlier are listed below:

- i. Carry out an immediate assessment in operational terms measured against the GA and PRODOC and against actual performance to date, of the budgetary re-alignments that are being proposed by the RCO.
- ii. Establish the impact on the Programme budget of currency exchange rate fluctuations and make appropriate management decisions taking into account the results of (i) above.
- iii. Schedule the transfer of the RCO to the UNDP office in Manila.
- iv. Review the staffing requirements at the RCO for financial control.
- v. Review the role of the Executing Agency in regional and technical matters.
- vi. Introduce an integrated database in an enhanced MIS system including GIS and institutional links at all levels.
- vii. Make an executive decision on the future of the RCO position after October 2005.
- viii. Make proposals for the future of the SGP PTF after it closes in 2007 in light of the EC National Indicative Programme and UNDP thematic scope for the GEF SGP.

4.60 It is perceived that early resolution of these issues will do much to maintain the morale of the Programme.