



Mid-Term Review – Laos SAFE Ecosystems

**Sustainable Forest and Land Management in the Dry
Dipterocarp Forest Ecosystems of Southern Lao PDR**

a project of:

**Government of Laos Ministry of Agriculture and Forestry (MAF)
United Nations Development Programme (UNDP)
Global Environment Facility (GEF)**

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Prepared by:

**Eugenia Katsigris, Managing Director, Parnon Group
Latsany Phakdisoth, National Consultant**

Basic Project/ MTR Information and Acknowledgements

Basic Project Information

Official Project Title: *Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR*

Country: Lao People's Democratic Republic

Region: Asia Pacific

UNDP PIMS# 5448

GEF Project ID# 6940

IP and Other Project Partners: Ministry of Agriculture and Forestry (MAF) and its Department of Forests (DOF); Savannakhet Provincial Agriculture and Forestry Office (PAFO); District Agriculture and Forestry Offices (DAFOs) of Xonabouly, Songkhone, Thapangthong, Phine, and Phalangxay
GEF Operational Focal Area: Multi-focal area --- (1) SFM (Sustainable Forest Management); (1) BD (Biodiversity), and (3) LD (Land Degradation)

GEF Strategic Programs:

Focal Area Strategic Objective	Strategic Program under Focal Area Objective
BD-1 Improve sustainability of protected area systems	Program 1: Improving financial sustainability and effective management of the national ecological infrastructure Program 2: Nature's last stand: expanding the reach of the global protected area estate
LD-3 Reduce pressures on natural resources by managing competing land uses in broader landscapes	Program 4: Scaling-up sustainable land management through the landscape approach
SFM-1 Maintained Forest Resources: Reduce the pressures on high conservation value forests by addressing the drivers of deforestation	Program 1: Integrated land use planning Program 2: Identification and maintenance of high conservation value forests
SFM-3. Restored Forest Ecosystems: Reverse the loss of ecosystem services within degraded forest landscapes	Program 7: Building technical and institutional capacities to identify degraded forest landscapes and monitor forest restoration. Program 8: Integrating SFM in landscape restoration.

MTR Team Members

Eugenia Katsigris, Managing Director of Parnon Group: International Consultant

Latsany Phakdisoth, National Consultant

MTR Timeline

Mission: October 28 – November 8, 2019 Vientiane and Savannakhet Province, including Savannakhet Provincial Seat, Ong Mang Center and Ong Mang Protected Area/ Xonnabouly District, Songkhone District, and Thapangthong District

Main Work: October 15, 2019 – January 13, 2020 (from start of document review to full draft report)

Reviews of Draft Report and Finalization (first round of comments): Dec. 30, 2019 – March 6, 2020

Reviews of Draft Report and Finalization (second round of comments): March 6 – April 7, 2020

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Acronyms, Abbreviations, and Definitions

ADB – Asian Development Bank

BD – biodiversity

CAs – conservation agreements.

CDR – combined delivery report: UNDP document that shows realized and committed project expenditures.

CER – GEF CEO Endorsement Request. A project design document submitted, along with the project document (“ProDoc”), to the GEF once full project design has been completed.

CDE – Center for Environment and Development, University of Berne.

CEO – chief executive officer: in this case refers to CEO of the GEF.

COA – chart of account. A list of budget codes that are used in expenditure accounting to identify the type of expenditure under an activity, output, or outcome, such as travel, workshop, international short-term consultant, etc.

CO – country office: used to refer to UNDP Country Office, in this case the one in Laos.

Co-financing: For a GEF project, co-financing is the funding provided by other sources to support the same outcomes and, often, the same outputs and activities as the GEF funds.

CTA – Chief Technical Advisor: role often held by international consultants to support implementation of UNDP-GEF projects.

DAFO – District Agriculture and Forestry Office.

DDF – dry dipterocarp forest.

DG – Director General.

DDG – Deputy Director General.

DFRM – Department of Forest Resource Management.

DOF – Department of Forests

DPI – Department of Planning and Investment: a provincial level body.

DPV – Dong Phou Vieng: One of four PAs targeted by SAFE Project.

DSS – decision support system.

EDC - Enterprise & Development Consultants, Ltd.: A Laos-based development consulting firm.

EPF – Environmental Protection Fund. A government institution under MONRE that manages and disburses government and donor environment-related funds. A key source of government funds managed by EPF are royalties from hydropower investments.

FRDF – Forest Resources Development Fund. A government fund in Laos to be used for forest resource development. The capitalization of the fund is via fees on forest-related activities.

GEF – Global Environment Facility. Core funding source of this project.

GEF INV – GEF funds designated for investment activities, such as installations or technical designs for installations.

GEF TA – GEF funds designated for technical assistance activities, such as promotion of new policies.

GEF TF – GEF Trust Fund: a key source of funds for GEF projects.

HCVF - High Conservation Value Forest: a Forest Stewardship Council forest management designation of forest that meets one or more of four criteria related to biodiversity value, rare or endangered ecosystems, provision of basic services in critical situations, or being fundamental to meeting needs of local communities or their cultural identity.

IC – individual consultant.

INRM – Integrated Natural Resource Management.

INV – funds designated for investment in equipment and infrastructure (or, sometimes, feasibility and design work for these), in contrast with TA funds, which are to be used for services. The distinction between TA and INV is used in budget allocations for GEF projects.

IP – Implementing Partner. In a nationally implemented UNDP-supported GEF-financed project, the government agency responsible for implementation.

ISP – integrated special plan.

IUCN – International Union for the Conservation of Nature.

JICA – Japan International Cooperation Agency.

LD – land degradation.

LD-PMAT – land degradation portfolio monitoring and assessment tool: a tool for GEF projects.

LOA – Letter of Agreement.

M - million

MAF – Ministry of Agriculture and Forestry

M&E – monitoring and evaluation.

METT – management effectiveness tracking tool: a tool for tracking effectiveness of management in PAs.

MONRE – Ministry of Natural Resources and Environment

MPI – Ministry of Planning and Investment

MTR – midterm review. An evaluation of a project taking place midway through its lifetime.

NGO – non-governmental organization: NGOs are both non-profit and non-governmental.

NIM – nationally implemented project: A type of UNDP project where implementation is led by the Government of the host country.

NPA – national protected area

NPD – national project director: government-appointed official that oversees project as part-time task.

NTFPs – non-timber forest products.

OM – Ong Mang: One of 4 PAs targeted by SAFE Project.

PA – protected area

PAFO – Provincial Agriculture and Forestry Office

PB – Project Board

PIF – Project Information Form: initial proposal for a GEF project. The PIF is a rough concept document. Once approved, the GEF allocates funds for the full project, but detailed project design must be completed and cleared (via submission of ProDoc and CER) before funds can be released. (The GEF often provides separate funds for detailed project design – “PPG” - around the time of PIF approval.)

PIMS – Project Information Management System: A UNDP database system for its projects.

PIR – Project Implementation Review. A template-based document that is prepared mid-year each year for active UNDP-supported GEF-financed projects. The document reviews progress towards results and quality of implementation. It includes an update on the status of each project indicator.

PIU – Project Implementation Unit.

PM – Project Manager.

PMU – Project Management Unit.

PONRE – Provincial Office of Natural Resources and Environment

PPG – Project Preparation Grant: GEF funds for the detailed design phase of a project.

PRF – Project Results Framework: Indicator table in UNDP-GEF ProDoc and CER.

ProDoc – Project Document. A full project design document. In the case of UNDP-supported GEF-financed projects, the ProDoc is submitted to the GEF along with the CER to receive approval of the full project design.

Project team: In the case of this report, can refer in a narrow sense to full-time members of the project team working in the PMU Offices in Vientiane, Savannakhet, or Ong Mange (some paid by the project and some government employees) or more broadly also to include other government employees working part-time on the project at the national, provincial, and local levels.

PSC – project steering committee.

PXH - Phou Xang He: One of four PAs targeted by SAFE Project.

QA – quality assurance

RTA – Regional Technical Advisor. For UNDP-supported GEF-financed projects, a regionally-based expert and manager who provides technical and management guidance to the design and implementation of projects in focal areas under his or her purview.

SAFE – *Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR*: The project that is the subject of this mid-term review report.

SDGs – UN Sustainable Development Goals.

SEA – strategic environmental plan.

SESP – social and environmental screening procedure.

SFM – Sustainable Forest Management. Management of forests that balances ecological, economic, and socio-cultural aspects so as to achieve sustainable development.

SLM – Sustainable Land Management. The integration of management of land, water, biodiversity, and other environmental resources so as to achieve sustainability of both ecosystems and livelihoods for the long-term.

SNV – SNV Netherlands Development Organization, a nonprofit international development organization.

SOP – standard operating procedures. For the project under review, UNDP’s NIM SOPs are utilized.

STAP – Scientific and Technical Advisory Panel: a group that advises the GEF and provides suggestions for improving project proposals.

STN-PN – Se Ta Nouan – Phan Nak: One of four PAs targeted by the project. STN-PN is actually designated a “protection forest” rather than PA, but we include it in the group of “four targeted PAs” at times for ease of reference.

SVK – Savannakhet Province: Informally, may also refer to the city that is the provincial seat of the Province.

TA – technical assistance. Funds designated for services, in contrast with INV funds, which are to be used for equipment and infrastructure. The distinction between TA and INV is used in budget allocations for GEF projects.

TE – terminal evaluation. An evaluation conducted towards the end of a project’s lifetime. A TE is required for all UNDP-supported GEF-financed projects.

TF – Trust Fund: Refers in this case to source of GEF funds.

TOR – terms of reference. A document describing work tasks. Often used to recruit consultants or contracting firms for a project.

UN – United Nations

UNDP – United Nations Development Programme. GEF Implementing Agency for the project.

UNDP CO – UNDP Country Office. In the case of the *Laos SAFE Ecosystems Project*, UNDP CO refers to the UNDP Laos Country Office.

UNDP-GEF: UNDP Global Environmental Finance. Refers to team within UNDP that manages/ advises GEF-financed projects and also projects supported by other global environmentally focused funds, such as the GCF.

UNDP-GEF Project: Project with core funding from GEF that is supported by UNDP as GEF Implementing Agency.

UNDP QA – UNDP quality assurance

UNEG – United Nations Environmental Group

USD – US Dollar.

UXO – unexploded ordinance.

VDF – Village Development Fund.

VFMP: Village Forest Management Plan.

WCS – Wildlife Conservation Society: Lao NGO.

WWF – World Wildlife Fund: an international NGO.

Project Information Table

Project Title	Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR		
UNDP Project ID (PIMS#)	5448	PIF Approval Date:	October 30, 2014
GEF Project ID (PMIS#)	6949	CEO Endorsement Date:	March 3, 2016
Atlas Business Unit Award #: Project ID:	00098798 00094709	ProDoc Signature Date (date project began):	May 20, 2016
Country:	Laos	Date project manager hired:	Assistant PM† started work August 15, 2016.
Region:	Asia Pacific	Inception Workshop date:	October 20, 2016
Focal Area:	SFM (Sustainable Forest Management); BD (Biodiversity); LD (Land Degradation)	Midterm Review completion date:	April 7, 2020
GEF Focal Area Strategic Objectives:	BD-1 Improve sustainability of protected area systems LD-3 Reduce pressures on natural resources by managing competing land uses in broader landscapes SFM-1 Maintained Forest Resources: Reduce the pressures on high conservation value forests by addressing the drivers of deforestation SFM-3. Restored Forest Ecosystems: Reverse the loss of ecosystem services within degraded forest landscapes	Planned project closing date:	May 19, 2022
Trust Fund:	GEF TF	If revised, proposed op. closing date:	NA
Executing Agency/ Implementing Partner:	Ministry of Agriculture and Forestry (MAF)		
Other Execution Partners:	Savannakhet Provincial Agriculture and Forestry Office (PAFO), District Agriculture and Forestry Offices (DAFOs) of each of Xonabouly, Songkhone, Thapangthong, Phine, and Phalangxay Districts		
Project Financing (USD)	<u>at CEO Endorsement (USD) - expected</u>	<u>at Mid-Term Review (USD) – realized as of 10/30/2019</u>	
[1] GEF Financing:	10,879,174	7,349,900‡‡	
[2] UNDP Contribution:	1,806,000	956,140	
[3] Government:	14,200,000††	2,230,278	
[4] Other Partners:	62,987,100‡	19,777,480	
[5] Total Co-financing [2+3+4]:	78,993,100	22,963,898	
TOTAL PROJECT COSTS [1+5]	89,872,274	30,313,798	

†PM is government appointee and dedicates part-time to the project. Assistant PM was hired on the market and is dedicated to the project full-time.

††Targeted to be USD 14.2 M in-kind and grants from the original Implementing Partner, MONRE.

‡Includes USD 60 M in loans from ADB, USD 2,787,100 in grants from ADB, and USD 200,000 in grants from WWF

‡‡Of this, around USD 573,000 of the USD 1.2 M transferred to Laos' Environment Protection Fund (EPF), remains available at EPF for spending by the project (minus EPF's 3 percent service fee). Another significant portion of the USD 1.2 M, perhaps USD 300,000 – 350,000 has been transferred to PAFO from EPF, but not yet spent or committed for work already done.

Executive Summary

Project Background

- *SAFE Ecosystems Project* is GoL-UNDP-GEF project with objective of facilitating a transformative shift towards sustainable land and forest management in the dry dipterocarp and other nearby forest areas of Laos' Savannakhet Province. It has a 6-year duration (May 2016 – May 2022) and GEF grant financing of USD 10,879,174. Committed co-financing is USD 78,993,100
- Project focuses on 4 PAs/ protection forest and 5 districts in Savannakhet. Total area of PAs (some of it outside the 5 districts) is 583,672 ha. Additional targeted forest area in the 5 districts is 297,288 ha.
- Project has three components focusing on: (1) policy and planning (especially to avoid concessions/ conversions of forest area); (2) sustainable forest management (including management plans, patrolling, reforestation, etc.); and (3) incentives and financing for forest conservation (including conservation contracts, livelihoods, ecotourism, and other financing mechanisms).

Description of Project as Carried out to Date: *The SAFE Ecosystems Project* has concentrated its efforts on the Ong Mang provincial-level PA in Savannakhet Province, which is a DDF area home to the endangered Eld's Deer. Ong Mang has had previous support, on a smaller scale, from Laos' Wildlife Conservation Association and WWF. The *SAFE Project* has conducted for Ong Mang a biodiversity assessment, a biodiversity survey for ecotourism, and an update of its Management Plan. The Project has built the Ong Mang Center with dormitories, as well as five ranger sub-stations, all for the dual purposes of PA management and tourism. It has worked extensively with 16 of 44 villages in Ong Mang, developing conservation agreements for each, building a community center for each, and organizing extensive ranger forest patrolling and reforestation carried out by each. Six nurseries have been established to support the densification of DDF through reforestation. An additional 9 villages along the periphery of Ong Mang have also been involved in this reforestation. Village forest management plans, delineating forest types, have been prepared for the project's 16 key villages; and land certificates for these villages are expected soon. Pilot work in alternative livelihoods has been carried out with a limited number of families/persons in each of the 16 villages. Areas include fish ponds, pig raising, chicken raising, vegetable gardens, sewing, weaving, and veterinary work. The project has involved district level personnel (DAFOs) in much of the foregoing work. The project has also worked to get Ong Mang elevated to national-level PA status, for more assured protection from concessions, and expanded by 20,000 ha to 130,745 ha. Success in both is expected soon. The project has established a meteorology station near Ong Mang Center and a hydrology station on the river nearby. The project has had tour companies visit Ong Mang in its aim to develop ecotourism there and trained some villagers in areas related to ecotourism.

Work in the other 3 PAs/ protection forest has been more limited. A management plan has been prepared for each of these 3 areas, none of which had one before. Some investments in ecotourism have been carried out in Dong Phou Vieng PA: support for a hiking trail, toilets, boat rehab, and guide training. In Phou Xang He PA, training of villagers and installation of a demo electric fence have been carried out to address the problems associated with elephant threats to villager fields and human safety.

The project has also carried out policy, planning, and institutional work, with the main intent being to protect forests from concessions and other development. This has focused largely on planning in Savannakhet and includes the preparation of 5 ISPs and 5 SEAs covering the project's 5 target districts. Preparation of a decision-support system (DSS), which will aid planners via viewing of maps and associated software, is underway, following a well-attended launch workshop. *Sustainable Plantation Forestry and Agriculture Guidelines in Savannakhet Province, Lao PDR* have also been prepared. At the national level, the project has provided legal input and facilitated discussions of amendment to the *PA Decree* that would allow PAs to receive certain types of financing. In terms of institutions, the project has

facilitated two or more annual meetings of multi-stakeholder committees in each of the 5 districts to discussion the nexus of investment and conservation and has supported the 2018 session of the ongoing annual *Sustainable Business Forum* for the same purpose.

Assessment of Project to Date: Please see the table below for assessment of progress towards the project objective and each of its three outcomes, as well as assessment of implementation and sustainability.

MTR Ratings and Achievement Summary Table for SAFE Ecosystems Project

A. Progress Toward Results	
Objective or Outcome	MTR Rating and Achievement Description
Objective: To facilitate a transformative shift towards sustainable land and forest management in the forested landscape of Savannakhet Province in order to secure the critical wildlife habitats, conserve biodiversity and maintain a continuous flow of multiple services including quality water provision and flood prevention.	<p>Moderately Satisfactory</p> <p>Project is on track to raise Ong Mang PAs's status from provincial level PA to national level PA and expand its total area by about 20,000 ha to 130,745 ha. Extensive patrolling and awareness work in Ong Mang, as well as some reforestation (676 ha) to increase tree density and new stationing of PAFO staff inside, have improved the quality of management of this PA. Capacity and awareness of 16 out of 44 villages in Ong Mang and of officials from the 5 districts in which the PA is situated regarding forest conservation has been substantially enhanced, with some training on ecotourism aspect as well. Yet, given lack of funds for patrolling, supporting villagers through CAs after project, sustaining nurseries, and expanding reforestation area post-project, sustainability of this progress in Ong Mang is a big concern. Another major concern is that there has been little work in the project's 3 other targeted PAs/ protected forest and none in the other designated forest areas outside of the 4 PAs/ protected forest, but within the 5 districts. While management plans have been prepared for the 3 other PAs, there is no implementation of these.</p>
Outcome 1: Enabling policy environment and increased compliance and enforcement capacities for sustainable land and forest management across landscapes including protected areas	<p>Moderately Satisfactory</p> <p><i>Policy and planning wise:</i> The project has made good progress in getting policies and plans drafted or discussed, but more work is needed to ensure these are utilized. So far, (i) 5 ISPs, (ii) 5 SEAs, and (iii) <i>Sustainable Plantation Forestry and Agriculture Guidelines in Savannakhet Province, Lao PDR</i> drafted, but none of these are being used. There is real concern that these items may "sit on a shelf" if concerted action not taken to ensure the ISPs/SEAs are used in planning (incorporated into socioeconomic plans, for which the timing is now "ripe") and the <i>Guidelines</i> are adopted. A positive development is that the DSS work will likely utilize the SEAs and ISPs. The DSS work has been launched, looks promising, and will include zoning plan. Another positive result is that the project has provided legal input and facilitated discussions of amendment to the <i>PA Decree</i> that would allow PAs to receive certain types of financing. Going forward, it is particularly important for the project to continue to stimulate work to ensure the <i>Decree on PAs</i> enables various financing mechanisms to deliver funds to PAs. Adoption of the SEA Decree and ISP regulations and resolution of forest sector jurisdictional issues have been achieved, but are not due to the project. No progress has been made on HCVF policy. Due to lack of clarity on the nature of HCVFs to be targeted by the project and their potential overlap with other targets (such as PAs), the HCVF policy target might be dropped unless it is determined that it will be viable and useful to develop HCVFs outside of PAs as corridors or stepping stones between them.</p> <p><i>Institutionally:</i> It is positive that the district multi-stakeholder committees have met 2 or more times in each of 5 districts to discuss investment and conservation. To make a greater impression on stakeholders and have greater impact, it is suggested these committees have clear targets to achieve. At the provincial level, the <i>Responsible Business Forum</i> pre-existed project support for the annual forum in 2018 and 2019. These project-supported forums are said to have been better than previous ones and to have discussed the conservation and investment nexus. Outcomes of these forums include: (1) a provincial tourism strategy, which represents some progress over past such strategies in that it includes some content on ecotourism, but this content is very brief; (2) new provincial investment regulations, which are said to simplify investment procedures, though inclusion of new</p>

	conservation-oriented content is not verified. Any further support for the forum should have clear targets that contribute to the high level (outcome or objective level) aims of this project.
<p>Outcome 2: Sustainable Forest Management and Protected Area Expansion in five priority Districts of Savannakhet Province</p> <p><i>(Note: To support the project objective, it is suggested work under this outcome include not only the project's 5 priority districts as stated but also the full areas of its 4 PAs/protection forest (which for 3 of the 4 extend beyond the 5 districts))</i></p>	<p>Moderately Unsatisfactory</p> <p>Major achievement of elevation of Ong Mang from provincial level PA to national level PA expected soon. Updated version of Ong Mang Management Plan as prepared by project is being implemented: Project has built Ong Mang Center, dormitories, and ranger stations, resulting in PAFO newly stationing 7 staff at Ong Mang. And, capacity has been built in patrolling and DDF reforestation. Yet, outcome's overall aim of "sustainable forest management" at high risk of not being met if mechanisms to sustain outcome's major expenditure areas post-project not developed: (i) Extensive patrolling activity is being carried out in 16 of 44 villages in Ong Mang with expenditures averaging USD 141,439 per year. As this is fully funded by the project with no outside mechanisms, it is not seen as sustainable post-project. (ii) Reforestation to thicken DDF on 676 ha, with establishment of 6 supporting nurseries, has been carried out by 25 villages in or nearby Ong Mang with expenditures and committed funds for planting already done very roughly estimated at USD 630,000. Project target of 1,111 ha (less than 1% of Ong Mang's area and not including other target PAs of project) is likely small portion of total reforestation needs. Yet, no mechanism developed to ensure nurseries and reforestation for forest thickening are continued after project. <i>Other achievements in Ong Mang and gaps:</i> Village Forest Management Plans prepared for 16 villages in Ong Mang (the same that are patrolling) and are useful to them. Community land certificates for the same villages expected soon. Meteorological station has been set up, but not well integrated with main SFM aim of Outcome 2; and measurements not yet incorporated into project M&E (PRF) as required. Measurement of parameters closely linked to local forest health (e.g. soil runoff) should be considered. Biodiversity assessment and indicator system has been developed by contractor and is now used to direct data collection by rangers. Yet, data not yet incorporated into project M&E (PRF) as required. <i>Work for other 3 PAs/ protection forest:</i> Management plans prepared for the 3 others PAs/ protection forest, but not being implemented in any of them. Training to address human-elephant conflict carried out in Phou Xang He and pilot electric fencing for fields implemented, but more work needed to resolve conflict.</p>
<p>Outcome 3: Developing and Promoting Incentives and Sustainable Financing for Biodiversity Conservation and Forest Protection</p>	<p>Unsatisfactory</p> <p>Current situation suggests project progress in biodiversity conservation and forest protection will not be sustainable beyond life of project due to lack of progress in incentives and financing mechanisms – the targets of Outcome 3. <i>Incentives:</i> Given the uncertainty in potential ecotourism revenues and other financing mechanisms, livelihoods, with the potential to impact large swaths of communities and reduce pressure on the forests for the long-term, are considered the most viable sustainability mechanism for project conservation results. Yet, livelihood activities, though they have begun on a pilot scale, are quite limited. Even when they are expanded (if expanded according to current project plans, where they will be confined to 16 villages and to a small minority of families in each village), they are unlikely to hit the level and quality needed for real results in reducing pressure on the forest. To change dynamics, the majority of people in majority of villages in the 4 target PAs/ protection forest may need to be involved; and increased emphasis on viability of livelihoods (such as support for marketing and better selection of livelihoods that can benefit large numbers of families) may be needed. If annual conservation agreements (CAs) are to be part of the equation (though they may not be), they will need to be more balanced (i.e. a "better deal" for the government/ conservation organization), ensuring that forest protection is provided for the long-term in return for benefits of livelihood support at a level affordable to the government/ conservation organization. The project has signed CAs with 16 villages, but these seem unbalanced. Beyond facilitating direct payment to individuals for patrolling and reforestation work, the benefits of the first annual CAs include a village hall for each village, payments to village of USD 2 per villager, payments to village for promotion of regulations, and support to selected villagers for alternative livelihoods.¹</p>

¹ "Payments to village" more specifically go to the "Village Development Fund."

	<p><i>Financing mechanisms:</i> No funds for patrolling, livelihoods,² or reforestation after project end are available and little progress has been made with financing mechanisms, aside from some positive advances (resulting in visits by tour guides) in developing ecotourism in Ong Mang, limited ecotourism investments in Dong Phou Vieng (which appear not much used due to lack of promotion), and some legal work (under Outcome 1) related to possible sources of financing and regulatory changes needed to make it possible for PAs to receive these. While a financing specialist has been recruited post-MTR mission, there is a need to ensure work is action-oriented to result in actual securing of funds for SFM rather than merely theoretical studies. As such, focus should be on the most promising sources, including international donors and philanthropies and REDD+ for the nearer/mid-term term and on viable provincial and national sources (such as new or existing funds developed from surcharges or royalties paid by investors) to develop for the long-term. As for ecotourism, realistic projections of revenues and expansion of efforts to all 4 PAs (if considered viable) are needed. Post-MTR, an international ecotourism expert was hired, but there is a need to ensure work involves, after his/her assessment of viability of sites, active connection to tourism organizations and clientele. Material for promotion of tourism at the PAs that was prepared at the provincial level, but not allowed to be used or delayed in use, should be used and outreach should begin with this – at least until better materials are prepared.</p>
<p>Project Implementation and Adaptive Management: MTR Rating and Achievement Description</p>	
<p>Moderately Satisfactory Both UNDP and the IP are making strong contributions and playing active roles in project management. Going forward, both need to put more attention on cost effectiveness and sustainability of results. The project team is hard-working, knowledgeable, and enthusiastic. The APM and CTA are based in Vientiane, whereas the ProDoc envisioned them based in Savannakhet. With three levels (Vientiane, Savannakhet, and Ong Mang), project management seems to be too layered, with key team members removed from the action in the PAs. Project lacks high-level strategic vision for adaptive management and instead has been implementing most outputs and activities as designed, rather than looking at higher level aims (objective and outcome statements) to guide work planning and deleting/adding outputs/ activities as needed. Government cash co-financing to directly support project activities was not detected, though there is significant direct in-kind co-financing for office space and staff. Stakeholder engagement is very strong at all levels. The project has adopted good communication technology to keep in touch with the districts, though new methods for keeping in touch with village partners might be explored.</p>	
<p>Sustainability: MTR Rating and Achievement Description</p>	
<p>Unsustainable Project faces severe risks that what it is doing (e.g. extensive patrolling, nursery development/ reforestation, CAs) will not be sustainable post-project. This is because the Government lacks sufficient funds to continue the project's work; and the project has not successfully developed sustainable incentives at needed scale nor new financing mechanisms and does not seem to be on track to do so. Yet, new consultancies begun post-MTR on ecotourism, financing mechanisms, and value-chain, if guided to be action-oriented and provide real results rather than theoretical reports, may be a positive development.</p>	

Key Conclusions

Highlights of Achievements: Progress in Ong Mang, one of project's 4 target PAs, is the most impressive strength of project and encompasses key achievements in: PA status, PA infrastructure, village and district awareness and capacity in conservation, ecotourism, and DDF reforestation.

- Ong Mang is likely to be elevated soon from provincial to national level PA status and will become Laos' first IUCN Category 4 NPA ("Habitat/Species Management Area), potentially setting an important precedent for additional PAs of this type in the country. Evidence implies this expected achievement of IUCN Category 4 NPA is largely due to facilitation by the project, including both its support for the required biodiversity assessment and various follow-up of the project team with authorities.

² The project envisions that villagers benefiting from project livelihood support will pay a small proportion of their profits into the Village Development Fund, which could then provide support to additional households for developing alternative livelihoods. At present, however, it does not appear any such payments are being made into the Fund. And, if they were, the amount would be extremely low.

- The establishment of infrastructure in Ong Mang by project (especially Ong Mang Center and nearby dormitories) has convinced the Government to newly station 7 staff there. This is progress towards a vision of building up teams of 25 staff in each of ten of Lao's 23 NPAs. The staff of these ten core NPAs would then serve other nearby non-core NPAs.
- Awareness of villagers in 16 target villages regarding conservation has been raised and their capabilities in village forest management and financial management has been expanded. All villages have ranger teams that have been trained by the project and are now patrolling regularly and collecting biodiversity and ecosystem data. Such patrolling is new to 13 of the 16 villages. Through its CAs and financial training, the project has engaged "village development committees" in each village in the management of funds given to the villages based on the CAs.
- District Agriculture and Forestry Offices ("DAFOs") have increased capacity through being actively engaged in supporting villages in patrolling, reforestation, development of village forest management plans, and pilot livelihood activities.
- Good progress in attracting attention of ecotourism operators to Ong Mang has been made, with two groups of tour operators already having visited. Ong Mang Center and substations were designed with the dual purpose of accommodating tourists as well as government personnel and village patrollers.
- Six nurseries have been developed with a focus on growing high value DDF species depleted in the forest, lowering planting costs as compared to level at start or project, when seedlings were bought from Vientiane.

As can be seen from the above "Description of Project as Carried out to Date," the SAFE Ecosystems Project has been busy carrying out a wide range of activities. While none are seen as new to Laos in and of themselves, such a diverse and comprehensive package of initiatives, all in one project, is new and provides an interesting model to Laos of comprehensive development at the nexus of PAs and villages within or nearby them. Further, this size of project is quite new to PAFO, in terms of government-donor partnerships. Thus, the combination of the comprehensive package of initiatives and substantial funds has presented PAFO with valuable, though challenging, experience.

Building on the work of WCS and WWF, the *SAFE Ecosystems Project* has, in a sense, put Savannakhet DDF on the map, so that it will be kept from eventually disappearing as intact forest. Due to its low density compared to other forest types, DDF is at high risk of conversion. The high-profile UNDP-GEF project has ensured national level and provincial level forestry authorities put strong attention on DDF. It is likely, in the end, that the project will be seen to have played a key role in ensuring its survival, along with that of its endangered species, Eld's Deer.

In the policy and planning areas, the project has had some initial achievements that can be built upon:

- While in early stages, DSS work of project has had positive launch and appears to have potential to influence planning in the province in a way that is new to Laos and that could protect forest areas. The DSS work is likely to incorporate the ISPs and SEAs prepared by the project.
- Policy discussions on amending the *PA Decree* to enable PAs to receive financing from various financing mechanisms are important and are unlikely to have happened without facilitation of the project. Legal input on how to ensure PAs can accept such financing may prove valuable if used.

Main Concerns

- The project lacks a strategic big-picture approach: Many of the major activities lack a strong path to sustainability, so that achievements will not leave a lasting positive impact on the country. The project faithfully adheres to outputs and activities at the expense of adaptive management to achieve the big picture targets of its objective and outcome statements.
 - The project has spent USD 424,317 on patrolling over 3 years. This level of spending on patrolling or even a much lower level will not be possible post-project due to lack of funds.

- Nurseries/ reforestation, on which very roughly USD 630,000 has been spent or committed, lack a model for continuation after project. Yet, targeted reforestation areas, at only 1,111 (of which 676 ha has been achieved), can best be viewed as demonstration, given their small share of area. Also, seedling survival rates seem low. And, site prioritization methods may need enhancement.
- Annual conservation agreements (CAs) with villagers are overly-generous, with benefits outweighing what villagers are asked to do to conserve the forest. Benefits for each of the 16 villages include daily rate payments to all who conduct patrolling and reforestation work, construction of a village hall, payment to village for promoting policies, and support for alternative livelihoods. Due to lack of funds, this will not be sustainable after project.
- The project as implemented is focusing the vast majority of resources on an area much smaller than indicated in its proposal to the GEF. The focus is Ong Mang (130,745 ha), but the other 712,046 ha targeted in the design and objective indicator targets has gotten little attention.
 - For example, patrolling has only been in Ong Mang, though project design indicates the other 3 PAs were in great need of capacity building in this area, while Ong Mang already had capacity.
- Alternative livelihoods are one of the most promising sustainability mechanisms for forest conservation in project areas, given the significant population living in them and lack of financing for patrolling of CAs post-project. Yet, project livelihoods work to date has been very limited in scale, benefiting a small proportion of families in each village and benefiting only 16 of about 44 villages in Ong Mang and no villages in the other 3 PAs/ protection forest. Also, selection of type of livelihoods has not always been strategic in terms of benefiting multiple families. (Sewing, for example, might benefit just two families per village due to the main market for this service being the village itself.) The project has not done work to determine which families should be targeted for support. (E.g. only a few poor families who most extensively harvest NTFPs or the majority of families?) And, the project so far lacks focus on providing marketing support outside of the village, which will be needed if multiple families are to take up the same type of alternative livelihood activities.
- Findings suggest low cost effectiveness overall and with regard to specific activities.
 - USD 7,902,930 of GEF and UNDP funds recorded as spent by Oct. 30, 2019 (mid-term), including \$7,349,900 of GEF funds (68% of total GEF budget) and \$553,030 of UNDP funds. Based on a large portion of funds at EPF not yet being spent, real GEF expenditures and funds committed for reforestation work already done might be about \$900,000 less or \$6,449,900 (59% of total GEF funds), so that total GEF and UNDP funds spent or committed for work done is about \$7 M. Given what has been achieved so far and what needs to be done to truly achieve sustainable outcomes and meet forest area targets, the spending of USD 7 M to date (out of an expected total of \$12 M of GEF and UNDP funds) seems high.
 - Overuse of per diems, such as by including too many persons as trainers, providing villagers per diems to attend trainings, or using workshops as a means of providing “per diem bonuses,” appears to be one key source of spending problems.
 - Weak strategies in various areas may also contribute to low cost effectiveness, such as too many persons patrolling together at one time or a livelihoods budget that spends too much money on per diems and training and not enough on capital investment for villager businesses (such as purchase of chickens). Reforestation budget also has large unexplained excess expenditures beyond expected per ha costs.
 - It is difficult for outsiders assessing project content to understand how much was truly spent on various activities, as expenditures recorded for many activities actually include a range of items unrelated to the activity as described. This is true even when international and national staff salaries, as well as the three project trucks, recorded under certain activities are subtracted out.³

³ A particularly obvious example is Activity 3.4.3, described as a national consultant carrying out a feasibility and market study on handicrafts in the 16 target villages. USD 318,619 is recorded to have been spent on the activity, though the consultant was paid only USD 23,884, or 7% of the total. In the end, with further explanation, it is understood that this “handicraft feasibility study” expenditure amount includes the cost of building the Ong Mang

- Ecotourism work lacks comprehensive analysis and strategic approach. There is a risk that the project depends too heavily on ecotourism as the solution to post-project PA funding and livelihood needs, without solid analysis to back this up. There is a lack of clear projections on ecotourism income and how this translates into costs of patrolling and other support needed annually for PAs, such as CA payments to communities. There is a lack of understanding of the international market for ecotourism in the project's four targeted PAs, including willingness to visit, projected spending per visitor, and how to attract them.⁴ There is a lack of promotion of the target PAs for ecotourism, even though promotional materials have been prepared.
- There is a lack of sufficient effort on other innovative and well thought out financing mechanisms, though these are one of the greatest needs to ensure sustainability. No work has been done on a mechanism to derive funding from local concessionaires (in Savannakhet) or on securing funding from national or international sources (such as philanthropies and donors).⁵

Recommendations: Recommendations are shown in the table below, along with entities responsible for addressing each recommendation. Results-related recommendations that cut across outcomes are presented first. Recommendations related to Outcome 3 results are shown next, given the urgency of improving Outcome 3, followed by those related to Outcome 2 results, and then those related to Outcome 1 results. A recommendation on each of expenditures and implementation is then provided at the end.

It is noted that the issue of sustainability of *SAFE* interventions are an important theme in several of the recommendations. The MTR Team believes that by addressing these issues, *SAFE* will be poised to make a major contribution across the forest conservation sector in Laos. Lack of sustainable models for major conservation expenditure areas, such as patrolling and tree planting, is not an issue faced by the *SAFE Project* alone. Instead, it is a widespread problem, faced across the sector and in other government-donor projects. By developing and demonstrating sustainability models post-MTR, *SAFE* will provide viable approaches that could be adopted on a broad scale.

MTR Recommendations for SAFE Ecosystems Project with Responsible Entities

#	Recommendation	Responsible Entity ⁶
A	Cross-Cutting Results	---
A1	Shift to big-picture strategic approach. Prioritize: (a) achievement of results that will be sustainable for the long-term post project; (b) achievement of objective and (PIR) outcome statements for the long-term; (c) achievement of objective indicators for the long-term. (1) Prepare big picture plan with rough budget allocations for remaining 2.5 years of project. Delete/revise/ add outputs/ activities as needed. (2) Approve plan.	APM, CTA, FM, UNDP CO (PO/TL), RTA for 1. PSC for 2.

Center and a wide range of non-handicraft related livelihood pilots, the latter recorded with a budget code of “workshops.” Yet, outsiders would have no way of knowing that these unrelated items were included from reviewing the activity-wise budget or even the specific COA codes.

⁴ As learned during the period of comments on the draft version of this report, an international ecotourism consultant was hired shortly after the MTR mission, which could address concerns regarding the market of international tourists. Recommendations for the consultancy are included in the recommendations table below.

⁵ As learned during the period for comments on the draft version of this report, after MTR consultations, at the end of 2019, a Sustainable Financing Mechanism Consultant was brought on board to assess REDD+, ecotourism, offset payments, payments for ecosystem services, and national financing mechanisms. Given the criticality of financing to sustainability, this work would have ideally begun earlier in the project. Now that it has been initiated, the MTR team recommends it focus on the high potential areas indicated: international sources, such as donors, philanthropies, and REDD+, fees assessed of investors in the province, and national sources. Emphasis should be on action-oriented outreach to these potential sources and not on long, theoretical reports.

⁶ See full recommendations section (Section 10-2) for clarification of abbreviations if not included in acronyms section at beginning of report.

A2	Clarify and improve the project indicators (“PRF”); revise PRF: (1) Revise project objective-level indicators to match most pertinent of GEF core indicators. Finalize transition from tracking tool to full set of relevant core indicators. ⁷ (2) Prepare and finalize 1 to 3 broad indicators for each of the 3 PIR outcomes and replace current indicators as needed. Consider those prepared by the MTR Team (provided in Annex 4). Indicators should not just target simple task completion. Instead they should target meaningful results. (3) Assess, finalize, and approve new PRF.	M&E Officer, APM, CTA, UNDP CO (PO/TL), RTA for 1&2. PSC and RTA for 3.
A3	(1) Clarify forest areas targeted by first 2 project objective indicators. Ensure that SFM is carried out across full areas. This should include active management, not just management plans sitting on a shelf. (2) Come up with action plan to address full areas. ⁸ Include: (a) full area of 4 target PAs/ protection forest (within and without 5 target districts) and (b) additional forest area in five districts, but outside these protected areas. ⁹ (3) Finalize and approve action plan.	APM, PM, CTA, SVK Coordinator, PAFO (FD, PAD) for 1&2. PSC for 3.
B	Outcome 3 Results (Incentives and Financing for SFM and SLM)	
B1	Put strong focus on developing financing mechanisms and other special mechanisms for post-project conservation in project’s target NPAs/protection forest. Design and assess the options. Plan and implement activities to establish selected mechanisms. Work should be very action-oriented. Avoid long, theoretical reports. Instead, conduct outreach to (a) international funding sources and (b) domestic entities that are needed to make domestic mechanisms viable. Consider: (i) Identification of and outreach to international foundation/ philanthropic funding sources, including Swiss sources, that may support livelihoods or patrolling. Their support can be a short-term bridge to other options. (ii) Support to Savannakhet for involvement in REDD+ (possibly as bridge to USD71 million REDD+ project that includes USD17 million GCF grant). (iii) Fees collected from private sector companies investing in Savannakhet (advocate and support policy changes on fees). (iv) National funds targeted for conservation, such as those at EPF or the Forest Resources and Development Fund (FRDF). (v) Provision of benefits to villagers (such as access to NTFPs) in return for patrolling services. Ensure that international financing mechanism consultant, hired after MTR mission, has action-oriented deliverables (e.g. making connections with promising philanthropies and working with relevant domestic sources of funding, such as EPF, FRDF, and Savannakhet Province) and focuses only on promising mechanisms. ¹⁰	CTA, M&E Officer, APM, Comp. 3 FP, SVK Coordinator, International Consultant. Supported by PAFO (DG, etc.), DOF (DG, etc.), and UNDP CO (DRR/TL/PO) on outreach to relevant entities.
B2	Improve livelihoods strategy and revise livelihoods action plan and budget: (i) Assess which villagers need to benefit from livelihoods support to achieve conservation goals and issue clear criteria. Assuming many or most villagers need to benefit, focus on types of livelihoods that can benefit large numbers of villagers. (ii) Provide support for market assessment and market access. ¹¹ (iii) Increase proportion of livelihood funds used for capital investment – substantially reduce amount going to per diems. (iv)	Livelihoods/ Gender Specialist, Comp. 3 FP, Consultant, Ong Mang

⁷ Post-MTR mission and with substantial input from the RTA, M&E Officer prepared draft core indicators and the MTR team provided preliminary recommendations for some revisions or further follow up (provided in Annex 9).

⁸ If the project decides not to address the full areas targeted, strong justification should be provided.

⁹ The first objective indicator, targeting 698,746 ha, is understood to include only land within the 5 target districts. It is understood to include parts of the 4 PAs within the 5 target districts (≈401,458 ha) and other forest areas within these 5 target districts (≈297,288 ha), but what and where these other areas are is unclear. So, (b) here refers to the ≈297,288 ha.

¹⁰ This recommendation should not only be applied to guidance of the international consultant that has been recently hired, but also to work of the project team and partners, who should support effort of this critical work area to the extent possible. International members of the project team, for example, might help with relevant outreach and promotion to foreign entities that might support livelihoods for achievement of conservation in Savannakhet PAs.

¹¹ This means understanding whether the market is promising and also how the villagers will access/ connect with the customers/ buyers.

	Increase amount of overall project budget going towards livelihoods. (v) Expand number of villagers and villages receiving support, including potential expansion to other 3 target PAs. (vi) Consider expansion of NTFP access for villagers and support for their NTFP selling. (vii) Consider outside consultant to assist with i, ii, iii, v, vi.	Director, SVK Coordinator, APM, CTA
B3	In future conservation agreements (2020 and beyond), achieve a better balance of what villagers receive from project and what they offer in terms of conservation. Consider innovative approaches, such as NTFP access or other benefits in return for patrolling services.	As above
B4	Improve and expand ecotourism work: (1) Expand scope to include more extensive work in DPV and PXH. (2) For each of OM, DPV, and PXH, develop clear, realistic projections on ecotourism and how this translates into needed funds for patrolling, infrastructure, etc. (3) Carry out promotion work for each area, beginning with materials already prepared by SVK project team with PAFO. (4) Reach out to tour operators, etc. for direct promotion of areas. (5) Ensure that the international ecotourism expert that was hired after the MTR mission assesses the 4 PAs for international tourist appeal and advises on what is needed for the areas and for promotion. Require action-oriented outputs of consultant, such as outreach to international guidebooks and tour operators. ¹²	Ecotourism Specialist, Ecotourism Adviser, Comp. 3 FP, International Consultant
B5	Prepare gender strategy and prioritize women beneficiaries, especially in livelihoods work. (A draft gender assessment has been prepared post-MTR mission, but what is urgently needed is a concrete approach for prioritizing women beneficiaries.) Include targets for women as proportion of those that experience substantially increased incomes from livelihoods work (e.g. 70 percent). Indicate how livelihood activities will preferentially benefit women through a combination of women-only livelihoods, women-suitable livelihoods, and mechanisms to get more women benefiting from livelihoods work. ¹³ Be aware that so far greatest benefits of project at village level have accrued to men through payments for patrolling work, in which very few women are involved.	L/G Specialist, M&E Officer, Comp. 3 FP, Gender Consultant, OM Director
C	Outcome 2 Results (Demonstration/ Implementation of SFM)	---
C1	Improve reforestation work in Ong Mang. Develop post-project sustainability plan for nurseries and reforestation. Consider transferring some funds allocated for reforestation to livelihoods. (i) Select optimal locations for planting (using satellite imagery etc.) and optimal species. Consider asking consultant to finalize draft DDF reforestation guidelines prepared so these can be referenced. (ii) Determine total areas needing planting (via satellite imagery, etc.) to map additional needs/ costs for reforestation in the long-run post-project. (iii) Improve survival rates via proper care. ¹⁴ (iv) Develop a sustainability model for post-project continuation of nurseries and reforestation. For example, consider selling high value species seedlings at cut rates to villagers in return for them planting additional seedlings in PA conservation forest. (v) Determine where excess reforestation costs (beyond 2.8M Kip/ha) are going and eliminate inefficiencies.	Comp. 2 FP, OM Director, APM, PAFO (FD, PAD), Consultant, Finance Manager.

¹² This recommendation should not only be applied to guidance of the international consultant that has been recently hired, but also to work of the project team and partners, who should support effort of this critical work area to the extent possible. International members of the project team, for example, might help with relevant outreach and promotion to get Savannakhet PAs on the “ecotourism radar” internationally.

¹³ After the MTR mission, a draft “Gender Analysis and Action Plan” was prepared. The draft has a lot of data, but no practical actions are yet listed. What is being recommended by the MTR Team is a much more practical approach in which the following question is answered: How can we set up a system so that women are the main beneficiaries of project livelihood work or at least represent a high proportion (e.g. 70%) of beneficiaries?

¹⁴ While comprehensive data is not available and some planting is very recent, survival rates of just 60 to 70% have been indicated by stakeholders.

C2	Assess relevance of patrolling work with regard to locations, frequency, etc. Consider both: (a) post-project sustainability of patrolling and (b) how to cover full targeted forest area of project, or at least all 4 PAs. Prepare new patrolling plan for rest of project and first few years post-project: (1) Analyze patrolling needs considering: (i) incidents that are occurring, (ii) core versus noncore areas, and (iii) forest area per village. (2) Optimize use of patrolling personnel. Reduce number of people that patrol together to reduce costs. (3) Analyze composition of total patrolling costs. Reduce other areas of excess spending. (4) Expand patrolling areas to include those in the 3 other target PAs/ protection forest via financing mechanisms (see Rec. B1). (5) Consider providing non-cash benefits to villagers in return for patrolling (such as access to conservation areas for sustainable harvesting of NTFPs.).	Comp. 2 FP, OM Director, APM, PAFO (FD, PAD).
C3	Investigate viability and usefulness of designating HCVF areas outside of PAs to form corridors (swaths or “stepping stones”) between PAs. If deemed both practical and useful, work to get these “corridor” HCVFs, which are outside of PAs, officially designated and protected sustainably. Consult with DOF and PAFO on this work, which may be combined with DSS work. If not viable or not useful, officially drop this activity.	SVK Coordinator, APM, PM, PAFO (DG, etc.), DOF (DG, etc.).
D	Outcome 1 Results (Policy and Planning)	
D1	Develop sub-activities to ensure that DSS, ISPs, and SEAs are used to prevent concessions in forest areas outside of PAs/ protection forests. If possible, ensure DSS training is periodic (every couple of months) and consider webinar training. Build ownership so that various provincial entities will contribute data. Conduct one-on-one outreach to relevant officials to ensure that DSS, ISPs, and SEAs are used. Take advantage of the window of opportunity of new socio-economic development plans (SEDPs) being prepared in the 5 project districts to get project ISP and SEA work incorporated in the SEDPs, given the ending of the last 5-year cycle (2014-2019).	SVK Coordinator, CTA, DSS Contractor, PAFO (FD, PAD), SVK DPI (DG).
D2	Facilitate further work on PA Decree to get financing of PAs incorporated into Decree.	APM, CTA, PM, DOF (LD).
E	Expenditures	
E1	Put high priority on increasing cost effectiveness. Develop a clear view of how funds have been spent. Focus on problem areas. Prepare a “cost effectiveness action plan”: (1) Develop a better tool to see where funds are going. This should separate out project team costs and costs not directly related to an activity but accounted for under it. (2) Reduce excessive per diem payments – (i) only one or two key persons should travel to villages to deliver training, (ii) if training outside of village, consider providing villagers transport and food directly, but not per diem. (3) Reduce layers in project – do not bring in additional parties with MOUs unless value add and cost effectiveness is clear. (4) Eliminate unrelated costs charged to the project, if any. ¹⁵ (5) Prioritize cost effectiveness in (i) livelihoods (so that bulk of funds goes to villager capital costs); (ii) patrolling (reduce team size, optimize patrolling sites, identify waste in usage of funds, and consider non-cash deals for patrolling services with villagers, such as patrolling in return for NTFP collection permission or permission to plant NTFPs in forest); (iii) reforestation (identify waste, consider non-cash deals for villagers to plant trees, such as compensation with seedlings for their own land); (iv) workshops (hold low cost workshops by eliminating expensive travel packages, reimbursing actual travel cost only if at all, and including only relevant attendees). (6) Develop system of accounting	Finance Manager, CTA, M&E Officer, SVK Coordinator, OM Director, UNDP CO (PO/TL).

¹⁵ NIM guidelines on tolerance may also be referred to, whereby PSC approval needs to be sought for any expenditures that deviate from plans above a certain expenditure level. Yet, to avoid the substantial aggregate impact of many small unrelated expenditures, project code of ethics should call for all expenditures to be strictly for project purposes only.

	for project's \$1.2 million in grants (funding that was channeled through EPF), so that management can clearly see how much has been spent and how funds are being spent. ¹⁶	
F	Implementation	
F1	Move project staff closer to the action in Savannakhet, especially Ong Mang and the other 3 PAs, if this can be done without incurring additional costs. Establish clear process for considering recommendations from province in decisions made in Vientiane: (1) Consider, during the upcoming critical period of implementation, assigning: (i) the Assistant Project Manager at least half time if not full time to Ong Mang or Savannakhet; ¹⁷ (ii) the Tourism Specialist and the Gender and Livelihoods Specialist full time in Ong Mang and (if the project extends its activities as recommended to its other PAs/Protected Areas) the other 3 PAs. Adjustments to postings of staff should be done in such a way that per diems and frequent back and forth travel costs are eliminated. (2) Establish formal system in which ideas/suggestions for activities from the province (project team or PAFO) are documented. Responses from Vientiane project team and DOF should also be documented. This may be achieved by preparing a table with ideas in first column and responses in second column. The purpose is to ensure that good ideas from the province are fully considered based on their merit of contributing to the project objective and outcomes.	UNDP CO (DRR/TL/PO), DOF (DG, DDG), PAFO (DG) for 1. M&E Officer, CTA, APM, PAFO (FD, PAD), Ecotourism Specialist, L/G Specialist, Comp. 2 FP, Comp. 3 FP, OM Director for 2.

¹⁶ Current accounting method shows the full \$1.2 M transferred to EPF as having been spent, using "grant" budget code, but the MTR Team was not provided with a clear record of how much has been transferred to PAFO, how much has been spent, and what it has been spent on.

¹⁷ During the mission, the MTR team was told that the APM, CTA, and M&E Officer were each spending one week per month in Ong Mang or Savannakhet. During the comment period, the MTR team was told that the APM was already spending half time in Ong Mang or Savannakhet.

1. Introduction to MTR

This section presents the purpose, methodology, and limitations of the Lao SAFE Ecosystems Project mid-term review (MTR), which is the topic of this report. It also introduces the content of this report.

Purpose: The purpose of the MTR is three-fold: (1) Provide information on and assessment of the project, especially its progress towards targeted results and efficiency of use of resources. This is for the purpose of transparency, so that all who are interested can know how funds have been spent. (2) Provide assessment and recommendations for priorities for the project going forward and course correction in activities and approach, if needed. This is so that results and their sustainability can be maximized by end of project. (3) Provide, as relevant, general lessons learned that may apply to other UNDP projects in Laos or, more generally, in the region or world.

Methodology: The MTR work integrates three key methodologies: (1) extensive stakeholder consultations and site visits, (2) document review, and (3) special information requests and related analysis. Prior to its two-week mission in Laos, the MTR Team reviewed key documents, namely, the CER, ProDoc, and PIRs. Then, in order to develop a focused plan, the MTR Team carefully considered the targeted project objective, outcomes, and high-level indicators, as well as the key UNDP-GEF priority evaluation areas of (i) relevance, (ii) efficacy of results and broader impact, (iii) efficiency of spending, and (iv) sustainability. Based on these considerations, they preliminarily defined key questions the MTR work would aim to answer. They next prepared a master interview guide (see Annex 2), with key questions that might be asked of various stakeholders, as relevant. The mission took place in Vientiane, Savannakhet (provincial capital), the Ong Mang Protected Area, and three of the project's five partner districts. It included visits to five different villages in the Ong Mang Protected Area. In total, the MTR Team undertook over 50 consultations and, beyond the basic visits to five village halls and the Ong Mang Center buildings, undertook ten additional site visits. Consultations and site visits are summarized in Exhibit 1, with details in Annex 1. Gender responsive aspects of the methodology include separate interviews with small groups of women in each of the five villages visited, as well as questions specific to the situation of women included across village interviews. As for the latter, special attention in particular was paid to livelihood opportunities developed by the project for women, women's participation in livelihood activities more generally, and differential impacts of restricted access to the forest on women as compared to men. During the mission, the MTR team requested that the project team provide a list of contracts and contract values, including all individual short-term consultants and organizations providing consulting services (the latter for those contracts with contract value of USD 10,000 and up). The mission ended with a debrief presentation by the MTR Team of initial findings and recommendations to Department of Forestry (DOF) and UNDP, at which preliminary feedback was received. Following the mission, the MTR Team undertook extensive review of indicators in light of mission findings and developed a proposal for revision of these (Annex 4). As a part of this work, they conducted "SMART" analysis of the existing indicators in the project results framework, assessing whether these indicators are "Specific, Measurable, Achievable, Relevant, and Time-bound." They conducted review of documents related to project activities, as well as of project management documents not yet reviewed, and assessed findings from the extensive consultations conducted. They also provided a template to the project team to request activity-wise expenditure information and conducted analysis of expenditures upon receipt of this information.

Challenges and limitations: The MTR team faced both general challenges and limitations common to evaluation of UNDP-GEF projects and challenges and limitations specific to the *Laos SAFE Ecosystems Project*. In general, UNDP-GEF projects cover a large mass of information, many activities over several years, and many stakeholders. The amount of information can be overwhelming and cannot be

comprehensively covered in the time allotted to the evaluation. To address this challenge, the team put the strongest emphasis on the questions of whether progress has been made towards the project objective and outcomes, whether this progress is due to the project, whether spending had been cost effective, whether results will be sustainable, and what can be done to maximize progress and sustainability of results in the second half of the project. Further, recognizing the benefit of direct stakeholder input, the team focused during the mission on interviewing as many key stakeholders as possible, saving any outstanding document review work and analysis until after the mission. In addition, the team aimed to focus its analysis by reviewing contract values and other expenditures and prioritize researching the items with the largest expenditures.¹⁸ Yet, despite these measures, the MTR team must acknowledge the limitation that certain findings and conclusions in this report are not definitively proven, but instead represent the professional assessment of the MTR team based on available information and our capacity to review and assess that information in the time period available.

Challenges and limitations specific to evaluating the *Laos SAFE Ecosystems Project* and the way they were addressed are:

- Expenditures not easily understood by outsiders: The MTR team found that it was not possible for the project team to meet the MTR team request of providing a clear breakdown of expenditures by major activity area. Instead, many costs recorded under activities were not really associated with the activity as described, making it difficult to assess cost effectiveness. In the end, additional exchange with the project team as well as review of the breakdown of budget codes (“COAs codes”) for each activity helped to address this problem. The amount of time invested, however, was substantial.
- Project design (in CER and ProDoc) does not use the standard “objective-outcome-output-activity” terminology/ structure: While project outcomes are typically a key basis of MTR assessment, the outcomes included in the project’s CER are too numerous (there are 15) and mostly output-like or output-indicator-like in nature (e.g. “at least 16 community-based conservation agreements signed”). The ProDoc does not seem to adopt these outcomes or even use the term “outcomes” in its description of project strategy. And, the project results framework in the ProDoc and CER indicates “components” as the strategy where “outcomes” are usually indicated. This is resolved in the PIRs, which call the three components “outcomes” instead of “components.” This is suitable, as the components are stated like outcomes. While it is now understood that the problem noted was resolved at the start of implementation, it did cause initial challenges for the MTR Team as we reviewed documentation and tried to identify the targeted outcomes on which to focus our analysis.
- Although outcome-level indicators are to be another key basis of MTR assessment, of the project’s outcome level indicators, many are output-level in nature. As a group, these are also too numerous to provide focused guidance to the project on its main aims. To address this major challenge to the evaluation, the team emphasizes the objective statement and component/ “outcome” statements in understanding the main aims of the project. Further, the MTR team formulated new/ revised outcome indicators for the project (Annex 4), suggesting them as a guide to project course correction. Yet, per requirements, the MTR team has used the original indicators in its “traffic light” analysis of progress towards results, provided later in this document.
- Project has a large number and wide range of activities, with connection among these and prioritization not clear. To address this, the MTR team examined each activity area to test for its innovativeness/ relevance and contributions to the main aims of the project as delineated by the objective and component/ outcome statements, as well as the objective indicators and the revised outcome indicators (see Annex 4) proposed by the MTR team.
- The vast majority of project activity and information provided focuses on Ong Mang Protected Area, which is about 130,745 ha, though the project targets are much broader than this. The project targets include 583,672 ha for improved PA management and (with some but not full overlap with preceding

¹⁸ While this particular strategy has worked well for other project evaluations, because the majority of SAFE’s expenditures to date are not contract expenditures, the method was less useful for prioritizing in the case of SAFE.

number) 698,746 ha for SFM, both in the Project Results Framework, and (likely with full overlap with preceding number) 1,060,525 ha of improved management of landscapes in the CER. To address the discrepancy, the MTR Team developed questions and sought to find out as much as possible about other areas besides Ong Mang that were to be addressed, such as the other three PAs included in the project design and areas outside of protected areas. It also attempted to get feedback from the project team and other stakeholders on the nature of the portion of land area targets outside of PAs, in addition reviewing design documents to understand this issue.

- Visiting all of the project's five districts was not possible: To address this situation, Skype consultations were carried out with the DAFOs of the two districts that could not be visited.

Exhibit 1. Stakeholder Interviews and Site Visits

Over 50 interviews conducted

VIENTIANE	
Department of Forestry, MAF	
Director General = PSC Chair	Forest Legislation Division
Deputy Director General = NPD	Community Forestry Division (Deputy Head)
Project Manager and Alternate PM	
Other National Government	
Environmental Protection Fund (EPF)	International Organization Division, MPI
PMU (National Level) and UNDP	
Project Team as Group	Technical Advisor (<i>sometimes referred to as CTA</i>)
Assistant Project Manager x 2	M&E Officer
Finance Manager	UNDP Country Office x 3
Consultants/ Contracting Organizations	
WCS (Founder) – Biodiversity/ habitat survey and indicators	WWF – Human-Elephant Conflict & Ranger Training (also experience with Ong Mang)
CDE, University of Bern – Decision Support System	Handicraft Market and Plantation/Agriculture Guidelines in DDF Areas Consultant
EDC (Partner) – finance and project management capacity building for 16 project villages	
SAVANNAKHET PROVINCIAL CAPITAL	
Provincial Agricultural and Forestry Office (PAFO) (including PMU Members that are Government Employees)	
Co-Chair Provincial PSC and Acting DG of PAFO	NPA Division: Head
Provincial Project Coordinator and Div. of Forestry NTFP Section Deputy Head	Provincial PMU: Focal Point for Component 3, especially livelihoods
Provincial PMU (non-government)	
Livelihood and Gender Specialist	Ecotourism Specialist
Other Provincial Government	
Provincial Office of Natural Resources and Env't (PONRE), DDG (re zoning, land licensing)	PONRE Head of Environment Division (re hydrological and meteorological station)
Information Culture and Tourism (ICT) Office DG (Provincial PSC member, recently retired, and now tourism advisor to project)	Savannakhet Provincial Department of Planning and Investment (DPI), Director General (<i>met with in Vientiane</i>)
ONG MANG FIELD TRIP/ DISTRICTS	
5 Project Districts and Ong Mang Center	
Ong Mang Center Director and Xounaboulry District Coordinator	Ong Mang Center Deputy Director and Provincial Project Component 2 Focal Point
Songkhone District Coordinator	Thaphangthong District Coordinator
Phalamxai District Coordinator (<i>Skype</i>)	Phine District Coordinator (<i>Skype</i>)
Project Villages	

<p>Sananxay Village, Xonnabouly District and Ong Mang NPA Core Area:</p> <ul style="list-style-type: none"> • Member of Village Development Team (man) • 5 Women (potential cook for tourists, chicken raising trainee, wife of ranger, sewing team member, village finance officer) • Deputy Village Chief (man) • Head of Village Conservation Team (man) 	<p>Songhong Village, Xonnabouly District and Ong Mang NPA Core Area:</p> <ul style="list-style-type: none"> • Head of Village and Head of Village Conservation Team (2 men) • 2 Women • Large group conversation including rangers and Provincial Project Coordinator (also Deputy Head of NTFP Section, Forest Division, PAFO)
<p>Tangvainam Village, Xonnabouly District and Ong Mang NPA Core Area:</p> <ul style="list-style-type: none"> • Village Chief and Deputy Chief (also Head of Village Conservation Team and Village Development Team, respectively) (2 men) • 2 Women (member of Village Development Team responsible for finance and ranger (Village Conservation Team), other member of VCT (also ranger) • Casual group conversation with rangers (men) 	<p>Nathanang Village, Thapangthong District, Ong Mang Non-Core Area:</p> <ul style="list-style-type: none"> • Village Leadership, Village Conservation Team, Village Development Team (4 men with overlapping roles) • 6 women (2 sewing trainees, 2 involved in tree planting or seed collection, 2 Lao Women's Union reps of which 1 vet trainee and 1 interested in goat raising)
<p>Nathanang Village, Songkhone District, Ong Mang Non-Core Area:</p> <ul style="list-style-type: none"> • Village Chief and Village Conservation Team Lead (2 men) • 4 Women (vet trainee, village security officer, weaving group member, sewing trainee) 	
Other Site Visits	
<p>Nurseries</p> <ul style="list-style-type: none"> • Ong Mang Center • District • Village 	<p>Vegetable Garden and/or Fodder Plants</p> <ul style="list-style-type: none"> • Ong Mang Center • Village
Ranger Sub-Stations (3)	Fish Pond (village)
Reforestation Area (village)	
INTERNATIONAL	
UNDP Asia Pacific RTA responsible for project (<i>via Skype</i>)	

Content of MTR Report: A summary of the main findings and recommendations of the MTR can be found in the Executive Summary at the beginning of the report. The main text begins with two preliminary sections, this one, Section 1, on MTR objectives, methodology, and limitations, and the following one, Section 2, presenting background on the country context and project. Section 3 presents assessment of project relevance (e.g. is the project needed and is it innovative and leading to different results than would occur in the absence of the project?) and project design. The next four sections focus on project results. Section 4 looks at overall results and main challenges/ concerns regarding those and also presents the required “traffic light” assessment of progress toward objective and outcome-level indicator targets. Sections 5-7 each focus on results achieved under one of the project’s three outcomes, covering policy-enforcement-capacity (Section 5), SFM and expansion of protected area (Section 6), and incentivizing and financing of protection (Section 7). Section 8 covers sustainability of results, though given that this is a key challenge of this project, sustainability discussions are also interwoven with discussions of progress towards results. Section 9 covers various aspects of implementation, notably institutional/ project team issues and expenditures/ cost effectiveness. Section 10 presents conclusions, lessons, and recommendations. The MTR Report has thirteen annexes, as listed in the Table of Contents. Of particular interest content-wise are: (i) Annex 1, which provides a detailed listing of organizations and persons consulted and site visits; (ii) Annex 4, which provides a proposed revised Project Results Framework (project objective-level and outcome-level indicators); (iii) Annex 9, which provides the new GEF Core Indicators that will replace the GEF Tracking Tool, including MTR Team feedback on the transition to these; and Annex 10, which shows our estimates of benchmark costs to support the cost

effectiveness analysis, as elaborated in detail in Exhibit 12. Annexes 11-13 are internal documents and are thus provided separately.

2. Project Description and Background Context

Before moving to the MTR team's assessment of the project in subsequent sections, in this section we provide background on the project, including: (i) the context vis-à-vis problems addressed by the project and background on areas in which the project works; (ii) a description of the project's basic design; (iii) brief project history; and (iv) project implementation arrangements.

2.1 Background Context

Problems addressed by the project and related development context: The critical problems that the project aims to address are ongoing loss of biodiversity, wildlife habitats, and ecosystem services associated with forests in Savannakhet Province and Laos more generally. Forests in Laos and Savannakhet are threatened by the ongoing granting of new concessions to foreign investors in areas such as sugar cane, eucalyptus, and rubber plantations. The dry dipterocarp forests of Savannakhet are particularly threatened by potential concessions, as tree density is lower than in other types of forest, so such areas are less recognized as forest that needs to be conserved. At the same time as they face threats from such investments and land conversion, forests in Savannakhet are also threatened by local people living in forest areas and some outsiders when they carry out illegal logging, illegal hunting, and overharvesting of non-timber forest products (NTFPs). Laos and Savannakhet Province lack a strong system of land use planning and tools to ensure that forests are not encroached upon by concessions. Further, there is a lack of means to stop the local threats to forests, as no successful incentive system for local people or alternative livelihoods schemes exist. While Laos has a system of protected areas and a policy of allowing local people to continue to live in them, funding for protected areas is extremely limited. In the case of Savannakhet's national protected areas (NPAs), for example, while staff are paid salaries by the government, the NPAs have almost no operational funds. Further, areas not elevated to national protected area status are considered still to be at risk of being allocated to concessions. An example of particular interest in regard to such at risk areas is Ong Mang, a provincial-level protected area in Savannakhet and a key area of focus of the project.

Another critical issue related to the case of Ong Mang is the lack of protected areas in Laos dedicated to habitat and species management. While Laos now has 23 protected areas, 21 of these are IUCN Category 6 ("Protected Areas with Sustainable Use of Natural Resources"); and the other two are IUCN Category 2 ("National Park"). To date, Laos lacks a precedent case of IUCN Category 4 National Protected Areas ("Habitat/ Species Management Area"). For comparison, neighboring Vietnam has 30 such areas. This suggests a need in Laos to gain experience with setting up Category 4 Protected Areas. Ong Mang is the only site in Laos that is home to a sub-population of wild Eld's Deer, an endangered species, and thus it is considered a candidate to be Laos' first IUCN Category 4 NPA.

Background on the areas in which the project works: The project is focused mainly on Savannakhet Province in southern Laos and mainly on the province's forest areas. There is special emphasis on Savannakhet's dry dipterocarp forest (DDF), in particular, and on the five of the province's 15 districts in which its dry dipterocarp forest is mainly located. There is also special emphasis on four forest areas with protected status -- two national protected areas, one provincial protected area, and one national protection forest. These four areas are located mostly in Savannakhet and substantially, though not fully, in the five aforementioned districts.

Laos: Located in Southeast Asia and bordering Vietnam, Thailand, Cambodia, China, and Myanmar, Laos has a population estimated at 7.06 million (2018). Laos has had strong GDP growth over the last few decades ranging from roughly six to eight percent annually between 2000 and 2018. About 85 percent of the population is involved in agriculture, especially subsistence rice farming. There is substantial foreign investment in mining, hydropower, and agricultural/ plantation concessions. Laos is known to have the richest and most diverse forests in the Mekong Region. Yet, its forests have suffered substantial degradation, with illegal logging continuing to be a major threat. The Government of Laos divides its forests into three categories: production forest (totaling about 3.1 million ha), conservation forest (which are its protected areas, 4.8 million ha), and protection forest (7.9 million ha). Laos recently amended its *Forest Law*, with the changes approved in September 2019. In its *National Forest Strategy* issued in 2015, Laos indicated a targeted forest cover of 70 percent by 2020. Aims to achieve the target include protecting existing forest from logging, rehabilitating 6 million ha of degraded forest, and planting 500,000 ha of tree plantation. Different sources indicate differing levels of progress towards the target, though all agree it will not be met by end of 2020. Official sources indicate that 68 percent forest cover will be reached by 2020, but that an additional 473,600 hectares need to be allocated to forest to achieve the original target. At the same time, some reports indicate that illegal logging has continued to be a serious problem in the country and lack of funds have resulted in reforestation efforts being substantially under what was targeted.

Savannakhet Province: Savannakhet Province, located in Southern Laos, has a population of roughly 1 million (2017) and is the most populous of Laos' 18 provinces. Savannakhet is considered one of the top three provinces in terms of economic development. It has a dry port, which is an inland free trade zone, offering customs clearance. There are a number of mining concessions in the province, including the nation's largest, the Sepon Mine (a gold mine). Savannakhet is also the province with the largest amount of unexploded ordinance from the Vietnam War. Savannakhet has four national-level protected areas and five national-level protection forests. The province has in its landscapes dry dipterocarp forest, mixed deciduous forest, evergreen forest, and wetlands. Savannakhet has reportedly recently experienced a drop in tourists from 1 million to 600,000 per year. Still, this substantial number of tourists is considered a potential source of ecotourism business.

The five project districts: The project focuses on five districts (of 15) in Savannakhet, though three of the project's four protected areas/ protection forest of focus extend beyond these five districts. The five districts are: Xonnabouly, Songkhone, Thaphangthong, Phalamxai, and Phine. The districts are contiguous and contain most of the remaining large tracts of dry dipterocarp forest in the province, with the largest amount being in Xonnabouly District. The ProDoc indicates these five districts have a combined area of 916,323 ha and combined population of around 300,000 persons (probably from the 2015 census). It further reports a total of 353 villages in the five districts, 96 of which are in the project's four protected areas/ protection forest, though the MTR team did not verify this figure and learned that 44 villages are located in Ong Mang Provincial Protected Area alone (which is fully located in the five districts).

The four project protected areas/ protection forest: As indicated, the project also focuses on four protected areas or protection forest: Ong Mang, Dong Phou Vieng, Phou Xang He, and Se Ta Nouan – Phan Nak. Ong Mang is a provincial-level protected area and is fully dry dipterocarp forest (DDF). DDF is a low density forest-type. Ong Mang has rich biodiversity and, in particular, is the sole home in Laos to the endangered Eld's Deer. The core area where the Eld's Deer lives is 3,000 ha. Two previous smaller donor projects have supported the conservation of the deer and forest in this core area of Ong Mang. These include a WCS project from 2004 to 2006 with funding of USD 7,000 and a WWF project from 2006 to 2013 of USD 150,000. The WWF project (and presumably the WCS project) included only the three villages of Xonnabouly that are in the core area and focused on awareness building and patrolling. The total area of the provincial protected area of Ong Mang at the start of the project was 108,911 ha, all

of which is in the five project districts. Access to Ong Mang from Savannakhet provincial capital is relatively convenient, about a 2.5 hour drive.

Dong Phou Vieng (DPV) is a national-level protected area. It has a mixture of forest types: semi-evergreen forest (about half of area), dry dipterocarp, and mixed deciduous forest. Overall, it has higher forest density and lush forest than Ong Mang. It has an area of 197,000 ha, fully within Savannakhet, of which 124,899 ha is in the five project districts. It is known for its rich animal life. Previous donor projects (SNV, ABD, and JICA) have supported ecotourism efforts in DPV during the period of 2005 to 2013, when international tourists paying USD150 to USD200 for package deals reportedly reached a level of 200 to 300 persons per year. Yet, following this period, there was reportedly deforestation and lack of interest in ecotourism in the few villages in which ecotourism work had focused; and international tourists dwindled down to about five in the first ten months of 2019. The leaf monkey (Colobinae) is considered the main attraction wildlife-wise of DPV, though its numbers are said to have gone down in recent years and sighting is not so easy. DPV is more distant from Savannakhet provincial capital than Ong Mang. It is about a 2 hour 40 minute drive from Savannakhet to Ping District seat and then 1.5 more hours to DPV, so a total of a bit over a four hour drive.

Phou Xang He (PXH) is also a national-level protected area. It has an area of 109,009 ha, fully within Savannakhet, of which 30,800 ha are in the five project districts. Its landscape has mainly mixed deciduous (largest portion), evergreen, and dry dipterocarp forests. Like DPV, PXH is also overall a much denser, lush forest than Ong Mang. It is considered mostly pristine and beautiful. PXH has high conservation value animal species. Elephants are of particular note – a main attraction. There is an issue of conflict between elephants and villagers, as elephants looking for drinking water may destroy rice paddies. And, villagers are occasionally killed by elephants – with two persons killed in one year recently. Experts indicate that, if guidelines are followed (i.e. don't charge the elephant and don't take a dog that charges the elephant with you to areas where the elephant might be), this is avoidable. Access to PXH is said to be difficult due to road quality. The authors are uncertain of driving time from Savannakhet provincial capital, but geographically, the protected area appears a bit closer to the capital than DPV. So, perhaps it is a four-hour drive or less from Savannakhet provincial capital.

Se Ta Nouan – Phan Nak (STN-PN) is classified as national protection forest. This indicates the forest is protected because of the ecosystem services (such as water and soil protection) that it provides. So, this is distinct from the three other sites, which are classified as “protected areas.” STN-PN has an area of 107,858 ha, 76,845 ha of which are in the project's five target districts and the rest being outside Savannakhet Province. About this site, the ProDoc says only: “At present, little information is available on the ecological features and biodiversity of this site.” The MTR mission also was not able to gather any information on this site (nor of any project activities related to the site), though sources indicate it is a mix of forest types, including dry dipterocarp.

2.2 Project Basic Design

Basic project information: *Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR* (known as the “SAFE Ecosystems Project”) is a Government of Laos – UNDP – GEF Project focused on achieving a transformative shift towards sustainable land and forest management in the dry dipterocarp areas and other forested areas of Laos' Savannakhet Province. The project has a duration of six years (May 2016 – May 2022), GEF grant financing of USD 10,879,174, and expected co-financing of USD 78,993,100.

Objective and component statements: The project's formally stated objective is: “To facilitate a transformative shift towards sustainable land and forest management in the forested landscape of

Savannakhet Province in order to secure the critical wildlife habitats, conserve biodiversity, and maintain a continuous flow of multiple services including quality water provision and flood prevention.” Project activity is centered on three main component areas, with the components being stated as outcomes. The achievement of these three component statements (which we will call “outcomes”) will facilitate achievement of the project objective. The MTR team found that, in the design-phase project budgets and in “project results framework” (project indicators table), the three component statements are used as project outcomes typically are, although the former are not specifically defined as outcomes in the ProDoc and CER. At the time of implementation, as noted, the components were more clearly adopted as the three project outcomes, as shown in the PIRs. They are:

1. Enabling policy environment and increased compliance and enforcement capacities for sustainable land and forest management across landscapes including protected areas (GEF target financing of USD 2,156,596)
2. Sustainable forest management and protected area expansion in five priority districts of Savannakhet Province (GEF target financing of USD 5,134,620)
3. Developing and promoting incentives and sustainable financing for biodiversity conservation and forest protection (GEF target financing of USD 3,069,958)

Outcomes in CER and outputs: The project outcomes and outputs, as conveyed in the CER, are shown in Exhibits 2 to 5, by component, respectively, with the component description atop in each case. As noted, these “CER outcomes” are used only in the CER and not in the ProDoc, though the same outputs are used in the ProDoc strategy as are presented in the CER. Indeed, the ProDoc lacks use of the term “outcomes” in its project strategy, even though outcomes are typically a critical part of project strategy. While the CER outcomes give insights into the content of each component, they seem more numerous and, in many cases, more narrow than is typical of UNDP-GEF projects and appear to be the same in many cases as the project indicators in its PRF. Because they are not used as (and not suitable to be used as) outcomes in project implementation, dark shading on the CER outcomes cells are used in Exhibits 2 to 5 to emphasize instead the component statement (the real “outcome,” lightly shaded) and outputs (white background). As more evidence of problems with the design of the outcomes in the CER, there is a relatively equal number of outcomes and outputs, while it is typical for such projects to have, on average, more than one output supporting each outcome. Also, it is typical to have outputs that more clearly feed into outcomes than is the case in this project’s CER. That is, a group of outputs in more typical project design support the achievement of one outcome. More comments on these issues are provided in Section 2’s assessment of project design. For now, we merely explain to the reader that, given the atypical nature of this project’s outcomes as stated in the CER, we instead use the project’s component statements (which we will call “outcomes” and which are indicated as such in the PIRs) to evaluate the project. The nature of the component statements make them the more appropriate focus of an evaluation that is assessing achievements of high-level results, rather than merely checking off a list of tasks completed.

Component 1 as designed looks to improve plans, regulations, policies, and institutions for sustainable land management (SLM) and sustainable forest management (SFM). It also looks to increase the implementation of plans/policies and the capacity needed to implement them. In the planning area, the project design calls for the development of five district level integrated spatial plans (ISPs) and a strategic environmental assessments (SEA), along with province-level work on a decision support system (DSS), which will, in turn, lead to a zoning plan for the province. Based on the component statement, the MTR team interprets the design also to call for the active use of all these items (ISPs, SEA, DSS, and zoning plan) to improve SLM and SFM. The design further calls for: a multi-sector coordination mechanism for sustainable resource planning, strengthening of capacities in the province for sustainable resource management, district level policies and regulations to support SLM and SFM (based on the component statement, the MTR team assumes implementation of these is also targeted), and guidelines for sustainable plantation forestry and agriculture (for which we assume use is also targeted). Based on the

CER outcome statements, we see some additional targets that do not clearly fit with any of the output statements as written: decree on SEA and targeted regulations on ISPs, regulations on PA finance and functioning of PAs within wider landscapes, and nationally-defined HCVF categories.

Exhibit 2. Component 1 Outcomes in CER and Outputs

<i>Component statement, which we take to be the real “outcome,” as per PIRs, and use for assessment of progress towards outcomes: Enabling policy environment and increased compliance and enforcement capacities for sustainable land and forest management across landscapes including protected areas (GEF target financing of USD 2,156,596)</i>	
Outcomes in CER (not really suitable for use as outcomes in evaluation)	Outputs
<ul style="list-style-type: none"> • Strengthened capacity for sustainable forest and land management in an area covering 1,060,525 ha of Savannakhet Province (as measured in the UNDP-GEF Capacity Development Scorecard) • 5 District-level Integrated Spatial Plans (ISPs) strengthened and integrated with District Socio-Economic Development Plans (SEDPs) • Zoning Plan for the Dry Dipterocarp Forest Landscape approved and guiding management decisions • Strengthened policy and regulatory frameworks for resource management and conservation, including: <ul style="list-style-type: none"> ➢ Decree on Strategic Environmental Assessments (SEAs) targeted regulations on ISPs ➢ Jurisdictional coordination for enforcement of wildlife and forest protection laws ➢ Regulations on PA finance and functioning of protected areas within wider landscapes ➢ Nationally-defined HCVF categories 	1.1 Strategic Environmental Assessment (SEA) completed for 5 selected districts in Savannakhet Province 1.2 Integrated Spatial Plans (ISPs) developed and under implementation in 5 selected districts in Savannakhet Province 1.3 Decision support system developed and supporting Integrated Natural Resources Management in Savannakhet Province 1.4 Multi-sectoral Coordination Mechanisms in place to support sustainable resource planning and management in Savannakhet Province 1.5 Policies & Regulations revised to support Sustainable Forest Management and Sustainable Land Management at the District Level 1.6 Stakeholder Capacities strengthened for Sustainable Management of Natural Resources in Savannakhet Province 1.7 Guidelines in place for Sustainable Plantation Forestry / Agriculture

Component 2 overall aims to achieve actual SFM, as well as PA expansion, in the five targeted districts of Savannakhet Province. A key target in this regard is upgrade to national-level PA and expansion of the area of Ong Mang. In the capacity area, the component aims to improve capacity for managing PAs and for villages to manage their own forests. The component also targets designation of intact forest with HCVF status, with an aim of increasing connectivity of forest areas. And, it targets restoration of degraded forest through reforestation. The component further targets awareness of the value of and approach to conserving DDF. And, it targets a monitoring system to measure ecosystem health of DDF. Reviewing the Component 2 CER outcome statements, these include targets for area of PAs under improved management and area of land under improved management, which overlap with the project’s objective indicators. They also include targets for issuing village community land certificates and village forestry management plans (which are not mentioned in the outputs, but may correlate with Output 2.5). And, among the CER outcomes, there is further the aim to increase or at least maintain the population of critically endangered species.

Exhibit 3. Component 2 Outcomes in CER and Outputs

<i>Component statement, which we take to be the real “outcome,” as per PIRs, and use for assessment of progress towards outcomes: Sustainable Forest Management and Protected Area Expansion in five priority Districts of Savannakhet Province (GEF target financing of USD 5,134,620)</i>	
CER Outcomes (not really suitable for use as outcomes in evaluation)	Outputs
<ul style="list-style-type: none"> Improved management effectiveness scores for 4 protected areas covering 583,672 ha (as measured in the GEF BD1 METT) Area of 698,745 ha under Sustainable Land Management (as reported in LD PMAT, Part I) Expansion of PA estate in Savannakhet Province by 168,614 ha (Ong Mang NPA) Designation of 193,684 ha of High Conservation Value Forest areas Restoration of 1,111 ha of Dry Dipterocarp Forest with native species Community land certificates issued and village forestry management plans completed for 16 villages Stable or increased populations of critically endangered and/or endemic species, including: Eld’s Deer; Silvered Leaf Monkey; Asian Elephant; Francois’ Langur; and Siamese Crocodile 	<ul style="list-style-type: none"> 2.1 Upgrading and expansion of protected areas to conserve priority habitats or ecosystem services and/or strengthen PA connectivity 2.2 Protected Area Management Capacity strengthened 2.3 Existing intact forests designated as High Conservation Value Forests (HCVFs) to strengthen ecological connectivity between forest complexes 2.4 Ecological integrity of degraded forest areas restored through reforestation 2.5 Capacities and Mechanisms Strengthened for Village Forest Management 2.6 Local stakeholders aware of benefits and strategies related to the conservation and sustainable development of Dry Dipterocarp Forests in Savannakhet Province 2.7 Monitoring System in place to measure changes in key ecological determinants of ecosystem health in dry dipterocarp forests

Exhibit 4. Component 3 Outcomes in CER and Outputs

<i>Component statement, which we take to be the real “outcome,” as per PIRs, and use for assessment of progress towards outcomes: Developing and Promoting Incentives and Sustainable Financing for Biodiversity Conservation and Forest Protection (GEF target financing of USD 3,069,958)</i>	
CER Outcomes (not really suitable for use as outcomes in evaluation)	Outputs
<ul style="list-style-type: none"> Increase in public and private investment in land use planning and forest management planning at the village and districts levels to USD 900,000 per year Increase in funding for PA management for 4 target PAs to USD 100,000/year from non-governmental sources and USD 250,000/year from government At least 4 wildlife-based ecotourism projects operating in project target area At least 16 community-based Conservation Agreements signed 	<ul style="list-style-type: none"> 3.1 - Increased and More Strategic Funding for Sustainable Forest Management 3.2 – Wildlife-related ecotourism operations are generating community benefits and producing increased support and financing for wildlife conservation 3.3 – Increased and Diversified Financing for Protected Areas 3.4 - Community Conservation Agreements are generating sustainable livelihoods opportunities linked to conservation outcomes

Component 3 is focused on achieving incentives and funding for SFM. Specific aims include increased funding for SFM and PAs and ecotourism that generates income both for communities and for PAs. The component also targets community conservation agreements that link livelihood/ income opportunities with conservation. The MTR team notes that, given the current lack of funds for PA management and lack of funds for incentivizing communities to conserve forests, success with Component 3 is critical to achieving any kind of sustainable long-term benefit of the project, especially vis-à-vis the aims of Component 2.

Key targets: The project has many targets, as can be found in the Project Results Framework (an indicator table in the ProDoc and CER that shows indicators, baseline values, and targets). The MTR team finds that the objective level indicators, in addition to the component statements discussed above, are useful in giving a high level view of what the project is designed to do. In particular, two of these three objective-level indicators show the extent of land area the project is aiming to impact. This is important for GEF projects in the focal areas of land degradation, sustainable forest management, and biodiversity, as land area is a critical measure by which the GEF monitors the progress of its fund use across its portfolio of projects. Exhibit 5 shows the project's three objective level indicators. The first one targets improved forest management over 698,746 ha. The second (based on the indicator statement) targets improved PA management over 583,672 ha. The MTR team is aware that this second number is the sum of the four protected areas/ protection forest included in the project's area of focus. The origin of the first number is not as clear, though it may be the total forest area within the five targeted districts. In any event, these targeted areas are something that the evaluation can use as a yardstick to measure progress towards results.

Exhibit 5. Objective Level Indicators of the Project and Targets:

Note: The first two show the area of land the project is aiming to impact directly

Objective-Level Indicator	Baseline Level	Mid-term Target	End of Project Target
1. Improved forest management measured by an increase in total area under Sustainable Land Management (as reported in LD PMAT, Part I)	0	---	698,746 ha
2. Improved management effectiveness of protected areas covering at least 583,672 ha (as measured in the GEF BD1 Management Effectiveness Tracking Tool – METT). This indicator covers four specific protected areas in Savannakhet Province.	Baseline values are METT scores for the four areas, respectively, of 39, 39, 33, and 47 ¹⁹	---	65, 65, 60, and 74
3. Capacity to ensure compliance and enforcement of sustainable forest and land management, and mainstreaming of forest connectivity into the main production sectors in Savannakhet Province (as measured by scores in the UNDP-GEF Capacity Development Scorecard)	Baseline Capacity Score of 16.5	25	38

Main stakeholders: The main stakeholders of the project include village people living in forest areas in Savannakhet Province, as well as government officials at the local, provincial, and national levels. As for villagers, the key ones of the project are those that live in the project's four protected areas/ protection forest or in other forest areas within the project's five targeted districts. As for national government officials, these include those in MAF's Department of Forestry, as well as others at the national level for whom the project work is relevant (such as MONRE officials in the case of the project's ISPs and SEAs). At the provincial level in Savannakhet, the key organization vis-à-vis government stakeholders is PAFO, especially PAFO leadership and officials in critical divisions within PAFO, such as its Forestry Division and its National Protected Area Division. Also significant are other Savannakhet provincial government offices for which the work of the project is relevant, especially PONRE and DPI. At the level of the project's five targeted districts, the relevant stakeholders are DAFO staff. Also at the local level, relevant stakeholders are government staff (provincial and district level) assigned to long-term or short-term work within the project's targeted PAs/ protection forest. Other stakeholders include relevant NGOs operating in Laos and tourism providers interested in ecotourism. On a broader level, beneficiaries may include

¹⁹ These baseline figures were revised downwards during implementation, with Ong Mang remaining the area with the highest METT score at 46, with the others being PXH at 35, DPV at 30, and STN-PN at 20.

other people in Laos who enjoy ecosystem services from forests and both Laotian and international tourists who may in the future enjoy visits to forest areas supported by the project.

2.3 Project History and Implementation Arrangements

Project History: The project timeline from submission of the PIF (project concept) in August 2014 to the planned project end date in May 2022 is shown below, along with two notable developments in the country context, the setting of the 2020 target for 70 percent forest cover in 2015 and adoption of amendments to the *Forestry Law* in Sept. 2019. The timeline conveys that major milestones of the project have been achieved in a relatively timely fashion with none of the major delays that are sometimes found to stymie such projects.

Exhibit 6. Project Timeline

≈ Aug., 2014	Oct. 30, 2014	March 3, 2016	May 20, 2016	Aug. 15, 2016	Oct. 20, 2016	End of 2017	Oct. 28 - Nov. 8, '19	May 19, 2022
								
First submission of PIF	PIF (project concept) approved	Full project approved	ProDoc signed; official project start	Assistant PM begins work	Project Inception Workshop	IP changed from MONRE to MAF	MTR mission	Project end date
Parallel developments in the country →	2015 – National Forest Strategy 70% forest cover target set		Parallel developments ← in the country →			Sept. 2019 – adoption of amendments to Forestry Law		Parallel developments ← in the country

Historically, the major challenge faced by the project is that there was restructuring in the Government that eventually led to a change in implementing partner. At the time of the PIF and launch of the project, MONRE was considered the clearly appropriate partner, along with PONRE at the provincial level. MONRE, at that time, had a Department of Forest Resources Management (DFRM), which had under its purview forest areas that are national protected areas and protection forest areas. MAF's Department of Forestry (DOF) was, at that time, only responsible for production forest. On August 19, 2016, MONRE handed over DFRM's responsibilities to MAF²⁰. At the provincial level, analogous responsibilities were shifted from PONRE to PAFO. Around the end of 2017, about 1.5 years into the six year project and over a year after the government transition, the project's IP was changed from MONRE to MAF. The decision to change implementing partner was made by the Government of Laos.

Project Team (Dedicated): For the purposes of this report, the dedicated project team is considered to be those working full-time on the project. Those government officials involved part-time, such as the Project Manager and the Alternate Project Manager, for whom the project is one of many areas of work, may be staff of the implementing partners (i.e. DOF or PAFO) or of other government partners, staff of the latter usually only focusing on specific activities. The dedicated project team may be separated into three categories: (1) Vientiane-based team, (2) Savannakhet-based team, and (3) Ong Mang Center-based team. The Vientiane-based team or national-level team includes six team members who are based in the Vientiane PMU at DOF. They include four Lao nationals and two expatriates. The Lao nationals include (1a) the Assistant Project Manager, who has been with the project almost from the beginning (August 2016) and who previously worked with WWF on its Ong Mang initiative, (1b) the Finance Manager (who

²⁰ This was a decision and subsequent order by the National Assembly of Lao PDR. Originally, the DFRM was moved to MAF as an independent department. The Cabinet of the Minister of MAF, however, then made the decision to have all DFRM Divisions absorbed by Department of Forestry (DOF).

previously worked in UNDP CO), and (1c-d) two finance and admin assistants. The expats include (1e) the Technical Specialist (who has been with the project since 2018, prior to which there was no International Technical Specialist/ Advisor) and (1f) the Monitoring and Evaluation Officer (who is a UNV and has been with the project since Jan. 2019, prior to which there was a different international M&E Officer, who was also a UNV). The Savannakhet-based full-time team includes four persons hired from the market and two government persons (with salaries paid by the government) seconded full-time to the project. The head of the office is (2a) the Provincial Project Coordinator, who is a government person and Deputy Section Head of the NTFP Section of the Division of Forestry under PAFO. The other full-time Savannakhet-based person from the provincial government is (2b) the Focal Point for Component 3 (financing/ incentives). While this component covers tourism, livelihoods, and other potential SFM financing mechanisms, this person focuses on livelihoods. The four persons hired from the market include (2c) the Tourism Specialist, (2d) the Gender and Livelihoods Specialist, (2e) the SVK Finance and Admin Officer, and (2f) the Driver. Ong Mang staff working full-time are all government staff (with salaries paid by the government). There are about seven staff at Ong Mang working on the project (though this work is considered by the government to be government work as well). They are: (3a) Ong Mang Center Director (also District Project Coordinator for Xonnabouly District), (3b) Ong Mang Center Vice Director, who also is also Component 2 Focal Point, (3c) Reforestation Officer, (3d) Livestock Officer, (3e-f) two Seedling Officers, and (3g) Ecotourism Officer. Some of these persons are seconded from the provincial level whereas others are seconded from the district level (Xonnabouly District). These findings on the full-time project team suggest a total team of 19 persons, 9 from government (with salaries paid by the government) and 10 from the market (with salaries paid by the project). The breakdown by locale is: Vientiane – 6 persons, all paid by the project; Savannakhet – 6 persons, 4 paid by the project; Ong Mang Center – 7 persons, none paid by the project.

Project Implementing Partners: The current project implementing partner (IP) at the national level is MAF, with all cooperation carried out at the level of the Department of Forestry (DOF). The Director General (DG) of DOF Chairs the PSC meetings. The National Project Director (NPD) is a DDG of DOF. The Project Manager and Alternate Project Manager are DOF staff for whom the project is only one of many duties. The Project Manager is Deputy Head of DOF's Wildlife Management Division. Some other divisions of DOF have played active roles in the project through MOUs or other modes of cooperation. In particular, the Legislative Division has played an active role in the work to elevate Ong Mang to national protected area status. The Community Forestry Division has prepared Village Forestry Plans for the sixteen project villages. DOF also has a Protected Area Division. While it would seem this division should play a key role, the MTR did not uncover any specific involvement of the division. And, the division was unavailable to meet the MTR Team during its mission.

Other Government Partners: The project cooperates with other government partners at the national and local levels. These include MONRE (for ISPs and SEAs) at the national level, PONRE (village land certificates and the project hydrological and meteorological stations), DPI (for district multi-stakeholder committees and Savannakhet Sustainable Business Forum), and Savannakhet Lao Women's Union (for sewing training for villagers). These partnerships often, but not always, entail MOUs.

Project Steering Committing and Other Coordinating Entities: The PSC had met four times between project start in May 2016 and the MTR mission in Oct. and Nov. 2019, or just over once per year.²¹ Review of meeting notes shows these were led by, respectively, persons with the following roles at the national, UNDP, and provincial levels: (i) the project's NPD (all meetings, in 2016 DDG of DFRM, and then DDG of DOF in 2107, 2018, 2019), (ii) UNDP's Resident Rep (2016, 2018) or DRR (2017) or Head of Governance and Poverty Unit (2019), and (iii) the Deputy Governor of Savannakhet (2017, 2019) or Deputy Director of PAFO (2016, 2018). The PSC notes reviewed do not list attendees, but include

²¹ According to the project team, it also met two times subsequent to the MTR mission in Dec. 2019 and Jan. 2020.

summaries of what various stakeholders have said. From these, it is noted that participants have included: officials from the districts (e.g. deputy district governors) and from provincial departments other than PAFO, such as PONRE and the DPI, as well as, at the national level, the DG of EPF and a representative of the Ministry of Planning and Investment. These meetings appear to be an opportunity to get high level people together to ensure they are knowledgeable about the project and their voices are heard. At the same time, it does not seem that many decisions are made at these meetings, aside from approval of the annual work plan at the Oct. 2016, Dec. 2017, and Jan. 2019 meetings. The June 2018 meeting included signing of an LOI with the SVK DPI to carry out multi-stakeholder meetings in the five project districts.

In addition, the project began to hold quarterly meetings in Savannakhet in 2019. While these are not official PSC meetings, they are attended by many of the PSC members based in the province. The MTR team received notes from two of these meetings, one held Oct. 25, 2019 just before the mission, and another held in Jan. 2020, after the mission.

The project also holds “Monthly” meetings in Vientiane. It appears that more specific decisions regarding project activities are made at these relatively small meetings, which typically include seven to nine Vientiane-based attendees, from DOF (or previously MONRE), the Vientiane-based Project Team, and, sometimes, UNDP. Based on meeting notes obtained by the MTR team, there were thirteen “Monthly” meetings between Jan. 2017 and July 2019, and another held in Nov. 2019, or roughly 4.3 per year.

UNDP: UNDP plays an active role in the project. As noted above, UNDP has been involved in all PSC meetings and in some of the “Monthly” meetings. There has been recent turnover in some of the staff at UNDP responsible for the project. Involved persons from the UNDP Laos Country Office have included: DRR (no changes), team lead for environment (recently changed); the program analyst responsible for the project (recently changed); and the relevant project assistant. The MTR team found that UNDP is quite active, in some cases making specific recommendations for activities, implementation approaches, and staffing. From UNDP Asia-Pacific Regional Hub in Bangkok, the UNDP-GEF Regional Technical Advisor (changed twice to date during project) has provided strong technical guidance in the area of M&E; and the Program Associate has provided program support as well.

3. Assessment of Project Relevance and Design

This section is focused on the strategy of the project as designed. It assesses project relevance, such as whether the project is really needed, whether it is innovative and different than what has been done before or what is being done in parallel, and appropriateness of the design to address the need. Relevance of a project is broader than design alone, as it encompasses relevance achieved via decisions made during implementation. Yet, as the potential for relevance is in large part determined by the main areas the project design selects for focus, relevance is discussed here. After discussing relevance, the section then assesses the quality of the project’s design, including the logical framework (objective, outcomes, and outputs) and indicators.

3.1 Relevance

Relevance to needs: Considering the project and its aims as a whole, the MTR team finds the project highly relevant. At the same time, we see some weaknesses in relevance with regard to project activities (particularly the innovativeness aspect of relevance and the aspect of truly being needed to advance progress towards the targeted objective and outcomes). Looking at the project as a whole, the main topic and focus of the project are well chosen to address a need that may not be addressed in the absence of the

project. Laos possesses rich biodiversity and forest cover. Further, services provided by forest ecosystems, such as regulation of water flows and soil runoff, are sorely needed. Yet, there are limited funds and limited know-how for SFM and the management of protected areas. Thus, there is a real need for Laos to enhance its SFM and biodiversity conservation skills and figure out how to get funding to support these areas. The project's emphasis on dry dipterocarp forest in Savannakhet is also found to be particularly relevant, as this type of forest, in comparison to denser forest types, is at extremely high risk for conversion to agriculture/ plantation land by concessionaries. In addition, dry dipterocarp forest and other nearby forest areas in Savannakhet face threats from logging, hunting of endangered species, and over-harvesting of NTFPs, which the project aims to address. While there is significant support by other donor projects in Laos' sustainable ecosystems space, there is a lack of experience of Savannakhet PAFO in implementing such projects and an absence of support for dry dipterocarp forest, which is at high risk for conversion by concessionaires. In these ways, the project is seen to address important needs.

The MTR team finds the project's third component, with its focus on financing for SFM and protected area management, to be particularly relevant, as it addresses the critical issues of how to fund protected areas and how to incentivize local people to support conservation. In particular, the project's alternative livelihoods strategy as a means to reduce people pressure on the forests for the long-term is highly relevant. The existence of villages in Laos' protected areas is common; and the Government has indicated the aim will be to keep people there, but improve the harmony between them and conservation efforts.

While the majority of project activities fit together in a relevant way to address the overall aims of the project, the MTR team finds some of the individual elements of project, either as designed or as implemented, to be less relevant. As an example of lack of relevance in activity design, the meteorology and water monitoring stations, with their focus on flood prediction, are relevant in a broad way, as lack of forest cover leads to greater flooding. Yet, as designed, they are not that applicable to the specific aims of the project to improve SFM and biodiversity conservation. Refinement of design of these to better fit project aims will be discussed later in this report. As an example of an activity that when implemented possibly became less relevant, the *Savannakhet Tourism Plan*, a result of the Savannakhet Sustainable Business Forum supported by the project, contains just a few points on ecotourism development. It is still considered progress, though, as ecotourism was not mentioned in past plans. Another example of an activity becoming less relevant as implemented is patrolling, as explained in the next sub-sub-section.

Innovativeness -- a key aspect of relevance: The MTR team finds that most of the many individual elements of the project are not innovative. That is, they are not something new that is being introduced into Laos. It seems that the project might have focused more on innovativeness in its design, though its Component 3 presents some room for innovativeness in implementation in pursuit of financing mechanisms to support conservation. What is new about the project and very important in this regard to Laos is that the Ong Mang Protected Area is targeted to become an IUCN Level 4 National Protected Area ("Habitat/Species Management Area"), whereas all existing protected areas in Laos are either Category 6 ("Protected Areas with Sustainable Use of Natural Resources" – 21 NPAs) or Category 2 ("National Park" – 2 NPAs). And, the focus on dry dipterocarp forest is also new, as is the activity on DDF reforestation by selecting indigenous high-value species that have been overharvested. Examples from the many elements that are not new to Laos are:

- ISPs have been prepared before in Laos, though the project's ISPs are expected to be better.
- Patrolling of forest areas by local villagers is not new in Laos, or even in Ong Mang, where WWF supported patrolling in the core area of Ong Mang prior to implementation of the UNDP-GEF project. Indeed, the ProDoc indicates that, of the four project protected areas, "only the Ong Mang site has sufficient rangers (with the other three sites combined having only 45 out of a target 90 DONRE rangers and 0 out of a target of 80 community rangers)... In the Ong Mang site, there are a sufficient number of DONRE rangers (15) and community rangers (43), and management activities are

correspondingly more extensive, including significant community outreach, extensive monitoring and patrolling, support for alternative livelihoods (primarily NTFPs), and ecological studies (particularly for the endangered Eld's Deer)."

Reference to the above text suggests a serious absence of something new vis-à-vis implementation decisions, as the project has decided to focus activities referenced in the text (patrolling, field monitoring, ecological studies, alternative livelihoods, and community outreach) on Ong Mang and not the three other target PAs. Yet, this may be more of an implementation than design issue, as the ProDoc text above implies these activities should be undertaken in the other three PAs.

- Village Forest Management Plans of which the project has prepared 16 have been indicated by stakeholders to be nothing new in Laos, as many have been prepared previously. Village Forest Management Plans show the areas of forest designated for different uses, such as conservation forest and village community forest, the latter of which can be utilized more freely. From consultations, the MTR team understands that the Government of Laos has set a 1,500 village target for the number of villages to have Forest Management Plans by 2020. At the end of 2019, there are reported to be have been 1,074 such plans, achieved by the many donor projects being implemented.
- Conservation contracts ("CAs"): These are an agreement between villages and the project about how the villagers will be compensated for conservation. Stakeholders indicate that these are not new in Laos.
- Village Development Fund: This is a vehicle that will be used to channel funds to villagers based on the CAs. Yet, even the ProDoc indicates that the VDFs are not necessarily something new in Laos: "Following the practice used in several other initiatives in Lao PDR, benefits will likely be channeled through Village Development Funds, and the project will support Village Development Committees in managing the funds by building village level capacity to manage funds and decision-making processes, and also ensure that appropriate access and benefit sharing provisions are included in all CAs."
- Livelihoods to improve conservation: As indicated in the ProDoc text in the second of this set of bullets, such work has been carried out before – even in Ong Mang.

Considering all these elements, the project implements a wide range of measures, most of which, taken individually, are not considered new or innovative in Laos. Yet, the combination of these measures in a comprehensive, multi-pronged approach to achieve sustainable forest management, along with their implementation in inhabited forest areas in Savannakhet Province with PAFO, which has little experience in implementing such large projects, is innovative/ new. In Component 3, the project design opens up the opportunity for innovation in financing mechanisms to support SFM. Ecotourism or systems for corporate payment for access to resources are ideas for financing mechanisms. Yet, to be truly innovative ideas at the design stage, these should have been fleshed out in ways that are innovative. That is, the design itself does not present any clearly thought out innovations. As will be discussed later in this report, the project now faces real sustainability challenges in terms of providing viable long-term models for SFM in populated forest areas. The project design might better have recognized the issue in advance and proposed some innovative models in detail. For example, in one such model, certain villagers may take on patrolling responsibility in return for access to NTFPs (sustainably harvested) in the areas they patrol.

Relevance to country priorities: The project has a clear fit with Laos' national priorities. Based on its *Forest Strategy* of 2015, Laos has a target to increase forest cover to 70 percent by 2020; and this target has not yet been met.²² Laos has also made it clear that people living in areas designated as PAs will be allowed to stay in their villages. Thus, the nation has a need for a means of supporting this set-up, something that is clearly a key focus of the project. Further, the project supports other aims of the Government, such as reaching its target of 1,500 village forest management plans by 2020, as noted above. Further, the project is asking its 16 target villages to promote the revised *Forest Law* (adopted in

²² As discussed earlier, the current level of forest cover is not clear to the MTR Team due to lack of consensus, but there is consensus that the target will not be met by the end of 2020.

September 2019) among its households, an activity clearly relevant to Government priorities. Further evidence of relevance to country priorities can be found in reviewing Outcome 3 of Laos' current *National Socio-Economic Development Policy* (the 8th "NSED"), which reads "Natural resources and the environment are effectively protected and utilized according to green-growth and sustainable principles; there is readiness to cope with natural disasters and the effects of climate change and for reconstruction following natural disasters." This is one of just three outcomes identified in the NSED to achieve its overall objective.

Relevance to UNDP strategic program and GEF strategic program: The project has strong relevance to the UNDP Laos current Country Program Document (CPD) and to GEF's strategic programming. Two key priorities of the UNDP Laos CPD are poor people, "especially rural agricultural workers and communities near protected areas," and "sustainable forest and improved land use and management of protected areas through forest and wildlife conservation." Both of these fit quite well with the project's aim to support sustainable land and forest management in Savannakhet Province and to do so partly by enhancing the livelihoods of persons living in forest areas. The project is also highly relevant to GEF strategic programming. It cuts across four focal area strategic objectives of the GEF, one in Biodiversity (BD), one in Land Degradation (LD), and two in Sustainable Forest Management (SFM). Across these four strategic objectives, it encompasses seven strategic programs. The strategic objectives and their corresponding strategic programs are listed in the table on the opening page (first page after cover page) of this document. Review of the programs shows very strong fit with project design through the latter's emphasis on topics such as financial sustainability of and management of forest areas (Components 2 and 3 of project); expansion of protected areas (Component 2); planning in sustainable land management (Component 1); high conservation value forest (Component 2); and forest restoration (Component 2).

3.2 Design Quality, including Results Framework/Logframe

The MTR team finds the high-level design of the project – the objective and component (or "outcome") statements -- to be relatively strong. Yet, we find some problems at the other levels of design that may be hindering the quality of project results. In our assessment of project design, we benefit substantially from hindsight – seeing how the project is going after three years, especially with regard to initial signs as to whether it will lead to a sustainable legacy. Challenges discovered with regard to results and their sustainability are what led us to uncover some of the problems we see with project design.

Exhibit 7. Review of Objective and Component Statements ("Outcomes")

Objective: To facilitate a transformative shift towards sustainable land and forest management in the forested landscape of Savannakhet Province in order to secure the critical wildlife habitats, conserve biodiversity, and maintain a continuous flow of multiple services including quality water provision and flood prevention
Outcome 1. Enabling policy environment and increased compliance and enforcement capacities for sustainable land and forest management across landscapes including protected areas
Outcome 2. Sustainable Forest Management and Protected Area Expansion in five priority Districts of Savannakhet Province (<i>suggest interpreting to also include the four priority protected areas/ protection forest</i>)
Outcome 3. Developing and Promoting Incentives and Sustainable Financing for Biodiversity Conservation and Forest Protection

The objective and component (or "outcome") statements, which have been presented before, are repeated here again in Exhibit 7 for the convenience of the reader. As noted, the MTR team finds these components relevant to needs, with the third component statement, in particular, encouraging innovation. These statements are suitably broad for outcome-level statements and set the stage for appropriate design

of the lower levels of the project that could “feed into” them, supporting their achievement. The MTR Team suggests these statements be taken as the focus to guide adaptive management of the project in its second half. The project team should consider what the project can do to make these statements a sustainable reality. One point of criticism with regard to these high-level statements is that the statement of Component 2 mentions only the five priority districts and not the four protected areas/ protection forest and, thus, if strictly interpreted, does not support other aspects of project design. This relates to a major point of confusion the MTR team found with regard to the project. Based on the project’s objective-level targets, we understand that the areas for SFM include not only forest areas of the five target districts, but also the portion of area of three of the targeted PAs/ protection forest that is outside of these districts. So that the strategies adopted under the three outcome statements can reflect what the project is really trying to do, it is suggested that adaptive management for Outcome 2 ensure the full area of the four PAs/protection forest be included in activities as needed. This suggestion is reflected by the parenthetical reference to these areas added to the Outcome 2 statement in Exhibit 7. While changes in outcomes require the approval of the GEF, this represents a minor conceptual adjustment of the outcome, which expands what it encompasses rather than reduces it. It would be wise, then, simply to adopt this interpretation of Outcome 2 going forward to ensure target projects are met

The MTR team finds a number of weaknesses in the logic of the project design and believes these may have contributed to some of the problems with progress towards sustainable results that have been identified and will be discussed. As a lesson learned, for future projects, the design team may need to be better briefed on the how the objective<-outcome<-output structure, along with the parallel indicator structure, works. The general approach to be kept in mind is that project outcomes are broad results that contribute to the even broader project objective. The outcomes may be reached in different ways (so there are options of how to reach them) and are achieved by the contribution of a number of outputs, which tend to be much more specific than the outcomes. For UNDP-GEF projects, the outcomes are typically not very numerous, generally one or two per component. Outcomes are challenging to achieve, being both more challenging and broader than “plan prepared,” for example. Achievement of an outcome implies an impressive change that requires not only input of the project via its activities but changes from the outside (though these may be influenced by the project), such as adoption and implementation of a series of policies and plans or long-term changes in behaviors or processes. Usually, there is more than one output per outcome, sometimes several, so that outputs are significantly more numerous than outcomes. Based on GEF guidelines, the approved outcomes are usually not changed during the project. A major change to them would require GEF approval. Yet, outputs can be changed via adaptive management, as the project team determines the best way to reach the targeted outcomes. The project design requires objective level indicators (current guidelines allow a maximum of four) and outcome level indicators (current guidelines allow a maximum of three per outcome). These are the indicators that major evaluations (MTR and terminal evaluation) pay special attention to. The project may adopt output indicators to make sure activities are on track, but these are of less interest to major evaluations.

Considering the foregoing, the problems with the logic of the project’s design include the following:

- The CER outcome statements are often too output-like (such as “5 district-level ISPs...”) – and there are no outcomes referenced in the strategy of the ProDoc. That is, the outcomes in the CER are too narrow and not broad enough to serve as the main aims of the project, which ideally could be reached by different paths. In the end, both the project (as in its PIRs) and the MTR Team in practice treat the component statements as the three project outcomes. As a lesson for design, component statements might better be stated as topics, with the outcomes then being the results oriented statements.
- The CER outcome statements are too numerous; and there is not a clear structure of narrower outputs feeding into broader outcomes. In the CER, Component 1 has four outcomes, and four sub-outcomes, so may be seen as 7 outcomes. It also has 7 outputs. Component 2 has seven outcomes and seven outputs. Component 3 has four outcomes and four outputs.

- Many of the CER outcome statements are more like indicator statements. Indeed, the outcome statement mentioning METT scores is similar to one of the objective indicator statements. Indicators are used to measure progress toward objectives, outcomes, or sometimes outputs and are measurable. Outcome statements, in contrast, may be less measurable, but reflect a broad and desirable change of situation.
- Perhaps corresponding to the project design problem of lack of consistently appropriate CER outcome statements (CER outcome statements often being more like outputs and being too numerous), the PRF/ indicator table does not offer a consistent means of tracking progress towards outcomes. The project outcomes as listed in the CER are not even included in the PRF. And, the indicators associated with each component statement, which have been adopted as “outcomes” are too numerous, with 15 indicators across the three components, whereas the maximum should be nine. This may be because at the time of project design, the designer saw the terms “component” and “outputs” and thought it made more sense for the indicators to correspond to outputs. Had he seen the term “outcome” assigned to what were then referred to as component statements, he might have designed indicators to correspond to those.
- Some indicators in the PRF are not appropriately “SMART” (specific-measurable-achievable-relevant-time bound). Within the SMART framework, the biggest issue is relevance and, relatedly, achievability. Achievability in this case refers to being too easy to achieve for outcome level indicators, rather than putting sufficient challenge so that the result measured will show meaningful/ relevant contribution to the outcome. This is related to the problem that many of the indicators are more output-like, focusing on simple achievement of a task, rather than outcome-like, reflecting meaningful progress toward a challenging outcome. An example is “one SEA covering five districts prepared” (Outcome 1). Another example is “Sustainable Business Forum Established and Meeting Regularly” (Outcome 1). Not only did the MTR team find that this second indicator had been achieved prior to project support of one of the forums, the statement lacks the meaningfulness/ relevance to be an outcome level indicator showing true impact related to the associated project outcome of “enabling policy environment and increased compliance and enforcement capacities.” An additional example is the Outcome 3 indicator of “Level of Investment in Land Use Planning” (which has a target of USD 900,000 from a baseline of USD 720,000, or about 25 percent increase). While such an increase is certainly positive, it does not seem transformative and, more importantly, not relevant enough to the outcome of “incentives and sustainable financing for biodiversity conservation and forest protection” to be included as a key outcome-level indicator.

To address the above problems and get the project back on track to paying attention to broad outcomes that will contribute to achievement of the project objective, the MTR Team suggests the project put less attention on faithfully achieving the outputs and component indicators as designed and instead look at how to achieve the three component statements (which have been adopted as the real outcomes of the project), how to ensure these results are sustainable for the long-term, and how to make progress towards the three objective indicators. We further suggest the project adopt revised indicators in its project results framework (PRF) at the outcome level and use these revised outcome indicators, along with the three component statements and original objective indicators, to guide strategy and activities. Changes in the PRF will require approval of the PSC and UNDP-GEF RTA to be adopted. In preparing the revised PRF, the objective level indicators should also be revised to correspond to some of the GEF Core Indicators, which are a new requirement of the GEF, but this will not change the original intent of these indicators. (Generally, objective indicators cannot be changed, but the transition to Core Indicators is an exception to this.) The outcome indicators should be newly designed (some completely new and some drawing on indicators from the initial design) to be true outcome level indicators, with a maximum of three indicators per outcome. A preliminarily proposed PRF is provided in Annex 4. The project partners and project team may propose alternatives, but it is suggested they keep in mind that the outcome indicators need to reflect broad progress towards the outcome, rather than narrow progress toward outputs. The newly adopted indicators in the results framework at the outcome level (along with the objective and outcome statements

themselves) could then be used to guide decisions of what to focus on in the second half of the project, while the previous approach of faithfully checking off all activities/outputs on the list rather than looking at the big picture can be abandoned. In this regard, the main approach will be to: (a) read and re-read the three outcomes statements and ensure the project is addressing them in a way that will be sustainable to the benefit of the objective statement long term and (b) work on achieving the newly revised outcome indicators, as well as the objective indicators/ core indicators.

An additional problem with project design that may have contributed to challenges the project is having is that the planned activities are not clearly laid out. Instead, for each component, there is a description of content and mention of activities, but not a clear listing nor clear description of activities. One example to consider is patrolling. During implementation, the project has provided substantial budget for extensive patrolling in the Ong Mang PA. Yet, the ProDoc indicates Ong Mang already had enough trained rangers and it was the other protected areas that lacked these. This might be considered a sort of hint as to what was needed, but the ProDoc isn't specific enough. Indeed, it mentions training and not actual support for patrolling, though in the end a lot more of the funds (over USD 400,000) have been spent on patrolling in Ong Mang. If the ProDoc had instead listed out activities under each component and indicated specifics (such as where patrolling would be carried out, if at all, or who would be trained), this would have given the project team a clearer basis to work with. While it is good for projects to have flexibility, the value of setting aside up to 18 months (per GEF policy) to carry out the detailed design of UNDP-GEF projects is partly in providing a specific plan, which can later be altered if needed.

Another significant problem with the project design is that the nature/ composition of certain land area targets is unclear and seems inconsistent with data provided in the ProDoc. In the future, reflecting a lesson learned, such key numbers could be clearly explained and justified in the ProDoc, so that the project team and evaluators are very clear on which land areas the project is targeting. There are three land areas of interest in this regards. (1) One of the objective indicators calls for improved forest management over 698,746 ha. It is unclear what this amount covers. One source indicated to the MTR Team that this area is the forest area within the five target districts, but does not include area in the four PAs/protected forest that is outside the five districts. Yet, when the MTR team tried to get information on what accounts for the differences in the area of the four key PAs/protected forest within the five districts (for which there is data in the annexes to the ProDoc) and the target of 698,746, no clear answer was provided. This might be other protected areas that overlap with the five districts or it might be forest areas outside of protected areas, though one source told us the latter would be village forest land and is not a well-determined number. (2) Another of the objective indicators calls for improved management over 583,672 ha. This indicator is well-understood. It roughly includes the full area of the four PAs, whether inside or outside the five target districts. (3) The CER indicates in its table IE that the project will lead to improved management of landscapes of 1,060,525 ha. It is not clear what this area includes. In more than one place, the project design documents indicate this is forest area and in one place it is specifically indicated that this is forest area in the five districts plus forest area in the four project PAs/protected forest that is outside of the five districts. Yet, when the PA/protected area outside the five districts is added to the first item in this list (per the explanation we were given that it is the forest area in the five districts), the resulting number of 880,960 ha does not match the CER target of 1,060,525 ha.

The MTR team suggests it is a high priority for the project team to determine in conjunction with DOF the composition of targets 1 and 3 in the foregoing list (698,746 ha and 1,060,525 ha) and present in clear statements exactly what is included in the areas being targeted. Is it all within PAs/ protected forest? If so, which ones? Do the target areas include forest areas outside of PAs/ protection forest? If so, where are they, how are they being used, and what is the area of this type of land? Are non-forest areas included? If so, where are they and how much area is included? The MTR Team was quite surprised that the project team could not provide a clear and consistent explanation of these numbers and instead referred the MTR

Team to review the project annexes, which in turn reveal inconsistencies between the data and the targets or at least don't easily clear up this matter.

While the MTR Team was not able to gather information on the decision-making process at the time of project design, some clues suggest that communications between the drafter of the ProDoc and the national counterparts might have benefited from enhancement. First, the confusion on the nature and amount of the target areas as related in the above paragraph suggests a lack of clear communication between the national and international team preparing the ProDoc, if not a lack of care in preparation. And the use, in implementation, of the vast majority of project resources on Ong Mang, contrary to the content of the ProDoc, also suggests possible lack of communication between the international drafters of this document and the involved national team or IP. The result is that what the ProDoc and CER imply in their component descriptions (with activities covering the four PAs/protected areas more broadly, for example) is not necessarily in line with the understanding of the project team and DOF.

The project design gives some attention to gender issues, though could have done a better job of strategically incorporating gender. In various places where it raises gender, the design repeatedly mentions measures that will be adopted to support an emphasis on equal opportunity for and empowerment of women: (1) hiring of a full-time project specialist on gender and livelihoods and (2) indicators to measure gender including number of: (a) project staff that are women as compared to men, (b) PSC members that are women as compared to men, (c) jobs created that are held by women as compared to men. Yet, the design might have done better had it emphasized the involvement of village women in specific activities. For example, the description of livelihood activities could have emphasized selecting livelihood activities specific to women or developing a means of ensuring that women benefit from livelihood activities that are suited to both men and women. The results framework may also have included gender disaggregated indicators.

The project with its emphasis on livelihoods and awareness and technical skill building does link up with broader development effects. Yet, more might be done to ensure the project has an impact in such areas. The current design, for example, does not clearly state any income generation targets and in fact does not have a specific livelihoods indicator. Rather than having a simple indicator on number of conservation agreements, the project design might instead have had a more challenging indicator that requires real impact, such as percentage of increase in average incomes of target villages. As discussed in the above paragraph, the project also needs to do more to make an impact in the area of gender to achieve contributions to broader development effects.

4. Project Results Overall and Main Concerns

Progress towards Results Objective Rating: Moderately Satisfactory

This section is a “big picture” one. It looks at project results overall and at main concerns identified with regard to the project. It first provides a table showing progress towards project indicator targets at the objective and outcome levels, along with a summary in the text. It then discusses the most notable strengths and achievements of the project. Last, it discusses the MTR Team's greatest concerns about the project in terms of its ability to achieve project outcomes and key indicator targets by end of project. The three sections following this one then look at progress toward results for each of the project's three main outcomes in greater detail, respectively. While there may be some overlap between this section and the next three, this section, in cutting across outcomes, makes it possible to look at the project as a whole, highlight main achievements and issues, and ensure cross-cutting successes and challenges are addressed.

Progress towards project indicator targets: Exhibit 8 shows mid-term progress toward objective and outcome-level indicator targets, based on the current indicators in the PIR. As explained in Section 3's assessment of project design, the outcome-level indicators as originally designed may not be the best way to focus project on meaningful and long-term results; and revisions have been suggested. And, the objective-level indicators have also been revised to match GEF Core Indicators, per GEF requirements. The proposed revised indicator table (PRF), with explanatory footnotes is provided in Annex 4. Based on requirements, however, Exhibit 8, shows the original indicators and their targets along with, to their right: (i) color-coded (green, yellow, gold, or red) progress towards target assessments for each indicator; (ii) achievement ratings for the objective and each outcome overall; and (iii) explanations of the achievement ratings. Overall, progress toward objective indicators is somewhat weak as the project has focused mainly on the roughly 130,745 ha of Ong Mang, without substantially addressing the need (per the first two objective indicators) to improve forest management over the 414,758 ha of the three other PAs/protected forest of focus in the project or the additional 297,288 ha of forest areas outside the four PAs/protected forest of focus, but still within the five districts of focus of the project. Yet, the likely achievement of raising Ong Mang's status to National Level PA, and particularly to Laos' first IUCN Category 4 PA is impressive. The project's work in bringing multiple aspects together for a comprehensive approach to conservation of protected areas that have a significant population living in them is also impressive. As for the planning and policy outcome, the project has made good progress in developing draft plans and guidelines and getting some of these adopted, but still falls short in ensuring these are utilized so as to contribute to achievement of the project objective. As for the sustainable forest management outcome, the substantial patrolling and awareness raising in Ong Mang has put the project on path to improve the ecosystems in that area by end of project, but sustainability is of real concern, as is lack of activity in the other forest areas targeted by the project. As for the third outcome, focused on financing mechanisms and incentives, results so far are quite weak. The livelihoods work is not reaching enough people and other innovative financing mechanisms have not made much progress. Ecotourism has perhaps received the most attention of these other mechanisms; and, in particular, some progress in this regard has been made in Ong Mang.

Required GEF indicators are also considered in assessment of progress. In addition to the indicators in the project results framework, the original GEF-required indicators have been updated by the project team and reviewed by the MTR team. As noted, the GEF is now requiring a transition from "GEF Tracking Tools" to "GEF Core Indicators." The most relevant GEF Core Indicators have been used in the proposed revised project results framework as revisions of the objective-level indicators proposed in Annex 4. The full set of GEF Core Indicators relevant to the project are provided in Annex 9. The Core Indicators included, as well as assessment of their current values, are based on exchange between the project team and the MTR Team. In some cases, the MTR Team suggests different assessed values of indicators than does the project team. We also suggest a slightly different set of indicators than does the project team. Reasoning is explained with comments in Annex 9. An important point in this regard is that the GEF Core Indicators require that there be no overlap in land area between indicators. Thus, as the full area of Ong Mang is reflected in one of the indicators, the MTR Team proposes that the reforestation within Ong Mang not be included as a separate indicator to avoid such overlap. As for the original GEF-required indicators, the MTR Team has reviewed the LD-PMAT Tracking Tool updated at mid-term as provided by the Project Team. The MTR Team finds the tracking tool update problematic. Some of the confusion with total area targeted, as discussed elsewhere, is evident in this tool. Further, it seems that full achievement of targets is claimed in some cases without justification. For example, for "Application of INRM practices in the wider landscape - Total Area of project (5 Districts + areas of target PAs outside of the 5 Districts)," a figure of 1,060,525 ha is indicated to have been achieved. The MTR Team did not find evidence that integrated natural resource management has been practiced over this full area. Instead, the MTR findings suggest significantly improved management over the 130,000 or so ha of Ong Mang, but not in other areas targeted by the project. The project team has also prepared a mid-term update of the Capacity Scorecard Assessment, the content of which seems reasonable vis-à-vis MTR findings. As for

METT Scores, also updated near mid-term, these are presented with the relevant objective-level indicator in Exhibit 8. One issue that came up with regard to METT scores is that assessment of METT Scores by the PA management plan consultant at the time of his assignment in November 2018 suggested that METT scores of the three PAs other than Ong Mang had dropped since baseline. It was eventually found that the problem was really that the baseline scores had not been done properly. With reassessment of the baseline, it is found that Ong Mang had good progress in its METT scores between baseline and Nov. 2018, while the other three PAs have not. There has not been an update in METT scores since Nov. 2018.

Most notable strengths and achievements of the project: Progress with Ong Mang on multiple fronts is the most impressive strength of the project. First and foremost, the likely elevation of Ong Mang to the status of a National Protected Area and the first in Laos to be IUCN Category 4 (“Habitat/ Species

Exhibit 8. Progress towards Results Matrix

Strategy	Indicator	Baseline	Target	Value at time of MTR	Rating	Justification for Rating
Objective: To facilitate a transformative shift towards sustainable land and forest management in the forested landscape of Savannakhet Province in order to secure the critical wildlife habitats, conserve biodiversity and maintain a continuous flow of multiple services including quality water provision and flood prevention.	Improved forest management measured by an increase in total area under Sustainable Land Management (as reported in LD PMAT, Part I)	0 ha	698,746 ha	130,745 ha (improved forest management in Ong Mang PA, but not in the other 568,001 ha targeted)	MS	Project is on track to raise Ong Mang's status from provincial level PA to national level PA and expand its total area by about 20,000 ha. Extensive patrolling and awareness work in Ong Mang, as well as some reforestation (676 ha) to increase tree density and new stationing of PAFO staff inside, have improved the quality of management of this PA. Capacity and awareness of villages and districts in Ong Mang regarding forest conservation substantially enhanced, with some training on ecotourism aspect as well. Yet, given lack of funds for patrolling, supporting villagers through CAs after project, and expanding reforestation area, sustainability of this progress in Ong Mang is a big concern. Another major concern is that there has been little work in the project's 3 other targeted PAs/ protected forest and none in the other designated forest areas outside of the PAs/ protected forest. While
	Improved management effectiveness of protected areas covering at least 583,672 ha (as measured in the GEF BD1 Management Effectiveness Tracking Tool - METT): - Dong Phou Vieng Conservation Forest - Phou Xang He Conservation Forest - Se Ta Nouan - Phou Nak Protection Forest - Ong Mang Conservation Forest (proposed)	METT Scores: 30 35 20 46	METT Scores by EOP: 65 65 60 74	34 40 26 61 On track for Ong Mang, but limited improvement in management effectiveness in other 3 PAs with no real contribution of project except management plans that are not being implemented. The very limited ecotourism work in Dong Phou Vieng and limited elephant human conflict resolution work in Phou Xang He are not considered to have substantial impact on SFM across much of the area of these two PAs.		
	Capacity to ensure compliance and enforcement of sustainable forest and land management, and mainstreaming of forest connectivity into the main production sectors in Savannakhet Province (as measured by scores in the UNDP-GEF Capacity Development Scorecard ²³)	Capacity Score: 16.5	Capacity Score: -By mid-term: 25 -By EOP: 38	26.5 Based on project team provided scoring. MTR team observed a lot of hard work and results in awareness and capacity associated with forest conservation and ecotourism.		

²³ Project will work to ensure that gender equality is promoted in the selection of persons to participate in capacity development activities

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						management plans have been prepared for the 3 other PAs, there is no implementation of these.
Component 1 (= "Outcome 1"): Enabling policy environment and increased compliance and enforcement capacities for sustainable land and forest management across landscapes including protected areas	Strategic Environmental Assessment (SEA) guiding resource management and conservation decision-making in Savannakhet Province	0 SEAs in Province	1 SEA covering the 5 targeted districts	5 district SEAs prepared, but they are not guiding resource management and decision-making. Yet, positive evidence of continued progress is that Province and contractor are planning to use SEAs in DSS. Going forward, project should ensure SEAs are indeed incorporated into DSS and that DSS is then used as planning and decision-making tool.	MS	Policy and planning wise: The project has made good progress in getting policies and plans drafted or discussed, but more work is needed to ensure these are utilized. So far, (i) 5 ISPs, (ii) 5 SEAs, and (iii) <i>Sustainable Plantation Forestry and Agriculture Guidelines in Savannakhet Province, Lao PDR</i> drafted, but none of these are being used. There is real concern that these items may "sit on a shelf" if concerted action not taken, such as to ensure the ISPs/SEAs are used in planning (incorporated into socioeconomic plans) and the Guidelines are adopted. Yet, a positive development is that the DSS work will likely utilize the SEAs and ISPs. The DSS work has been launched, looks promising, and will include zoning plan. Another positive result is that the project has facilitated government meeting on the <i>Decree</i>
	Improved land use planning and management reduces degradation over 1,060,525 hectares ²⁵ of forest landscapes in Savannakhet Province, leading to unabated provision of ecosystem services such as water supply (quality), flood prevention and biodiversity conservation	0 district-level ISPs	5 district-level ISPs strengthened with data from SEA and integrated with district socio-economic development plans (SEDPs)	5 ISPs prepared, but did not incorporate SEA data (ISPs were prepared prior to SEA) and are not being used. No incorporation into district socioeconomic development plans (SEDPs) yet, though it is noted the time of preparation of new SEDPs has now come and window of opportunity should not be lost. Yet, positive evidence of continued progress is that Province and contractor are planning to use ISPs in DSS. Going forward, project should ensure ISPs are indeed incorporated into DSS and that DSS is then used as planning and decision-making tool.		

²⁵ Land use planning and management will benefit the entire landscapes of the 5 targeted districts (916,323 ha) as well as areas of official protected areas that extend beyond the district boundaries (144,202 ha)

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		No zoning or planning processes for DDF at landscape level	Zoning plan for the DDF landscape approved and guiding management decisions	No zoning plan, but DSS work launched and expected to prepare one.		<p>on PAs and provided legal analysis on how PAs can receive financing. Going forward, it is particularly important for the project to continue to stimulate work to ensure the <i>Decree on PAs</i> enables various financing mechanisms to deliver funds to PAs. Per the fifth set of indicators under this component, adoption of the <i>SEA Decree</i> and ISP regulations and resolution of forest sector jurisdictional issues have been achieved, but are not due to the project. Due to lack of clarity on HCVFs and their potential overlap with other targets (such as PAs), the HCVF policy target might be dropped in favor of the recommended priorities for this outcome going forward unless a viable and useful strategy for HCVFs is determined. This might entail focusing on HCVFs outside of PAs to serve as corridors or “stepping stones” between PAs. Overall, the recommended priorities going forward are: more attention to ensuring the SEAs, ISPs, technical guidelines, upcoming</p>
	Information management systems to guide land and resource use planning in Savannakhet Province	Information on natural resources and conservation priorities is incomplete and highly dispersed	DSS in place and operating	No DSS as of yet, but work is launched with strong contractor. Workshop held and was well attended.		
	Inter-institutional and multi-sectoral coordinating bodies overseeing resource management activities in Savannakhet Province to ensure compliance with SEAs, ILUMPs and SEDPs	No formal coordinating mechanisms exist for stakeholders involved in resource management and conservation	Multi-sectoral stakeholder committees established and meeting regularly at each of the 5 districts	Committees established and have met in each district at least one time in 2018 and at least one time in 2019 to discuss the nexus of investment and forest protection. Ideally, committees will develop and pursue clear regulatory or planning goals and thus make deeper impression on attendees.		
	Public-private partnerships for sustainable land and forest management in Savannakhet Province	Existing public-private partnerships are ad-hoc mechanisms between individual companies and institutions	Responsible Business Forum established and meeting regularly at the provincial level	Responsible Business Forum pre-existed project support for annual forum in 2018 and 2019, though 2018 and 2019 forums said to be stronger than previously. Output of one of the project-supported forums was Savannakhet Tourism Strategy, which, unlike previous Strategies has a section on ecotourism. Yet, this section is extremely brief. Also, forum resulted in SVK being first province to simplify investment procedures per Prime Minister Order 2, though it is not clear		

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				if there is any new content on conservation. Ideally, both accomplishments would have a stronger focus on project priorities. The forum itself is said to have emphasized conservation-friendly investment. More work needed to achieve ongoing public-private cooperation in SLM and SFM, which is the real intent of the indicator. Ideally, project involvement in forum would target concrete output/ result of forum in public-private cooperation rather than forum in and of itself.		DSS, and zoning resulting from DSS are all used for decision-making and management.
	Policy and regulatory frameworks support integrated approaches to resource management and conservation through following measures: - Decree on Strategic Environmental Assessments (SEAs) & develop targeted regulations on ISPs - Jurisdictional issues and coordination for enforcement of wildlife and forest protection laws - Regulations on PA finance and functioning of protected areas within wider landscapes - Nationally-defined HCVF categories and integration of HCVFs into forest policies and regulations and PA management plans	Existing policy and regulatory frameworks have significant gaps that constrain effective PA management and the mainstreaming of BD, SFM and SLM approaches into provincial and district level planning and financing processes and resource management decisions	SEA Decree finalized and enacted by and ISP regulations approved Jurisdictional issues and coordination relating to enforcement of wildlife and forest protection laws resolved 2015 Decree on PAs revised to authorize PA financing mechanisms and landscape-level coordination	Achieved March 2017, but not due to project. Achieved, but not due to project. Some good progress: Project has facilitated meeting on decree, which may not have happened without project. It has also provided legal analysis on how PAs could receive financing. Revision of decree to support better financing of PAs could be a critical contribution of project and should receive strong emphasis going forward in		Institutionally, it is positive that the district multi-stakeholder committees have met two or more times in each of 5 districts to discuss investment and conservation. To make a greater impression on stakeholders and have a greater impact, it is suggested these committees have clear targets to achieve. At the provincial level, the Responsible Business Forum pre-existed project support for the annual forum in 2018 and 2019. While the project supported forums are said to have been better than previous ones and to have discussed the nexus of conservation and investment, key outcomes of the forum (a provincial tourism strategy, which only briefly addresses ecotourism and provincial investment regulations which stakeholders note simplify investment approval process) may not have as strong of a link to conservation as

			Adoption of HCVF definitions; HCVF restrictions incorporated into policies, regulations and management plans	combination with financing work of Component 3. Not achieved; stakeholders could not provide clear explanation of HCVF initiatives and ProDoc not very clear either. Suggest this work either clearly target HCVF designation for forest corridors or “stepping stones” between PAs (thus focusing on areas outside of PAs) or target be dropped in favor of focus on other priority areas.		they could have. ²⁴ Any further support for the forum, as with the district multi-stakeholder committees, should have clear targets that contribute to the high level (outcome or objective level) aims of this project.
	Consolidated technical guidance on the design and management of plantation forestry and agriculture in the Dry Dipterocarp Forest landscape improve the sustainability of such operations and reduce their impacts on the surrounding landscape	General guidelines for plantation forestry and agriculture exist in Lao PDR, but are not specifically tailored to the ecological conditions of DDF landscapes	Guidelines on Sustainable Plantation Forestry and Agriculture developed	<i>Sustainable Plantation Forestry and Agriculture Guidelines in Savannakhet Province, Lao PDR</i> developed but not yet being used to improve sustainability/ reduce impacts of plantations and agriculture in DDF areas (as intended per indicator statement). Efforts should be made to ensure guidelines are revised to fit with new Forest Law and then adopted and actively utilized. (Project team reports revisions underway post-MTR mission.)		
Component 2 (= “Outcome 2”):	Area of Savannakhet Province under various forms of protection:				MU ²⁶	Major achievement of elevation of Ong Mang

²⁴ MTR Team lacks information on whether the provincial investment regulations are much more conservation friendly (as a result of the forum) than previous versions. Stakeholders raised that the regulations simplify the investment process, but did not raise that they have strong conservation aspects.

²⁶ MTR guidance document indicates: “In deciding Achievement Ratings of the project objective and each outcome, the MTR team should holistically assess the progress measured by all relevant indicators, as well as the findings of the MTR.” The findings on the indicators for this outcome indicate that they can be met only with extensive course correction. Further, considering the outcome statement, with its main aim of “sustainable forest management,” and associated MTR findings on key outputs/ expenditure areas, such as patrolling, the outcome will not be achieved without major course correction addressing sustainability. That is, the project is implementing measures related to SFM including extensive patrolling, reforestation to thicken the forest (on less than 1% of Ong Mang’s area), and annual conservation agreements with villagers to ask them to protect the forest in return for financial and technical training benefits, but there is no means to continue any of this after project close.

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<p>Sustainable Forest Management and Protected Area Expansion in five priority Districts of Savannakhet Province</p> <p><i>Note: To better support the project objective (and its indicator targets), it is suggested that Outcome 2 in practice incorporate “and Four Protected Areas/ Protection Forest” after “five priority Districts” to clarify the outcome statement.</i></p>	<p>-New Protected Areas gazetted and fully operational</p>	<p>0 ha</p>	<p>168,614 ha</p>	<p>0 (but Ong Mang expected to be approved very soon as national-level PA of 130,745 ha, elevating it from its current provincial status and expanding current area of 108,911 ha by around 22,000 ha)</p>	<p>from provincial level PA to national level PA expected soon. Yet, outcome’s overall aim of “sustainable forest management” at high risk of not being met if mechanisms to sustain post-project major activities/ expenditure areas under this outcome are not developed: (i) Extensive patrolling activity is being carried out in Ong Mang, but as it is fully funded by the project rather than outside mechanisms, it is not seen as sustainable post-project. (ii) Reforestation to thicken forest on 676 ha has been carried out. This and project target of 1,111 ha (less than 1% of Ong Mang’s area and not including other target PAs of project) is small portion of total needs. Yet, no mechanism developed to ensure nurseries and reforestation for forest thickening are continued after project. (iii) Annual Conservation Agreements (CAs), while, strictly speaking, a part of Outcome 3, are relevant to this outcome of achieving sustainable forest management on the ground, as they offer</p>
	<p>-New or existing Protection Forests designated as High Conservation Value Forests (as measured in SFM Tracking Tool)</p>	<p>0 ha</p>	<p>Estimated 193,684 ha of designated HCVFs</p>	<p>0 (suggest project assess whether there is viable and useful plan for HCVFs to form forest corridors or “stepping stones” between PAs rather than be within PAs. If not, HCVF work might be dropped in favor of other priorities, given lack of understanding and interest from stakeholders, as well as lack of clarity on nature and benefits of areas to be designated as HCVFs)</p>	
	<p>Restoration of degraded DDF to counteract on-going and past land degradation</p>	<p>Approx. 1,000 ha in the 5 targeted districts have been reforested (mainly with non-native, commercial species)</p>	<p>Restoration of 1,111 ha of DDF with native species by the end of the project</p>	<p>676 ha (Pace of reforestation on-track, but improvements in methodology of site selection and in survival rates needed, as well as exit plan to ensure DDF nurseries and reforestation continue post-project to address large area of remaining degraded DDF)</p>	
	<p>Capacities of communities located within or adjacent to protected forests to effectively participate in SFM activities</p>	<p>Forest-based communities have limited mechanisms or experience in SFM or community management of forest resources</p>	<p>Community land certificates issued for 16 villages</p> <p>Village forestry management plans for 16 villages finalized by end of year 2</p>	<p>0 (but in process)</p> <p>16 (positive achievement)</p>	

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	<p>Biodiversity management / ecosystem service provision mainstreamed in forest landscape management in five priority districts resulting in improvements in the status of biodiversity and ecosystem services, indicated by:</p> <ul style="list-style-type: none"> • Increase in Biodiversity Intactness Index for Dry Forests 	TBD during project inception	TBD during project inception	NA: Project team has not yet incorporated index into PRF indicators (as required by original PRF), but assessment done and indicators established by contractor; rangers collecting data. Indicator baseline, target and current status should be determined immediately unless post-MTR revised version of PRF no longer includes it.	<p>financial, technical training, equipment, and building of town hall benefits to villagers in return for actions to conserve the forest. Yet, there will be no budget to continue with providing such benefits via annual CAs after the project.</p>
	<ul style="list-style-type: none"> • Populations of species with IUCN Endangered Status 	Current populations in project area:	Populations by EOP within project area:	<p>Rangers collecting data, but no info provided by project team on indicators' status. Indicators' current status (and baseline and target for Francois' Langur) should be determined immediately unless post-MTR revised version of PRF no longer includes it.</p>	<p>Other achievements and gaps: Village Forest Management Plans prepared for 16 villages in Ong Mang and are useful. Community land certificates expected soon. Meteorological station has been set up, but not well integrated with main SFM aim of outcome. Measurement of parameters closely linked to local forest health (e.g. soil runoff) should be considered. Further, measurements from station not yet incorporated into project M&E (vis-à-vis PRF). Biodiversity assessment and indicator system developed by contractor but not yet incorporated into project M&E (vis-à-vis PRF indicators for biodiversity intactness and numbers of selected endangered species). Having three sub-sets of key indicators at mid-term still with "TBD" status suggests greater attention needs to be paid</p>
	<ul style="list-style-type: none"> ○ Eld's Deer (<i>Panolia eldii</i>) ○ Silvered Leaf Monkey (<i>Trachypithecus cristatus</i>) ○ Asian Elephant (<i>Elephas maximus</i>) ○ Francois' Langur (<i>Trachypithecus francoisi</i>) ○ Siamese Crocodile (<i>Crocodylus siamensis</i>) 	<p>60-80 individuals</p> <p>70-100 individuals</p> <p>32 individuals</p> <p>TBD</p> <p>12</p>	<p>60% increase (96-128)</p> <p>18% increase (83-118)</p> <p>12% increase (36)</p> <p>TBD</p> <p>No net decrease (12)</p>	<p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p>	

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	<ul style="list-style-type: none"> • Maintenance of water quantity in downstream area of Xe Bangxiang River 			<p>Project achieved installation of water monitoring station but no info provided by project team on indicator status. Indicator baselines, targets, and current status should be determined immediately unless post-MTR revised version of PRF no longer includes these two indicators. Revisions may consider how to ensure indicator is closely tied to SFM target of this objective, such as by measuring soil run-off/ erosion, which should decrease/ improve with increased forest cover/ conservation.</p> <p>NA</p> <p>NA</p>		to finalizing the PRF to make it a useful tool.
	<ul style="list-style-type: none"> ○ Baseflows (dry season) ○ # of flooding events 	<p>TBD during inception</p> <p>TBD during inception</p>	<p>TBD during project inception</p> <p>TBD during project inception</p>			
Component 3 (= “Outcome 3”): Developing and Promoting Incentives and Sustainable Financing for Biodiversity Conservation and Forest Protection	Levels of investment in land use planning and forest management planning at the village and districts levels in the targeted landscape in Savannakhet Province	USD 741,000 per year ²⁷	By end of project, levels of public and private investment increased to: USD 900,000 per year	No information with which to assess indicator. No activities to increase funding for land use <u>planning</u> and forest management <u>planning</u> (not to be confused with funding for actual SFM as in 3 rd indicator group of this component) were noted. This indicator targets a 21% increase in funding of planning, which, while significant, is not transformative. Increasing funding for planning does not seem as critical as increasing funding for SFM. It is thus suggested, also considering	U	<p>Current situation suggests project progress in biodiversity conservation and forest protection will not be sustainable beyond life of project due to lack of progress in incentives and financing mechanisms – the target of Component 3.</p> <p>(i) As for incentives, this would mainly be through support for livelihood activities, which would then result in transition to</p>

²⁷ \$325,000 per year from PONRE for forest conservation and protected areas management; \$333,000 per year from PONRE for district and provincial master plans on land allocation and land use, and the issuing of land use and land development certificates; \$83,000/year from districts for development planning.

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				that the project is already at mid-term, that the indicator may be dropped in favor of greater emphasis on funding for SFM.)		livelihoods that reduce pressure on forests for the long-term, beyond the life of the project. Given the uncertainty in potential ecotourism revenues and other financing mechanisms, livelihoods, with the potential to impact large swaths of communities, are considered the most viable sustainability mechanism for project conservation results. Yet, livelihood activities, though they have begun on a pilot scale, are quite limited. Even when they are expanded (if expanded according to current project plans, where they will be confined to 16 villages and to a small minority of families in each village), they are unlikely to hit the level and quality needed for real results in reducing pressure on the forest. To change dynamics, the majority of people in majority of villages in the 4 target PAs/ protection forest may need to be involved; and increased emphasis on viability of livelihoods (such as support for marketing and better
	Wildlife-based ecotourism products designed and operating in the project target area	0 projects operating	At least 4 wildlife-based ecotourism projects operating in project target area by the end of the project	0 to 1 ecotourism projects operating, but 1 additional expected soon: Project has conducted ecotourism work in Dong Phou Vieng and Ong Mang. Ong Mang tourism to be launched soon and will benefit from the dual use (administrative use and tourism use) building supported by the project. Dong Phou Vieng said to be having problems (only 5 international tourists in 2019 and 50-55 in total), seeing a major drop-off in tourism from previous years when there was support from other donors. Project support for ecotourism in Dong Phou Vieng was limited in budget ²⁹ , and positive impact and operation of tourism products launched in early 2019 is not yet being realized on substantial scale (thus the assessment of “0 to 1 ecotourism projects operating”). Work on two other ecotourism projects targeted not yet begun, though human-elephant conflict resolution work in PXH (under Outcome 2) might be seen as preparatory work for future ecotourism initiatives		

²⁹ It included support for hiking trail, toilets, UXO clearance, renovation of 15 boats and setting up of boat service group, and training of guides and in homestay and cooking.

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				in PXH. Overall, there is a need to project realistic expected revenues from ecotourism at various sites to assess viability and benefits of associated investments planned.		selection of livelihoods that can benefit large numbers of families) may be needed. If annual conservation contracts are to be part of the equation (though they may not be), they will need to be more balanced (i.e. a “better deal” for the government/ conservation organization), ensuring that forest protection is provided for the long-term in return for benefits of livelihood support at a level affordable to the government/ conservation organization.
	Funds available for management of protected areas / conservation forests in targeted landscape in Savannakhet Province (as reported in the GEF BD1 Tracking Tool – Financial Scorecard): <ul style="list-style-type: none"> Non-governmental financing mechanisms Government budget allocations 	USD 0/ yr USD 168,480/ yr	USD 100,000/ yr USD 250,000/ yr	Info on indicator not available. At time of MTR no work on increasing investment had been carried out other than Component 1 legal studies presenting possible sources of financing and assessing associated legal needs. Post-MTR, a consultant was retained, but there is a need to make activities more action-oriented and less theoretical to focus work on high potential areas of financing (which will need to include international sources for the near and medium-term) and to achieve actual increase in financing.		(ii) As for sustainable financing, no funds for patrolling, livelihoods, or reforestation after project end are available and little progress has been made with financing mechanism, aside from some positive advances (resulting in visits by tour guides) in developing ecotourism in Ong Mang, limited ecotourism investments in Dong Phou Vieng (which appear not much used due to lack of promotion), and some legal work related to possible sources of financing and regulatory changes needed to make
	Incentives and other benefits to communities within targeted landscape are directly linked to wildlife recovery and forest protection (as measured in SFM Tracking Tool)	<5 Conservation Agreements (CAs) with communities in the Ong Mang Sanctuary	At least 16 community-based Conservation Agreements that incorporate improved ecological conditions and human development levels signed	16 CAs signed, but need to more closely link benefits to achievements of wildlife recovery and forest protection as stated in indicator. This will require sustainability mechanisms so that annual CA signing can continue post-project. At present, CAs offer many benefits to villagers in return for their conservation activities (rangers are paid for their time and there are many additional benefits to villages/ villagers beyond those ranger payments) to an extent that could not possibly be continued post-project. There is a need both for financing		

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				<p>mechanism (as targeted in the indicator directly above) to fund CA benefits and for more balanced CAs that make these a “better deal” for government or other organization promoting conservation once funds become more limited.</p>	<p>these possible (which, strictly speaking, is part of Outcome 1). While a financing specialist has been recruited post-MTR mission, there is a need to ensure work is action oriented to result in actual securing of funds for SFM rather than merely theoretical studies. As such, focus should be on most promising sources including international donors and philanthropies and REDD+ for the nearer/mid-term term and on viable provincial and national sources (such as funds developed from surcharges or royalties paid by investors) to develop for the long-term.²⁸ As for ecotourism, realistic projections of revenues are needed and expansion of efforts to all 4 PAs if considered viable. Post-MTR, an international ecotourism expert was hired, but there is a need to ensure work involves, after his/her assessment of viability of sites, active</p>
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²⁸ National mechanism may be a new one or build on current funds of EPF and FRDF. One source indicates EPF funds from private sector royalties are only USD 650,000 per year and used to run EPF and for grants to non-government entities, though another source projects funding of almost USD 2 million per year. REDD+ appears to have good potential going forward. GIZ with Government of Laos has just secured USD 71.4 million in funding (including USD 16,715,000 grant from GCF) for REDD+ (via the project *Improving forest and land-use management in order to implement REDD+ in the Lao PDR*). The SAFE Project could support Savannakhet in activities that could later be linked up with these larger REDD+ efforts.

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						connection to tourism organizations and clientele. Material for promotion of tourism at the PAs that was prepared at the provincial level, but not allowed to be used or not yet used for other reasons, should be used and outreach should begin with these – at least until better materials are prepared.
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Indicator Assessment Color Code Key

Green= Achieved	Yellow= On target to be achieved	Red= Not on target to be achieved
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Note: We have added a gold category to distinguish between (i) on track to be achieved, in some cases with course correction, (yellow) and (ii) could be achieved but needs extensive course correction not currently being planned (gold).

Gold = Could be achieved, but needs substantial course correction not currently being planned

Rating Key: HS=Highly Satisfactory; S=Satisfactory; MS=Moderately Satisfactory; MU=Moderately Unsatisfactory; U=Unsatisfactory; HU=Highly Unsatisfactory (please see Annex 5 for explanation of these ratings). Per guidance on UNDP-GEF MTRs, outcome ratings take into consideration not only indicators but outcome statement overall and various findings from MTR mission and document review.

Management Area”) is extremely positive. It has the potential to prevent the area’s deterioration and save it from being converted to concessions. Findings from the MTR suggest that the elevation of Ong Mang’s status is indeed likely to be achieved and is in large part due to the project. The status of the effort as of the time of the MTR mission (late October/early November 2019) is that the Provincial Government has sent a request for this action to MAF; and MAF has sent a letter to Prime Minister’s Office. At the time of the MTR mission (November 2019), the document was said to be on the Prime Minister’s desk and approval almost certain, due to previous verbal agreement. Sources suggest that the *GoL-UNDP-GEF SAFE Ecosystems Project* has been instrumental in convincing the Government to elevate Ong Mang’s status to the national level. Contributing factors include the scale and scope of the project, its support for the required biodiversity and habitat assessment report (needed to achieve the targeted designation of Ong Mang), specific government liaison work of the project to achieve national status for Ong Mang, and the good and trusted name of UNDP. Further, without the serial efforts of WCS, WWF, and the *SAFE Ecosystems Project*, it is said that the concessionaires would have turned the DDF areas of Savannakhet into plantations. As one stakeholder noted: “Governmental policy is turning land into capital -- they tend to give land to investors. Without the project, DDF in Savannakhet may already have been done with!” It has further been indicated that, without the SAFE project, Ong Mang’s area would not have been expanded from Xonnabouly alone to four other districts. The area of Ong Mang prior to the project was 108,911, whereas the targeted total area at present is 130,745 ha. Yet, during the WCS-WWF work, only about 3,000 ha of the core area was addressed with patrolling and awareness raising activities.

Also especially notable is that the project has established infrastructure in Ong Mang; and this, in turn, has convinced the Government to newly station seven staff within Ong Mang. The project supported the building of the Ong Mang Center within the PA, which includes meeting areas, dormitories, and toilets/washrooms. It also includes a reservoir, which supplies water to the facility, its nursery, and livelihood demonstration areas (which include a vegetable garden and the reservoir being used as a fishpond). Other infrastructure developed includes five ranger substations and sixteen new village community halls, one for each of the project’s sixteen targeted villages. This stationing of provincial and district level staff to the PA represents progress towards a vision of building up staff in ten out of Laos’ 23 NPAs, with a target of 25 staff in each of the core NPAs, which would also serve other, nearby non-core NPAs.

Another notable achievement is that the project has, in its 16 target villages, raised awareness of villagers regarding conservation and expanded their capabilities in village forest management and financial management. As shown in Exhibit 1, the MTR Team had the opportunity to visit five villages and carry out an aggregate total of 14 consultations in them. Through all these consultations, the MTR team was impressed with the villagers’ understanding of the importance of protecting the forest, as well as their understanding of how alternative livelihoods could reduce pressure on the forest. From village leadership, we received positive feedback about the benefits of the village forest management plans, as stakeholders find it useful to know the boundaries of different categories of village land vis-à-vis their allowed types of utilization. And, management of the village development funds and associated financial training is likely to have increased financial management capacities.

While the potential of ecotourism in project areas is still not clear to the MTR team (in terms of approximate level of revenues that could be generated and number of tourists, particularly international, that could be attracted), a positive sign is that the project has made good progress in attracting the attention of some ecotourism operators with regard to Ong Mang. Already, two groups of tour operators have visited. Further, the Ong Mang Center and substations were designed with the dual purpose of accommodating tourists as well as government personnel and village patrollers.

The project’s reforestation work also represents some notable achievements. The project has developed six nurseries, which focus on growing the high value DDF species that have been depleted in the forest. Developing these nurseries has lowered planting costs as compared to the start of the project when

seedlings were brought in from Vientiane. Care has been taken also to include fruit bearing species that will be attractive to the Eld's Deer.

Lastly, while it is in the initial stages, the project has had a positive launch for its Decision Support System (DSS) work. Recruiting a well-reputed organization to carry this out, the work appears to have potential to influence planning in the province, especially in a way that can protect forest areas. Already, a workshop has been held that was well-attended and is receiving positive feedback.

Greatest concerns: Despite the aforementioned strengths, the MTR team has serious concerns about the project. Most importantly, the MTR team sees a high risk that most of the activities the project is carrying out lack a strong path to sustainability, so that achievements will not leave a lasting positive impact on the country. And, the project as implemented is focusing the vast majority of resources on an area much smaller than indicated in its proposal to the GEF. Chief concerns, many related to these two key issues of sustainability and forest area addressed, are discussed below:

Forest area addressed: The vast majority of project funds spent to date have focused on Ong Mang (130,745 ha). Efforts in other targeted areas of the project, including 414,758 ha of other protected areas/ protection forest of focus and 297,288 ha of other forest in the five project districts (outside the four target PAs), have been very limited. Yet, targets in the ProDoc include these 712,046 ha. Design descriptions in the ProDoc also suggest that the extreme focus on Ong Mang has not been in line with design. As an example (with ProDoc quote provided in Section 3), the text implies Ong Mang already has a strong basis in patrolling, while the other protected areas of the project will need support in capacity building for patrolling. Yet, the project as implemented has expended substantial funds on patrolling only in Ong Mang.

Sustainability of forest patrolling and monitoring work: The project has put substantial funds into the patrolling and monitoring of Ong Mang by villagers and, to some extent, district staff. All patrollers are compensated by a “per diem,” which, in effect, serves as payment for their time. So far, the project has spent USD 424,317 for actual patrolling, including ecosystem monitoring. As noted, the ProDoc discusses project support for capacity building for patrolling, though not actual support for patrolling. And, the ProDoc further indicates that Ong Mang already had a patrolling system in place, but that the other PAs/ protection forest on which the project was to focus would need support in this area. As the patrolling is wholly supported by GEF funds and no post-project funding mechanism has been put in place or even clearly envisioned, it seems the patrolling will end or be vastly diminished after project close. Involved stakeholders suggest it must continue, but are not clear on any realistic potential funding sources.

Sustainability of nurseries and reforestation work: Project expenditures indicate a very rough estimate of USD 630,000 spent or committed for work done on nurseries and reforestation. This includes establishment of six nurseries and reforestation in degraded areas of Ong Mang over 676 ha. Survival of planted seedlings appears to be a challenge, due to lack of water and livestock in the forest, though good data on survival rates is not available. Even more critical, the project has not developed a sustainable mechanism for the nurseries and the planting to continue. Some have suggested the nurseries could be converted into greenhouses for agricultural products, a proposal that accentuates the issue of sustainability of reforestation efforts post-project. There seems to be a lack of innovative thinking as to how seedling purchase or distribution for economic uses could be combined with planting for conservation purposes or as to how alternative financing mechanisms could support continued reforestation work, building on that demonstrated by the project.

Balance of give-and-take with villages and sustainability of their support: The project has developed and signed Conservation Agreements with its 16 target villages in Ong Mang. While the idea behind the agreements is one of give-and-take (support is provided to villagers in return for their conservation of and

protection of the forest), the MTR Team was struck by how much the project is giving to the villages versus what is being provided in return. Without funding to continue such support, the approach is clearly unsustainable. A key point is that because the individuals patrolling are compensated for their time, the other benefits given to the village cannot be considered compensation for this work, though perhaps may be considered compensation to other villagers for reduced access to NTFPs in the forest. Yet, while more detailed investigation is probably needed, findings from consultations imply that villagers still have access to NTFPs in community forest area and that only a very few, poor families had previously been venturing deep in the forest to what are now conservation areas for extensive collection of NTFPs. The other benefits given to villages are: one community hall for each village, USD 2 per resident to the village development fund in the first year of the CA (to help start up that fund), payment to the VDF for building awareness of forest regulations in the village, and livelihood support for individual villagers. The project has also provided financial training to the Village Development Team to manage funds given. It struck the MTR Team that the project has in a sense showered the villages with benefits they don't usually receive, but all will stop abruptly once the project stops. Ideally, the project would have instead worked on developing innovative give-and-take mechanisms, such as villagers providing patrolling services in return for access to sustainable harvesting of NTFPs, etc., or innovative financing mechanisms, such as fee collection from concessionaries in the province to support investment in village alternative livelihood initiatives.

Scope and sustainability of livelihoods work: The MTR Team sees the development of alternative livelihoods to reduce pressure on the forest as one of the most promising sustainability mechanisms for forest conservation. While ecotourism, on which the project is putting a good deal of focus, may generate revenues, it has a lower probability of directly raising incomes for a large group of forest villagers than alternative livelihoods work. Yet, the alternative livelihoods work of the project has been quite slow in being launched and impacted a very small portion of the villagers in each village. Also, the selection of some of the alternative livelihoods has not been that strategic in terms of areas that may benefit a large number of villagers. This is particularly true in the case of sewing training, as each village might need a maximum of two tailors. The MTR Team suggests that if it is only a small proportion of villagers that were previously dependent on or at least making significant use of forest areas where access is now denied, then the alternative livelihoods work should target those specific villagers. If, instead, the majority of village inhabitants are giving up significant access to the forest in conservation areas, then livelihoods should aim to benefit the majority of inhabitants in each village. To do this, stronger market research and business plans may be needed. Finally, in addition to being limited in number of persons in each village supported, livelihoods work thus far is limited in number of villages supported (only 16 out of 44 villages in Ong Mang and none in the other protected areas/ protection forest). The MTR Team believes that, considering the scale of the project's budget and the importance of livelihoods, a larger number of villagers per village and a larger number of villages could be supported.

Low cost effectiveness: The MTR Team is quite concerned about the cost effectiveness of spending. The project at mid-term (as of Oct. 29, 2019), according to UNDP CDRs, had spent USD 7,902,930 of GEF and UNDP funds, including about 68% of GEF funds. Because perhaps USD 900,000 of these remain unspent at EPF or in PAFO's bank account, the estimated expenditure amount drops to around \$7 M (and, on the GEF side, to about 59% of funds). While the project's official start date was May 2016, the inception workshop was not until October 2016. In this regard, then, the expenditures up to late October 2019 may be considered to be three years into a five year and seven month project, or 54 percent into its lifetime, so that real expenditures are somewhat accelerated if one assumes a steady pace of funding is desirable. Looking at the project overall, given what has been achieved so far and given what needs to be done to truly achieve sustainable outcomes and meet forest area targets, the spending to date seems too high. While the needs to keep the project moving and delivering results is recognized, the pace of spending has probably been too rapid for the capacity. Given the situation, a slower ramping up of spending would probably have been more effective. The MTR Team understands that various

stakeholders felt a lot of pressure to spend funds, even if they felt the plans were not that effective. At the same time, weak strategy work and a problem in overuse of per diems have probably also contributed strongly to lack of cost effectiveness. Looking at specific activity areas, the MTR team sees the spending to be excessive for what was delivered. For the patrolling, in some cases, the number of persons patrolling (typically indicated to be six to ten persons per village at a time) is excessive and could be trimmed down. Two or three persons might patrol when overnight trips are not involved and four or five when they are. There is a particular need for control of per diems across several project activities. While per diems are used as a form of compensation to officials and villagers, there is a need to ensure that per diem funds are spent effectively. The MTR Team received multiple indications that the per diem structure has resulted in an excessive number of persons involved in certain activities and persons not appropriate to certain activities being involved. Examples given are that more persons than are necessary attend trainings in the villages and that office workers that would never be involved in patrolling commonly attended ranger trainings (and received per diems). In terms of actual data, the MTR Team reviewed a planned budget for livelihood activities and found that excessive amounts were targeted to be spent on per diems. In the case of plans for chicken-related livelihood activities, for example, per diems account for almost half of expenses. This may explain why a project of this size, which could provide livelihood support to a substantial number of villagers and villages is actually benefiting so few families so far. Per diems for persons that attend trainings, including villagers themselves, might also be reconsidered. Alternatively, transport and food or direct compensation of travel costs (if to another town or village) might be provided.

Lack of comprehensive and strategic approach for ecotourism: With regard to ecotourism, the MTR team did not find clear, realistic projections on ecotourism income and how this translates into the patrolling and other support needed annually for the project's PAs/protected forest. Further, there is a great need for promotion in order to attract substantial numbers of eco-tourists. While there has been initial work in developing promotion materials for ecotourism in the project's PAs (videos and flier/ internet webpage design), management reportedly has not allowed for these materials to be used or in some cases perhaps there is delay in use for other reasons. Lastly, if international ecotourism (which is expected to bring in much greater revenue per tourist than domestic ecotourism) is to be achieved, greater expertise is needed. Now that an international eco-tourism expert has been hired post-MTR mission, there is a need to make good use of the consultant's expertise to assess the potential of the four protected areas/ protection forest to attract international tourists, to propose ecotourism activities and development needed for those, and to assist with international promotion and connecting with appropriate parties.³⁰

Lack of sufficient effort on other innovative and well thought out financing mechanisms: The project has put little effort into developing financing mechanisms for conservation in the project's PAs/ protection forest, aside from livelihoods and ecotourism. As discussed above, livelihood incentives are considered a critical mechanism. Yet, to expand and continue the support for livelihoods (or for patrolling), outside funding maybe needed. Further, while ecotourism is of interest as a source of such funding and initial achievements of tourism companies visiting Ong Mang have been realized, the MTR team recommends diversification of financing mechanism work. The potential of ecotourism to generate the level of funding needed is far from ensured. As for other financing mechanisms, there is the potential to develop funding for NPAs in Savannakhet from local concessionaires and from national sources, but the project has not done work in these areas. Indeed, EPF, a partner of the project, has funds that should be available for NPAs (currently in the form of grants to NGOs), but the project has not made much effort to explore this source. Forest Resources and Development Fund (FRDF) is another national source that should be explored. There is also the potential to look for international funds to support the PAs in the early years of

³⁰ It is hoped that this consultant can address the needs indicated in this report in an action-oriented way that includes not only projections of revenue and tourist number potential, but also includes the making of connections and assistance of promotion with relevant parties, such as guide book preparers, tourist agencies, and tourists themselves.

implementation of management plans, when infrastructure investments are carried out and annual costs are higher, as domestic sources of funding for the later and lower ongoing operational costs are secured.³¹

Lack of adaptive management: Related to the sustainability concern, a general concern is that the project has not adopted adaptive management to the extent needed via focus on the project objective and outcomes. Instead, the project has faithfully adhered to the original outputs, even when these may not be as central to the project aims as some other area of potential work. In a sense, implementation has been too strict and detail/ rule oriented, “not seeing the forest for the trees,” while what would have been better would be to step back and look at the objective and components/ “outcomes” and determine how these can be reached sustainably.³² An item of interest in this regard is the meteorology and hydrology stations. As noted, these do not fit as closely with the main aim of the project as they should. To address this, it seems either the effort could have been eliminated and funds used otherwise, or the work adjusted to fit more closely with the aims of the project – to measure parameters showing improvement in forest ecosystems. As another example, a point the MTR Team heard made often is that the project can only do work in the five target districts, even though three of the project’s four protected areas/ protection forest have areas outside of these districts. This seems too strict an interpretation and, in fact, contradicts the project’s objective-level indicator for existing PAs. Another example, about which there are varying perspectives, has do with the assignment for preparing *Sustainable Plantation Forestry and Agriculture Guidelines in Savannakhet Province, Lao PDR*. This work was begun with a stakeholder consultation meeting with the consultant and led by the DDG of PAFO, with representatives of the target districts in attendance. Feedback at the meeting suggested that what stakeholders would be most interested in for the deliverable would be guidelines for reforestation in DDF areas. Indeed, it seems such guidelines may have addressed concerns about this work, such as the need to use a more systematic methodology for site selection (such as satellite imaging, etc.) and the need of systematic measures to improve survival rates. Based on his interpretation of the needs, the consultant prepared draft guidelines on DDF reforestation guidelines. Yet, as this was not what was in the TOR, which corresponded to original project design, it was not accepted and instead he prepared the *Plantation Forestry and Agriculture Guidelines*. Indeed, it seems that both items could have been useful, the former for the more immediate need of ensuring that DDF reforestation was scientific and systematic and the latter for ensuring the wider landscape in areas beyond DDF forest is sustainably managed. Yet, the project chose to stick fully with the plan instead of addressing the identified need for DDF reforestation methodology.

5. Component 1 Results: Policy, Compliance, and Enforcement Capacity

Progress towards Results Outcome 1 Rating: Moderately Satisfactory

Component 1 is the policy and planning component. For reference, the component statement, which we take as Outcome 1 of the project is: “Enabling policy environment and increased compliance and

³¹ Post-MTR mission, the project hired an international financing expert. It is hoped the expert will address the relevant needs identified in this report in an action-oriented way that will lead to connections with potential funding on the international side and actual progress towards domestic funding mechanisms on the national and provincial side.

³² One might say the “forest” is the project objective and project outcomes. The “trees” are the project outputs and activities. GEF allows you to change the outputs and activities (“the trees”) so that you can be sure and reach the objectives and outcomes (“the forest”). “Not being able to see the forest for the trees” would then mean that by focusing too faithfully on the outputs and activities in the original design, one loses sight of the real aim of the project, which is the objective and outcomes in that design.

enforcement capacities for sustainable land and forest management across landscapes, including protected areas.” Allocated GEF financing in the project design for this component is USD 2,156,596. The rationale behind this component is that policy and planning work can prevent forest areas from being converted into plantations/ concessions and can promote sustainable forest management in protected areas/protection forests, as well as outside them. As noted in the preceding section, progress has been made in preparing plans and guidelines, but the MTR Team did not find strong evidence that outputs of this component are being used or making a significant contribution towards the project’s objective. It is recommended that any further work on this component focus on ensuring resulting policies, plans, and tools are utilized so as to make a true contribution to the project aims. So far, this component is missing a major “win.” Yet, in some sense, the anticipated elevation of Ong Mang to national protected area and IUCN Category 4 PA status, though a part of Component 2, could also be considered a policy win contributing to the targeted outcome of Component 1. Aside from this, ensuring that the upcoming DSS and zoning work, combined with real utilization of the ISPs and SEAs, achieves verified impacts on planning and investment decisions in favor of forest protection, could be the optimal area to target going forward. These present the potential for a second major “win.” In addition, if the project team and project proponents find the work of identifying and protecting HCVF areas *outside* of protected areas/protection forest that can serve as corridors (either as swaths or “stepping stones”) between protected areas/ protection forest to be viable, this could also be a high value endeavor on which to focus Component 1 work in the second half of the project. Lastly, revision of the PA Decree to facilitate the receipt of financing could be another major “win,” for which the project has already provided groundwork. Below, findings and suggestions regarding the various activities and outputs under this component are presented.

1. ISPs and SEAs: The aim of ISP and SEA preparation is to contribute to planning and prevent the encroachment of concessions on forest areas. The ProDoc suggests that an SEA would be prepared for the five project districts and that then the ISPs for each district would be updated, based on input from the SEA. The ProDoc also targets for the ISPs to be incorporated into the district social and economic development plans (SEDPs), which determine budgets and investment priorities. In the end, the five ISPs were updated first; and then the five SEAs were prepared. This seems unfortunate, as the purpose of the SEA was to provide environmental-oriented input for the ISPs. Further, the MTR Team did not find any evidence that the ISPs and SEAs, which were prepared by MONRE, are being utilized. Project reporting indicates that wide consultations were held, though most stakeholders consulted did not seem very familiar with the ISPs and SEAs. One stakeholder, who was familiar with them, indicated that, while SEAs and ISPs have been prepared before by other districts in the country, the ones prepared by the *SAFE Project* are more comprehensive and might be used as a model. The same stakeholder indicated these items will be used for investment and concession planning. A positive development is that the DSS contractor plans to use the SEAs and ISPs in the DSS development currently under way. Another important point is that, currently, the five-year window of opportunity during which the SEDPs of the five target districts are being revised is open. The project should take advantage of this to get the ISPs and SEAs incorporated into the SEDPs.

2. DSS: As noted, the Decision Support Tool work, which will be done for Savannakhet Province, is just getting launched, with 120 persons having attended the inception workshop in Savannakhet. The contractor, CDE (Center of Environment and Development, University of Bern), is experienced and provided a similar spatial decision making tool to the National Government in Laos. In addition to preparing the online DSS system, the contractor will carry out analysis using the tool in order to make zoning recommendations vis-à-vis natural resources to the province. The contract includes “a couple of days” of training. The MTR team finds this system and its design for the provincial level to be compelling and innovative. It will enable planners to see where forests and critical habitats and the connections between them are, so that these can be avoided in the granting of concessions for investment projects. The great challenge facing the project is to ensure that the system is used and maintained. Ideally, training will not be a one-time affair, but perhaps occur periodically, every couple of months, at first. Webinar training

might be offered to cut costs. The project also needs to build ownership so that various entities at the provincial level will be willing to contribute data and so that the system will be maintained and used.

3. Savannakhet Provincial Responsible Business Forum: The ProDoc indicates, “The project will establish a provincial-level *Responsible Business Forum*.” The MTR Team found that the province already had established an ongoing annual *Responsible Business Forum* prior to project support. What happened is that the project provided support two years of this annual forum, 2018 and 2019. In those years, the Forum was said to be better organized and more impactful. One stakeholder indicated that a key result of the Forum in one of those year is that Savannakhet became the first province to translate *Prime Minister Order No. 2* into its practical investment procedures, simplifying the process for investors. Yet, it is not clear whether the procedures have significant improvements vis-à-vis conservation as compared to past versions. The project team has indicated that the output of the forum was *Savannakhet Strategic Tourism Plan*, which the MTR Team finds has limited content on ecotourism. On the one hand, this is an improvement from past plans, which had no such content. On the other, it would have been better had the ecotourism content been more substantial and thus contributed more significantly to project aims. Overall, if it is decided to support this event in the future, the work should target specific outputs that significantly contribute to the project’s objective and outcomes. As the forum is meant to focus on public-private partnership, outputs related to public-private partnership in nature conservation and SFM could be the scope to consider for such outputs.

4. District multi-sector stakeholder committees: The project organized meetings of stakeholders from different government departments at the district level and has carried out two to three meetings in each of the five project districts. The MTR Team asked various district-level stakeholders about these meetings, but did not receive much feedback, implying the meetings did not make a big impression on them. One provincial-level stakeholder noted that these meetings are in line with Government decentralization policy, which calls for the districts being “comprehensive strengthening units.” Ideally, if these meetings are to continue, the project might design concrete outputs of the meetings that clearly contribute to the project objective and outcomes.³³

5. Guidelines for Agriculture and Plantation Development in Savannakhet: Earlier in this report, we have mentioned how the consultant undertaking this assignment, based on feedback at the provincial/ district kick-off meeting for the assignment, at first prepared draft guidelines for reforestation in DDF areas. These, as noted, were later rejected due to incongruence with the assignment’s TOR. Yet, such guidelines could be useful to improve DDF reforestation work if focused on methodologies and site selection for DDF areas. Thus, the project may consider whether it would be useful to have the consultant follow up and finalize this work. Indeed, this work might have been more immediately useful than the *Sustainable Plantation Forestry and Agriculture Guidelines in Savannakhet Province, Lao PDR* that were eventually required to be prepared by the consultant as the final product for the assignment, but which in the long-run should also be useful. With regard to the reforestation, there is an issue that the government staff and local people may not know how to identify the best areas to be replanted. The draft reforestation guidelines prepared by the consultant are reportedly about where to plant (ideally satellite data would be used) and what to plant and what proportion of the area needed replanting. Follow up to improve survival

³³ One comment received on the draft MTR report indicates that these meetings, along with the ISPs/SEAs, have resulted in removal of fence posts from illegal land grabbing and the shut-down of timber saw mills ordered by the Provincial Governor and facilitated by the District Governors. Yet, despite the MTR Team raising the multi-stakeholder meetings, the ISPs, and SEAs with many stakeholders during the mission and asking them about the results, none mentioned any concrete results such as these, and most responded as though these items had made little impression of them. Thus, this single comment remains unverified. It is suggested that, if indeed the links between project activities and these results can be substantiated, future project reporting, such as in the PIRs, include these achievements, given their very positive nature. They can also then be highlighted with clear causality evidence or explanations to the terminal evaluation team.

rates, which aren't looking very good, would also be needed and could be included in such guidelines. As for the *Sustainable Plantation Forestry and Agriculture Guidelines in Savannakhet Province, Lao PDR* eventually prepared, the main goal is to ensure that large concessions and plantations are not developed in forest areas and also that such developments, when they occur, are sustainably incorporated into the wider landscape. As the *Guidelines* were developed to fit with the old *Forestry Law*, there is a need to do some limited additional work to make it fit with the new *Forestry Law*.³⁴ These *Guidelines* are not being used, so once they are revised to fit the new law, the project will then need to promote them at the provincial level to get them adopted and enforced.

6. HCVFs: The ProDoc targeted preparation of guidelines for the designation, management, and monitoring of High Conservation Value Forests (HCVFs). Yet, the ProDoc explanation of what types of areas should be targeted to be HCVFs and how these will differ from or overlap with PAs and protection forest is not fully consistent. And, the MTR team found that stakeholders also did not provide a clear, consistent explanation of HCVFs and what the project plans to do about them. The MTR Team finds the explanation and rationale for these areas presented in paragraph 117 of the ProDoc to be the most compelling. From that text, it is understood that HCVFs for the purpose of the project will be those forest patches *outside* of PAs/ protected forest that can provide connectivity between protected areas.³⁵ It would be extremely attractive in terms of the overall objective of the project, assuming there are indeed such patches that would provide connectivity (such as swaths or “stepping stones” of forest linking different PAs together), if the project could identify them and find a means to get them protected and improved. This work may be combined with the DSS work, which will provide visual maps of forest in the province. Given the value of this work, it is suggested the project pursue it if possible, contingent upon such work being assessed to be both viable and useful. At the same time, given the other challenges facing the project, the high level of challenge associated with creating these corridors and protecting them, and low capacity levels, project proponents and the project team might well decide not to pursue the HCVF work based on viability concerns.³⁶

7. Other: A number of other activities/ outputs related to Component 1 came up in discussions and review of project documents:

- *District level policies and regulations:* The ProDoc includes an output on district-level policies and regulations to support SFM and SLM at the district level. Given the challenges facing the project and the need to focus on high priority means of achieving outcomes and contributing to the project objective, it seems the project should drop this output unless there is a clear way to link it to both the district multi-stakeholder coordination mechanism and project objective/outcomes.
- *International and national policy consultants:* The project has contracts with two policy consultants, a national one and an international one. Some outputs of these assignments so far have proven useful, especially work on upgrading of protected areas and in the legalities of sustainable financing for

³⁴ Feedback received during the MTR review period indicates that the *Guidelines* were revised after the MTR mission to fit the new *Forestry Law*, though the MTR team did not receive the revised guidelines. Comments also indicate that there are multiple laws with which the guidelines will need to be harmonized.

³⁵ Text in Annex 2 of the ProDoc indicates that preparatory work has identified HCVF areas, but these are largely indicated to be within the PAs. As the aim of increasing connectivity between PAs is what would make this work most valuable, the MTR team suggests, if the project is to pursue this work, it focus on those areas outside of the PAs/ protected forest.

³⁶ Feedback received on the MTR Report indicates that a technical specialist was retained in Dec. 2019 (after the MTR mission) to work on HCVF related activities. The project originally intended HCVF activities to be addressed by legal consultants recruited in 2018, but it was later realized this work is more appropriately handled by a technical specialist. It is highly recommended this work look at both viability and usefulness of various options for designated HCVFs. In particular, it should consider a focus on HCVFs outside of PAs to serve as corridors between PAs. If the focus is to be on HCVFs within PAs, a clear explanation of the usefulness of such designations needs to be made to stakeholders and the explanation of usefulness should be assessed vis-à-vis the Lao context.

protected areas, while others have not. At the time of the MTR, the contracts appeared to be on hold with regard to completion of remaining outputs. Given the challenges facing the project, the lack of leverage of much of the materials prepared by these consultants, and the need to focus, it was suggested in the draft version of this report that further work through this sort of arrangement should not be continued. Feedback on the draft MTR Report indicates that, after the MTR mission, the contracts were amended and completed.

- *Amendment to Decree on National Protected Areas:* This amendment involved combining National Park Regulations with National Protected Area Regulations into the responsibility of one ministry (MAF). The project provided support in the process, such as consultations, which seems a useful contribution. The MTR Team understands that discussions also covered changes to the decree that would enable NPAs to receive different forms of financing. The project should build upon this earlier facilitation work and the legal consultant's work on making it possible for PAs to receive financing. If the project can achieve an amendment to facilitate more forms of financing for PAs, this would be an important contribution to the project objective and outcomes.
- *Dissemination of new Forestry Law and Wildlife Law to the district and village level:* DOF has asked the project to carry out such work, which seems useful and relevant to the aims of the project. The CAs include payments to villages for dissemination of these laws to their inhabitants.

6. Component 2 Results: Sustainable Forest Management and Protected Area Expansion

Progress towards Results Outcome 2 Rating: Moderately Unsatisfactory

Component 2 is the sustainable forest management component. For reference, the component statement, which we take as Outcome 2 of the project, is: "Sustainable forest management and protected area expansion in five priority districts of Savannakhet Province." As noted, it is suggested that this outcome statement be interpreted to include the full area of the four priority PAs/ protection forest (including the area of these PAs outside of the five target districts). Allocated GEF financing in the project design for this component is USD 5,134,620. As noted in Section 4's discussion of overall results: (1) The progress towards the likely elevation of Ong Mang to NPA and to be Lao's first IUCN Level 4 PA is a highlight of project achievements to date. (2) The substantial patrolling and awareness raising in Ong Mang puts the area on a path to improved ecosystem quality, but this path is unsustainable, given lack of funds to continue further patrolling. (3) A major gap in this component is that other areas (besides Ong Mang) targeted by the project design for SFM, namely the 414,758 ha of the three other target PAs/protection forest and the 297,288 ha of forest area inside the five districts but outside the four targeted PAs/protection forest (for a total of 712,046 ha), are not being sufficiently addressed to achieve area-wide SFM. In addition, (4) reforestation efforts are intriguing, but strategy, quality, and sustainability of this activity all need to be improved. During the second half of the project, with regard to Component 2, the project would do well to address the aforementioned gaps (as mentioned in items 2, 3, and 4). In terms of sustainability of the patrolling and reforestation, there is a need to develop sustainability mechanisms. While some such mechanisms might be self-contained in Component 2 (e.g. (i) patrolling in return for use-rights benefits or (ii) reduced cost seedlings for community forest/ private land in exchange for planting services in conservation forest), it is likely that Component 3 work on financing mechanisms (e.g. livelihoods, ecotourism, and government funding via corporate fees and/or donor and REDD+ funding) will play an important role. In addition, depending on viability and as discussed in the foregoing section, if the project can achieve HCVF designation and improved protection for areas *outside* PAs/ protection forest that provide connectivity (either as a swath or as "stepping stones") between PAs/ protection forest, this would also be a recommended priority area for Component 2 work. Otherwise, if

not viable or useful, such work might be dropped. Below, findings and suggestions regarding the various outputs and activities under this component are presented.

1. New protected areas: This item is considered the most significant progress towards results of the project so far and is discussed extensively in Section 4. To summarize: Ong Mang is on track to being elevated from Provincial-level PA (of 108,911 ha) to National-level PA (of 130,745 ha) and to being the first IUCN Category 4 (“Habitat/ Species Management Area”) in Laos. This likely achievement appears to be largely attributable to the project.

2a. Improved management capacity of protected areas – management plans: The project retained a Canadian consultant to prepare management plans for each of Ong Mang, DPV, PXH, and XTN-PN, the four PAs/protection forest of the project. The MTR Team has reviewed these plans and notes that each is dated in December 2018, but labelled as “Draft #1.” These draft plans are a positive contribution of the project. For Ong Mang (which had a previous management plan), given project support, implementation has been substantial. Yet, the other three management plans (aside from some very limited work, such as boundary post work in DPV) are largely sitting on a shelf, lacking funding for implementation. To really have an impact, the project should assist in obtaining funds for their implementation, such as from other donors, government via investors, etc. (This would be carried out via Component 3.) Ideally, the project should also provide part of the funds needed to start implementation. In this regard, it is regretful that so much of the project funding has been spent already, mainly on Ong Mang and with seemingly low cost effectiveness. In addition to financing, another need with regard to these management plans and as expressed by stakeholders is increased clarity on how many staff the PAs will have and what their required capacity levels will be. Despite government staffing guidelines, stakeholders still see a need for this, as the assessment would explain what is really needed that what is currently mandated. It is recommended that these management plans be finalized via consultations with stakeholders and clear staffing plans be developed in consultation with relevant officials, so that they can then be officially adopted, with ensuing work to secure financing for their implementation.

2b. Improved management capacity of protected areas – Ong Mang biodiversity/ habitat assessment: An extensive study of biodiversity and habitat in Ong Mang was conducted on behalf of the project by WCS. The work could be valuable for conservation planning and biodiversity monitoring. In terms of results, this assessment is considered a necessary input to upgrade Ong Mang to NPA status and IUCN Category 4. For that reason, it is considered a good investment. The study confirmed that Ong Mang has a high diversity of species (1,233 species, including 408 fauna and 825 flora), including 26 globally endangered species. It is the first such survey in a DDF area in Laos. Based on the survey (completed in Dec. 2018), it is estimated that 60 to 70 individual Eld’s Deer exist in Ong Mang. The finding suggests some risk of extinction due to lack of genetic diversity, even with proper management. One risk mitigation option may be to diversify the gene pool by introducing Eld’s Deer from other locations (e.g. Cambodia).

2c. Improved management capacity for protected areas – patrolling and related: Patrolling of Ong Mang has been one of the main areas of focus and expenditure of the project. While there may be a need for patrolling and this work also includes some biodiversity monitoring activities, with USD 424,317 spent on the patrolling activity area so far, it is clear that this is highly unsustainable post-project due to a lack of funds. In addition, the number of persons patrolling each time (which raises costs, since each person is compensated for each day they patrol via a “per diem”) may be more than is needed. For multi-day patrols (which take patrollers a great distance from the village), experts recommend four to six persons patrol together. For single day patrols, they recommend two to three persons. As most of the patrolling being carried out is multi-day patrolling, the minimum of four persons may be adopted to cut costs. In consultations, the MTR Team heard of as many as ten persons patrolling together at a time, including staff from the district level joining villagers for this. Official reports on the patrolling indicate incidents of NTFP collection, logging, and (much more limited) hunting. Yet, consultations with villagers indicate

that instances of logging and hunting are quite rare, with it being typical for a village patrolling team to have encountered just a few logging incidents in two or more years of patrolling. The ProDoc does not explicitly state that patrolling will be a main area of focus. And, as noted earlier, it emphasizes that there is a greater need to improve patrolling capacity in the PAs/protection forest other than Ong Mang, as Ong Mang already (via other donor support) had such a system in place at the time the project was designed. Accordingly, it would seem that the project might have emphasized developing patrolling systems in the other PAs/protection forest. Further, given sustainability issues, the MTR team does not see it as useful for the long-term that the project is spending so much on patrolling in Ong Mang. Instead, resources might best be spent in developing a sustainable mechanism for supporting a certain steady level of patrolling for the long-term. In addition, more analysis is needed to understand, vis-à-vis (i) incidents, (ii) the greater importance of protecting the core area versus non-core areas, and (iii) other factors, just how much patrolling is needed and where it is needed. Some evidence of lack of strategic plan with regard to how much and where patrolling is needed is noted. For example, during the MTR mission, the MTR Team learned from local-level interviews that in Phine District in 2018, ten villages were carrying out patrolling they understood to be supported by the project, one of which was a village with elephants nearby, but that this was reduced to two villages in 2019, both of which are in Ong Mang.³⁷

2d. Improved management capacity for protected areas – Ong Mang infrastructure: As noted in Section 4, the MTR team sees the building of the Ong Mang Center and its five sub-stations as a very positive contribution of the project, especially since the building of the Center has resulted in the transfer of seven government-paid staff to be located in Ong Mang for the long-term. The infrastructure has been built with the dual purpose of supporting ecotourism as eco-tourists to the area increase.

3. HCVFs: The ProDoc includes HCVF outputs under both Components 1 and 2. As noted in Section 5 (Component 1), there is some confusion regarding the HCVF work. In some places, the ProDoc indicates HCVF areas both within and without of PAs/protected forest will be targeted. Yet, in its Component 1 HCVF output description, the ProDoc emphasizes how HCVF designation can provide connectivity *between* PAs/protection forest. As indicated in Section 5, the MTR team sees the value of the project working to designate and ensure SFM in HCVFs *outside* of the project's PAs/ protection forest. The question is whether this is a viable activity that would have useful results. If it is assessed to be such, then the MTR team recommends that this proposed output (with a focus on HCVFs *outside* of the project's PAs/protection forest and a focus on providing connectivity) receive strong attention in the second half of the project. If it is not viable due to lack of appropriate HCVFs or lack of capacity, or if it is not likely to have a useful impact, then the project might do better to focus on other priority needs (especially financing mechanism needs and livelihoods) as outlined elsewhere in this report.

4. Reforestation: As noted in Section 4, the MTR team sees the reforestation work, with establishment of six nurseries (thus cutting costs) and with the emphasis on high value tree species that have been depleted from the DDF landscape, to be valuable. This work has the aim to densify DDF areas in which tree density is less than it should be due to degradation. Yet, there are concerns that this work has not been carried out strategically or with high quality and also that it is not sustainable. As noted in Section 5, follow up to improve and finalize the draft guidelines for DDF reforestation (that were prepared in draft form by a consultant but later not accepted as the appropriate deliverable, given the TOR) could be useful. Those guidelines suggest use of satellite imaging to determine where exactly DDF reforestation should take place. As being carried out, current decisions on planting locations may be somewhat haphazard. Also, there is a lack of information on just how many ha of the DDF needs to be reforested. An estimate in this regard would be useful in sizing up the total task and its cost. The area is likely to be much larger

³⁷ The project team indicates that the project has only supported patrolling in four villages in Phine District, two in Ong Mang and two in DPV (the latter two being “ecotourism villages”). The incongruent findings may suggest some problems in communication through the layers of the Vientiane, province, and district levels.

than the 1,111 ha reforestation target of the project, so that it will be important to look for means to sustain reforestation activity post-project. Further, the project should look to address sustainability issues. On the one hand, this involves measures to monitor and improve survival of planted trees. (Already, the project had adopted plastic encasements to prevent cows and other animals from eating seedlings.) Estimated survival rates noted by some stakeholders, such as 60 percent, are quite low. On the other hand, in the larger scheme of things, addressing sustainability issues will involve a strategic approach to ensuring the reforestation can be continued after the project, assuming it is correct that needs far exceed the 1,111 ha target of the project. One idea in this regard is to provide seedlings at reduced cost to villagers for planting in their community forest or on their agricultural land in return for them taking on the task of planting a certain number of seedlings in the conservation forest. A last issue with regard to reforestation is that the MTR team heard in multiple interviews that village stakeholders involved in this work were told they would be paid for it, but not told how much they would be paid and to date have not received compensation. The project team is aware of the delays and will be working on resolving the issues.³⁸ It is recommended that the project clearly communicate the reasons behind late payment to village authorities/villagers, to ensure they are aware of the issue and so as not to risk losing the trust of local partners and negatively affecting the project's reputation. In addition, it is recommended that, in the future, villagers participating in planting be told the payment rates in advance so as to ensure transparency in distribution of funds received by the village for this work.

5a. Village forest capacities and mechanisms – village forest management plans: On behalf of the project, the Community Forestry Division of DOF has prepared a village forest management plan for each of the project's 16 villages in Ong Mang. Village leadership indicates these are valuable in clarifying the allowed uses of various forest land. While such management plans are not new in Laos, with over 1,000 having been prepared to date, they appear to be a critical component of the multi-pronged approach the project is adopting to ensure SFM in Ong Mang. Ideally, this work would have been carried out in the other PAs/ protection forest of the project as well and extended to all 44 villages in Ong Mang. Further, the project may build on the data provided in these plans to come up with a more sustainable plan for forest protection in the project's second half and post-project. The MTR Team has summarized the classification of forest land in 15 of the 16 targeted villages in Exhibit 8-1 of Annex 8. Allowed and recommended uses of each category are summarized in Exhibit 8-2 of the annex. These summaries show that of a total of 40,656 ha of Ong Mang forest area across the 16 villages, only 11,982 ha (29 percent) is defined as Ong Mang Protected Zone where no NTFP collection is allowed. Thus, NTFP collection should be allowed over a wide area (i.e. across the seven other classifications of village forest area), though, as indicated in Exhibit 8-2, work may need to be done in developing regulations to collect NTFPs sustainably. It is not clear at present whether NTFP collection is being allowed in all of these seven other area types. If it is not, the MTR recommends that work be done as soon as possible to develop the required regulations, as NTFP collection can boost livelihoods. The benefits of NTFPs may be further enhanced if the project team and PA management team institute (as they have suggested) a marketplace that cuts out the middle man and provides higher NTFP price levels for villagers. Of the total forest area of the 15 villages, over half or 22,967 ha is village production forest and another 6,436 ha is Ong Mang Controlled Use Forest which, by definition, would allow sustainable harvesting of NTFPs. Another way the project should build on this data is in strategically optimizing patrolling and other activities aimed at forest conservation. Of the 15 villages for which there is data, indications are that three lack Ong Mang Protected Zone and Ong Mang Controlled Use Forest, so it is unclear why they are involved in protection. Further, if the data is correct, one village, Padong in Thanpathong, has over half the forest area in the entire group, with 22,234 ha total. By category, Padong has 5,214 ha (or 44 percent) of the 11,983 ha of Protected Zone Ong Mang forest in the group of 15 villages and 3,901 ha (or 60 percent) of the 6,436 ha of Controlled Use Ong Mang forest in the group. With such a high share, it would appear that Padong

³⁸ While the project had a streamlined payment system in 2018, the 2018 Annual Audit indicated this were not robust enough and did not follow NIM SOP. Thus, the procedures are currently being revised.

should be receiving substantial resources and attention from the project, whereas villages with a much lower share may receive less attention.

5b. Village forest capacities and mechanisms – dissemination of policies: This is an area of work included in the project's work plan. As noted in Section 5, this activity has been recommended by DOF to the project. Based on consultations, the MTR Team found that leadership in some villages mentioned this task as part of their role in the project. They were most clear, however, on disseminating information on the results of the Village Management Plans (i.e. letting villagers know which uses are allowed in which forest areas), and less clear on dissemination on the new *Forest Law* or *Wildlife Law*. Clearly, dissemination of the village forest land zoning is important to the successful management of the PA. As noted, the CAs call for payment to the villages for this dissemination work.

6. Provincial and district awareness of benefits of DDF conservation: This item is listed as an output in the original project design. The MTR Team finds from consultations that the SAFE Project has been successful in putting DDF “on the radar” of relevant officials at the national, provincial, and district levels.

7. Monitoring of ecosystem quality: As for this output, which is also listed in the original project design, it is being addressed in two ways. First, the patrolling teams are collecting biodiversity data during patrolling trips. Second, the project has supported installation of a meteorological monitoring station at Ong Mang (at the Center) and a partner hydrological monitoring station on a key river in the PA, both fully automatic. A weakness of the monitoring station work is that it has not been as closely linked to monitoring local ecosystem quality as it could be. The hydrological station is considered part of a larger network supported by a recent ADB project (6 stations – all automatic) and JICA project before that (7 stations – none automatic), with a priority use being to predict floods. Indeed, the system of 14 stations (including the new project provided one) did predict a recent flood in fall of 2019. Some villages were warned, but there were two challenges that need to be addressed in the future: (1) Some of the affected villages did not get the warning due to the communication problems (i.e. cell phone signal not available). (2) Some of the warned villages did not prepare for the floods as they had never had a devastating flood before and did not believe the warning that this one would be different. Some stakeholders indicate that flooding is correlated mainly to upstream deforestation and soil erosion in distant locations, but others rationally point out that flooding linked in time to local weather occurrences can be seen to be related to lack of ability of local soil to absorb rains. Thus, it is concluded that both upstream and local problems contribute to flooding in varying proportions, depending on the event. This project activity benefits Savannakhet PONRE Environment Division, because it was responsible for procuring and installing the stations, whereas the previous 13 stations (supported by JICA and ADB) were installed at the national government level and only later handed over to PONRE. Benefits linked to other project activities is that the meteorological station provides weather information that can be used to determine the best timing for reforestation and the most suitable species. It may also provide information for irrigation vis-à-vis the current interest in developing irrigation for Ong Mang due to it being too dry. As for ecological monitoring, the intent indicated in the ProDoc, the hydrological station will be used to measure variations in water flow. Given the upstream contributions to variation, however, this will not always be a direct reflection of local ecosystem quality. The MTR Team recommends that the project consider whether other measurements can complement measurements of water flow variation to provide insights into whether protection of Ong Mang is improving ecosystem quality. This might include measuring parameters related to siltation, sedimentation, or soil runoff. Options might include measuring suspended particles (not currently part of the monitoring) and observing changes in the river basin.

8. Human-elephant conflict management in PXH: WWF was retained by the project to carry out work regarding the human-elephant conflict in PXH NPA. The work is needed if PXH is to make progress as an NPA inhabited by people and as a potential ecotourism site. Currently, elephants affected by loss of

habitat and looking for water trample rice paddies during the seasons these are submerged in water. And, up to 2 persons per year have been killed in the past, though it's not clear if this is an annual occurrence. The MTR Team views the work of the project in this regard as a good start, but more work is needed to achieve tangible results. The work carried out included a survey to understand how and where the elephant uses water. The results could be used to set up alternative water sources for the elephant, which in turn could be an important contribution of the project. Yet, no such activity at this point is planned. The WWF work also demonstrated an electric fence to keep elephants out of the rice paddy. Fencing of only a single field was demonstrated. This is something that is not too expensive (\$225-\$338 per field). Thus, more electric fencing might be supplied to more fields by the project or government to ramp up progress in lessening the human-elephant conflict. At the same time, it is recognized that electric fencing of whole villages is not practical, so that the measure needs to be combined with other approaches as well. The WWF assignment also included training of villagers on how to handle elephant issues, namely by having team members guard the fields and using firecrackers to scare away the elephants when they are near. More follow up is needed with the villagers regarding the guarding approach to achieve their adoption of it. Finally, moving the elephants within the NPA is also an option that has been adopted successfully in Thailand. While it is costly, Laos may wish to consider moving the elephants to a sanctuary part of the NPA, perhaps where there is both a water source and a natural barrier. WWF is now doing work on the concept of elephants, with other donor support. The work includes preparation of an action plan and national workshop on the idea of moving the elephants. This is something the project may wish to keep informed of. Or, the project may even consider seeking donor partners to possibly support exploration of such work for PXH.

7. Component 3 Results: Incentives and Financing for Biodiversity Conservation and Forest Protection

Progress towards Results Outcome 3 Rating: Unsatisfactory

Component 3 is the incentives and financing component. For reference, the component statement, which we take as Outcome 3 of the project is: "Developing and Promoting Incentives and Sustainable Financing for Biodiversity Conservation and Forest Protection." Allocated GEF financing in the project design for this component is USD 3,069,958. The purpose of Component 3 is to provide mechanisms to sustain SFM post-project, including incentives for villagers to reduce pressure on the forest and financial mechanisms to pay for needed protection services, such as patrolling and reforestation. As noted in Section 4, so far results for Component 3 are quite weak, with livelihoods work having a very slow launch and reaching too few people. Ecotourism efforts have had some preliminary success in attracting tourism companies to visit Ong Mang and offer input. And, ecotourism is poised to benefit from the dual use of the project-financed Ong Mang Center and its seven substations for both protection/administration and tourism. Yet, plans and projected revenues from ecotourism for Ong Mang and the other three PAs/ protection forest are far from clear. Lastly, while there is potential for other types of financing as indicated in the ProDoc and known to exist in Laos, it appears no work at all has been done to pursue other options.³⁹ Given the issues of sustainability already discussed, success of the project will hinge on whether in its second half the project can develop strong incentive and financing mechanisms under this component. It is suggested that the project therefore urgently put its greatest attention on this aspect, including (i) livelihoods, (ii) access to funds from corporate / investor payments, (iii) attraction of other donor funds (and possibly

³⁹ After the MTR mission, the project retained a financing mechanism consultant. It is hoped the findings regarding financing mechanism needs can be useful in guiding the work of the consultant and project team in this area.

REDD+) for conservation, and (iv) ecotourism. Below, findings and suggestions regarding the various outputs and activities under this component are presented.

1. Livelihoods: Section 4, in its discussion of greatest concerns, makes several points about the scale and sustainability of livelihoods work. Elaboration of some of these is included here, along with some discussion on types of livelihoods. The MTR Team sees livelihoods as one of the most critical mechanisms for SFM in the project's PAs/ protection forest. While ecotourism is also seen to have potential, that potential is considered more uncertain. Further, direct benefits in the case of ecotourism would probably accrue mainly to villages in core areas, such as the three villages in Ong Mang's core area where the Eld's Deer are. Currently, the livelihoods work is quite weak and needs improvement. In this regard, key points are:

(1) The project should clarify which villagers need to benefit from the livelihoods work. Is it the few poor families that used to collect NTFPs extensively, or is it the majority of families that have not been impacted as greatly by conservation restrictions, but still have lost some of the access they used to have to the forest? This question should be answered and the project livelihoods strategy adjusted accordingly. For now, we assume the answer is that the project hopes to benefit the majority of villagers, but will also make a special effort to ensure that the poor families that were heavy users of the forest are included as priority beneficiaries.

(2) Given the large number of households that need to benefit (assuming item 1 indicates the situation as such), the project should choose livelihoods that can benefit many households in each village. In this regard, sewing and even village vet are not that attractive, as only a few households in each village can benefit. While they can be supported, they should thus not be considered among the list of main livelihood activities for any one village and should not receive a large share of allocated funds for the village. At the same time, it is acknowledged that village vet training may be considered supportive to wider livestock efforts, which could enhance livelihoods for a larger number of villagers.

(3) For a large number of households to benefit from the same livelihood activity (as follow up to item 2), markets outside the village are required. As such, the project must support the villagers in ensuring that the livelihood activity they are pursuing has a strong market and that they will be connected to it. For this work, the Savannakhet-based Project Gender and Livelihood Specialist and the government official who is the Component 3 Focal Point may need outside expertise (with a proven track record in developing alternative livelihoods in Laos) to elaborate selected livelihoods and determine markets and ways to link the villages to them.

(4) The scale of livelihood activities should be increased. The project (assuming item 1 indicates the majority of villages in a village should benefit) should expand activity to include more households per village. And, if possible, work should be expanded to more villages in Ong Mang and to villages in the three other protected areas/ protection forest to better address the project's SFM target. Currently the project is planning a sort of revolving fund for each of its 16 target villages, so that more villagers can ultimately benefit from project livelihood funds. Those benefiting from, say, pig raising, would return money (a designated portion of profits) or pigs to this fund after a certain period of time, so that another family could get piglets. Given the need for sustainability, this idea is viewed very positively by the MTR Team, though it may difficult to implement and there is a need for the team to flesh out more details, such as the handling of difficulties in repayment and ensuring transparency.

(5) In order to expand scale (per item 4), the project needs to increase cost effectiveness of livelihoods spending. The MTR Team understands that USD 790,000 was allocated to livelihoods in the funds transferred to EPF; and most of these have not yet been spent. Given the importance of livelihoods, more funds may be allocated it in the second half of the project. Yet, a simple calculation shows that USD

790,000 spread among 16 villages would provide about USD 50,000 per village. Somehow, in the plans reviewed to spend these funds, it seems not much of this USD 50,000 is trickling down to the village for capital costs, such as livestock or loom purchase. For example, in the case of chicken raising, only 21 percent (or USD 7,140) of the proposed budget of about USD34,000 goes to chicken and equipment purchase, while 48 percent goes to DSAs for provincial level persons, district level persons, and the villagers themselves as compensation for everyone's time. While it would seem the compensation of provincial and district level persons would cover training costs, another 18 percent of the budget goes to training costs. The MTR Team suggests that the plans for livelihood work be revamped to cut out most of the DSAs and include DSA/ or daily compensation for only the one or two key trainers that will be involved. In the case of villagers, if travel is required, perhaps the travel and meals can be provided directly. Those that are truly interested should still attend.

(6) Other points on types of livelihoods and experience thus far are: (a) The project commissioned a livelihoods study on handicrafts. One of the key conclusions of the consultant is the traditional weaving that already exists in many of the villages could be developed with market support to make sales outside the villages and increase incomes. Yet, the project instead is pursuing contract weaving for a company, which the analysis found less attractive for villagers, as it is less flexible and probably more limiting in upside. The company doesn't seem that anxious to develop contract weavers anyway, as its trainers had to be provided "per diems" to come to the villages and provide training. (b) Livestock and fish raising were assessed by the project and villagers themselves to be attractive due to market potential. So far, the project has supported pig pens and pig feed, but the villagers got tired of waiting for the pigs promised by the project and instead have put other pigs in the pens. While this is an anecdote, it was heard in more than one village and suggests concerning trends in delivery of livelihood support. The project team has explained that the delay is due to concerns about African swine flu, but none of the village stakeholders who raised the delay expressed an understanding of this, suggesting the need for improved communications and coming up with livelihood alternatives. The project is also experimenting with the planting of a special plant that could serve as cow feed and thus keep cows out of the forest. The potential for this seems quite positive. (c) Vegetable gardening (particularly organic) is deemed to have potential by the project team, though some villagers expressed that they would be interested only if the project helps them find a market, which they feel uncertain about. They are more confident in a market for livestock than for vegetables. Water resources is an issue in the case of vegetable gardening that the project team has identified. The project may need to consider support for water supply and irrigation, in addition to market identification, if vegetable gardening is to be included. (d) Regarding NTFPs, as indicated in Section 6, there is a need to clarify rules for NTFP collection. According to village forest classifications (see Exhibit 8-2 in Annex 8), there may be room to increase NTFP collection if guidelines for sustainable collection are developed. Most of the villages the project team visited indicated NTFP income, while not negligible was not that sizable prior to enhanced forest protection, though one village indicated the number one source of cash income (they are subsistence rice farmers) is NTFPs. And, project design work identified a village with over USD 1 million in annual NTFP income. Some sources question the validity of this result, though agree that there might be substantial potential for raising incomes through NTFPs. The design work also estimated a potential of USD 688 per hectare annual NTFP income in Ong Mang. Thus, it is worth the project considering more carefully whether NTFP support via (i) regulations for sustainable collection/ opening up more areas to collection and via (ii) setting up a joint NTFP market platform to cut out middle men and get more money to the villages would be a worthwhile area of focus in its livelihoods work. In general, livelihoods tied to the forest that are sustainable can be attractive in encouraging forest protection. (e) Another recommendation related to the foregoing one is the cultivation of NTFPs in the forest, such as orchids or mushrooms. As with collecting wild NTFPs, this livelihood would link villagers more closely to the forest and thus more directly ensure their positive feelings for conservation.

2. Conservation agreements and financial training: The project has developed 16 conservation agreements, one with each of its target villages within Ong Mang. These contracts are to be renewed on an annual basis and the existing (first) contracts are for 2019. While conservation contracts are not new to Laos, they are seen to be a useful part of the comprehensive, multi-pronged package the project has developed for SFM. The MTR Team found that village leadership understands the contracts and appreciates the value of having agreements in writing. The MTR Team's concerns with these contracts are covered more extensively in Section 4. In summary, while the contracts are to be a sort of "give-and-take," the deals developed with the villages seem out of balance, too heavy on the "give" and impossible to maintain post-project: The villagers participating in patrolling are compensated for each day of their time; the project contributes USD 2 per villager to the Village Development Fund (in the first year of the agreement for startup); the project will make payments to the village for disseminating information on forest laws and village forest management plans; the project has built a community hall for each village; and the project supports development of new livelihoods for villagers. In return, the villagers comply with forest zoning requirements; and village leadership educates them on forest regulations. The MTR Team confirmed that the USD 2 per villager had been distributed to the villages in 2019, taken out of the funds allocated for livelihoods. These funds were typically used by village leadership to buy things for the public good of the village like sound systems and water coolers. The main purpose of these startup funds was to give the Village Development Committees experience in managing funds. The MTR Team further confirmed that villagers are happy with the village halls built by the project and find these to be attractive and comfortable meeting places. Yet, the direct benefit to the aims of the project is unclear. (Perhaps the project should ensure at least that the concept of "conservation" is carved or posted permanently in some way on the building to remind villagers that the building is provided in return for their ongoing support for conservation.) It is suggested that the project work to develop more sustainable conservation agreements in 2020 that could be continued post-project. As government funding is extremely limited, one area to look into is whether there are any incentives that can be offered to the villagers that do not require cash, such as access to conservation areas to sustainably harvest NTFPs in return for patrolling those areas.⁴⁰ (Currently NTFP collection is not allowed in Ong Mang conservation areas.) Ideally, to address project targets, conservation agreement work would be extended to villages in the three other PAs/ protected forest. Finally, it is noted that the project retained a consulting firm to carry out financial and project management training in the 16 project villages in Ong Mang. While some stakeholders said they had forgotten what was learned and need more help, the MTR Team views it as positive that the project encompasses this sort of training for villagers. The training will be particularly important if the revolving livelihoods fund concept mentioned above is realized. The challenge is that it is quite expensive to continue follow up coaching for the length of time it is needed. An alternative may be to train district officials (some of whom already attended the basic trainings of the villagers) to carry out such training and coaching on an ongoing basis. Post-MTR mission, in Dec. 2019, the project began to explore the idea of having volunteer college graduates carry out such trainings in the village. This is also an attractive idea for building village financial and project management capacity at low cost.

⁴⁰ Findings from consultations suggest that NTFPs are not major income sources for most villagers, but in some cases provide limited supplementary income to a large portion of villagers and provide a large portion of income to just a few poor families in the village. Project design work identified a village that had USD 1 million annually in income from NTFP collection. Though some have questioned the validity of the finding, it still may indicate there are some villages in which NTFP revenues are much higher than the norm. This in turn would support the idea that investigation and potentially pursuit of sustainable NTFP harvesting to support livelihoods may be worthwhile avenue. The project team indicates that the national consulting team hired in the financing/ value chain area will prepare an NTFP harvesting strategy for livelihoods support. Ideally, this strategy would cover issues of how the benefit of NTFP harvesting access can be combined with responsibility for forest conservation and patrolling. It would also include support for marketing, such as through a joint NTFP sales platform that would eliminate middlemen and raise the price at which villagers can sell NTFPs.

3. Ecotourism: Concerns about ecotourism are addressed in Section 4. As for next steps, it is suggested the project ensure that the international expert hired post-MTR mission advise on international ecotourism potential and provide real, action-oriented support in connecting with the relevant parties, both for promotion (e.g. tourist guidebooks and websites) and for attracting actual international ecotourism agencies. The project should also refine its projections on ecotourism income and how these relate to the amount of funds needed to operate the project's PAs/ protection forest and finance their patrolling efforts annually. Further, promotion work should be launched immediately with the materials already prepared by the team. More professional materials could come in the future if desired and with the support of the proposed international ecotourism consultant. So far, most ecotourism efforts have been focused on Ong Mang, though a small budget supported efforts, such as trail development and boat upgrade in DPV. DPV's situation, in which international tourists are said to have dropped from 200 to 300 per year in some previous years to just 5 in the first ten months of 2019 needs to be better understood. In general, it is suggested the project widen its scope (with the input of the proposed international consultant on the viability of each site for attracting international tourists) to promote ecotourism with deeper support in DPV if the PA is deemed viable for to attract substantial tourism revenue and with support to the project's other two PAs/ protection forest if they are also deemed viable in that regard.

4. Other financing mechanisms: The project had done little by the time of the MTR mission to pursue other means of generating funds for PA/ protection forest management besides ecotourism. This has been discussed in Section 4. The draft version of this report recommended that the project may consider a consultancy or two to look into two key sources of financing described below. It is understood that post-MTR, some consultants were hired to focus on financing, so it is suggested they prioritize the following areas⁴¹:

(1) Government financing, particularly via fees that might be collected from corporations with investments in Savannakhet, especially areas near to the forest. A national system of fee collection may also be considered. Already at the national level, EPF is managing fees paid by hydropower investors that are currently being used to support grant projects of NGOs operating in protected areas. And, the Forest Resources and Development Fund (FRDF) is another source of interest. Although some stakeholders expressed concern that the EPF funds may not be made available to MAF managed entities, as EPF is under MONRE, and that it will be complicated to gain access, these funds are indeed targeted for the support of PAs. Thus, this matter should be looked into and at least initial progress be made towards accessing such funds for the target PAs/ protection forests as well as other PA areas in Savannakhet. At the same time, setting up of a Savannakhet-focused fund or mechanisms that require investors in the province to support nearby PAs may also be considered.

(2) International financing: International donors are interested in supporting conservation and even in specifically supporting livelihoods as a bridge to conservation. The MTR Team even identified a case of strong third-party donor interest in filling gaps in the project's livelihoods-for-conservation work. Thus, international donors and philanthropies should be priorities. At the same time, REDD+ should be consider, including means of linking Savannakhet with the upcoming large GCF-linked REDD+ project in Laos.

The consultancies following up on financing mechanism related areas should not be focused on theoretical reports as output, but instead should be focused on action-oriented work that will identify and then connect the PAs/ protection forest and the project with potential donors and with the financing from fees paid by corporations / investors.

⁴¹ This includes an international financial specialist and a local team to look at ecosystem valuation.

8. Sustainability of Results

Sustainability Rating: Unsustainable

Risks identified in ProDoc and PIRs: With the benefit of hindsight, the MTR Team finds that the six risks identified in the ProDoc do not include what we consider the greatest risk of the project -- lack of financial sustainability, as discussed below. Another critical risk not mentioned and recognized with the benefit of hindsight is that of low cost effectiveness, believed in part to be due to the “per diem” practice of payments, which the MTR Team understands has also affected other government-donor partnership projects in Laos. Yet, other risks identified in the ProDoc are on-target, especially those focused on capacity. One mitigation measure proposed in the ProDoc for the capacity risk was to hire an international CTA. While this was done, recruiting took a while; and the CTA (“Project Technical Specialist”) did not come on board until after about one and a half years of implementation. The PIRs have also been reviewed vis-à-vis risks. It was found that nothing has been included in the sections on “Critical Risk Management” as no critical risks were identified.

Financial risks to sustainability: The likelihood that financial resources will not be available to continue conservation work (mainly patrolling, reforestation, incentivizing villages, and developing PA infrastructure) once GEF assistance ends is extremely high. This is the top sustainability issue of the project and indeed the most urgent issue for the project to address in its second half, which it may do by focusing on the mechanisms of Component 3 (livelihoods, ecotourism, transfer of fee payments from corporations/ investors, outreach to other donors for support, and REDD+). The risk and how to address it have been discussed extensively in Sections 4, 6, and 7.

Socio-economic risks to sustainability: Socio-economic risks to sustainability of project results are also significant, but the project design and implementation have strongly addressed many of these risks. The strongest risk is that economic development benefits will override conservation priorities of the government, resulting in concessions infringing on forest areas. By getting Ong Mang elevated to a national-level PA (achievement expected soon), the project has addressed this risk head on. The SEAs and ISPs also address this risk, but work needs to be done to ensure they are incorporated into district SEDPs and actively used. The DSS is an exciting new area of work of the project and, by allowing policy makers to visualize forest cover in areas under their purview, should serve as a positive force in countering the risk of concessions. As for awareness, the project has done a good job of making stakeholders at all levels aware of the importance of conserving DDF. At the same time, a challenge that has occurred in DPV illustrates another sort of economic risk associated with ecotourism. Villagers in the main tourism area of DPV are said by one source to no longer be interested in ecotourism revenues, as other sources of income are now greater for them, resulting in conservation also being less of a priority for them. This source notes that illegal logging in 2014-2017 reduced the attractiveness of the area and international tourists dropped from 200 to 300 per year, to just five in the first ten months of 2019. At the same time, project sources indicate 50 to 55 persons visited project supported sites in DPV in 2019.

Institutional and governance risks to sustainability: Lack of staffing of PAs is an institutional risk. The transfer of seven government personnel to Ong Mang Center is a positive development in terms of addressing this risk. Further, it is promising that DOF has a vision to have, eventually, 25 personnel at each of ten of its NPAs. As noted, however, the PA management plans prepared by the project require more details on the staffing (how many and for which roles) and staff qualifications to move the institutional aspects of this work forward. Despite the existence of national HR guidelines for PAs, key stakeholder input suggests that this institutional aspect within the plans for the individual PAs is needed. Instead of simply following existing national guidelines, they would like to know via project input what is really needed to run a successful PA. In terms of plans and policies to address institutional/ governance

risk, the project has worked to develop such items to ensure sustainability. Yet, work to ensure these items are used (rather than merely “sitting on the shelf”) is needed to ensure this type of risk is addressed. Further, policy-wise, an area for additional work may be identifying HVCF outside PAs that create connectivity between them and developing associated regulations.

Environmental risks to sustainability: The project is addressing environmental risks such as logging head on. Lack of water/ dryness presents risks to the survival of seedlings planted in reforestation efforts. The project may wish to look into closer monitoring of planted seedlings and also consider options for water provision to villages, which might also support other efforts, such as vegetable gardens.

9. Implementation and Adaptive Management

Implementation Rating: Moderately Satisfactory

This section covers key topics related to implementation. These are: (i) management arrangements and institutional aspects (sub-section 9.1); (ii) work planning and adaptive management (subsection 9.2); (iii) expenditures and co-financing (sub-section 9.3); and (together in subsection 9.4) (iv) monitoring and evaluation, (v) stakeholder engagement, (vi) communications, and (vii) gender.

9.1 Management Arrangements/ Institutional

Sub-section 2.3 has provided background information on the dedicated project team (19 persons), the Implementing Partners (MAF-DOF and PAFO), the Project Steering Committee, the “monthly and quarterly meetings,” other government partners, and the UNDP team involved in the project. This sub-section provides assessment of the effectiveness of these management arrangements/ the institutional structure based on findings of strengths and weakness of the project.

Project team and project management: As noted in Sub-section 2.3, there are a total of 19 persons working full-time on the project as part of the project management team. Ten of these are paid fully by the project, whereas the other nine are seconded from their government roles, and thus paid by the Government. The full-time project team is spread across three locations: Vientiane – 6 persons, all paid by the project; Savannakhet – 6 persons, 4 paid by the project; Ong Mang Center – 7 persons, none paid by the project. And, the Vientiane team includes two international persons: the Technical Specialist and the Monitoring and Evaluation Officer (a UNV). Overall, the MTR Team is impressed at the volume of work and activity this hard-working and committed team has delivered over the course of the project.

At the same time, the team with 19 full-time persons and ten paid by the project is quite layered with its three different locations. It seems that the layer effect may not be cost effective, with too many staff based in Vientiane, and actually make it more difficult for the project to make progress and move forward. One example of this is that the Savannakhet team, along with PAFO partners, has prepared ecotourism promotional materials, including drone videos of PAs, but understands that they are not allowed to use these at the direction of Vientiane.⁴² Another example raised earlier that may be related to layering problems is that villagers have been waiting a long time for pigs they were promised and never received, having since put pigs they already had in the pens provided by the project. The MTR Team understands now that the delays are due to concerns on African swine flu. Yet, that this does not seem to be

⁴² Feedback from Vientiane PMU suggests that the drone videos, but not other items, could be used. It may be that there is another reason for the delay in use of the drone videos.

understood at the local level may be related to challenges in communications created by the layering.⁴³ Originally, in the ProDoc, it was indicated that only the Finance Manager and Monitoring and Evaluation Officer would be based in Vientiane with other project staff based in Savannakhet. Findings suggest that to achieve more in Savannakhet, especially now that the elevation of Ong Mang to NPA status has virtually been secured, project staff should be closer to the action. Currently, the project is addressing this issue by having the Assistant Project Manager, the Technical Specialist, and the Monitoring and Evaluation Officer each spend one week per month in Ong Mang. Yet, it may be best for the Assistant Project Manager to be assigned at least half time if not full time during the current critical period for the project in Ong Mang or Savannakhet. And, the Tourism Specialist and the Gender and Livelihoods Specialist may need during this critical period to be based full time in Ong Mang or, if the project extends its activities as recommended to its other PAs/Protected Areas, spend substantial time at those sites as well. The challenge of such adjustments is that the project has already spent down around 60 percent of GEF funds; and cost effectiveness has been low. Thus, adjustments to postings of staff should be done in such a way that per diems and frequent back and forth travel costs are eliminated.

Further, the project team should be more empowered to drive adaptive management and cost effectiveness. To date, an incorrect understanding of how to implement UNDP-GEF projects may have led to the mindset that the project team should implement all project activities as designed. Based on the findings of this report and its included explanations of how GEF projects should be implemented (with a focus on outcomes and on objective and outcome-level indicators), the team should be empowered to propose adaptive management strategies that affect what kind of and which activities and outputs will be pursued in order to achieve targeted outcomes. They should shift their focus to sustainability post-project in making such proposals. Similarly, given cost effectiveness issues identified in the MTR, the project team should be more empowered to point out problems with expenditures and to suggest strategies to make the project more cost effective. The two international team members, in particular, should be empowered, as one of their key areas of value-add, to make proposals in these areas and get them reviewed by UNDP and the IPs. The international team members may also be leveraged in outreach regarding financing mechanisms, such as reaching out to other donors that may wish to provide support to implement the project-prepared management plans of the other three PAs/ protection forest or provide additional support for livelihoods so that more villagers/ villages in Ong Mang and the villages in the three other project PAs/ protection forest can be included. And, they may also provide support in reaching out to international ecotourism entities, to strengthen international market potential of the project's targeted ecotourism sites.

Partnerships with government entities for implementation: Aside from the IP relationships with MAF-DOF and PAFO, the project has partnered with several government entities to achieve implementation of specific project activities. This includes partnership with DOF's Community Forestry Division for preparation of Village Management Plans, with its Legislative Division for legislative work, with MONRE for preparation of ISPs and SEAs, with PONRE for the meteorological and hydrology stations and village land certificates, with the Savannakhet branch of the Lao Women's Association (LWA) for sewing training, and potentially with the Provincial Office of Commerce for weaving.⁴⁴ Most of these relationships are carried out with MOUs. The MTR Team has not had the opportunity to review the MOUs for cost effectiveness. While the results of these partnerships seem fruitful, the MTR Team suggests that going forward any additional MOUs proposed be scrutinized for necessity and cost

⁴³ Project should ensure villagers understand the reason for the delay in order to avoid loss of trust or enthusiasm for the project and its government partner implementers.

⁴⁴ In response to a comment on the draft MTR Report, it is acknowledged that the two DOF divisions are in principle part of the project's IP. Yet, at the same time, the relationships with them for implementing project activities are the same as with other non-IP partners in that MOUs were signed for them to carry out the relevant work.

effectiveness. Particularly with regard to livelihoods, the project should avoid too much layering, so that most of the funds can be used to directly support villagers in their new livelihoods (such as via purchase of livestock or related materials).

One partnership of interest is that with EPF, which is under MONRE. In 2017, USD 1.2 million in project funds was transferred to EPF, which specializes in fund management and disbursement for the Government and other donors, especially the World Bank. The first disbursement of these project funds from EPF was not made until two years later, in 2019, and all funds disbursed were transferred to a single account of Savannakhet PAFO. For other donors, EPF typically provides a report, but since UNDP required that its own procedures (“NIM”) be used, no report was provided in this case. Based on its MOU with UNDP and MONRE (IP at the time of signing), EPF is charging a service fee of three percent for management of these funds. The MTR team sees no benefit to the project of this arrangement. Sources indicate the MOU is not that clear on who was to do what. And, generally, there seems to be confusion on the purpose of the EPF arrangement. Probably, initially it was believed that other benefits could be derived and perhaps that EPF would review proposals and distribute funds directly to the villages. One effect of the arrangement was to speed up delivery on paper, as the USD 1.2 million is shown as “spent” in 2017, even though none of the funds were actually spent until 2019 and, still, almost half (USD 573,000) remain with EPF and perhaps another USD 300,000 remains unspent in PAFO’s bank account. Interestingly, given that its responsibilities include management of a fund of fees paid by hydropower investors that is targeted for conservation, EPF may be a relevant party to work with in exploring financing mechanisms for the sustainable operation of PAs.⁴⁵

Implementing Partners: The contributions of MAF/DOF and PAFO as implementing partners, and, before them, MONRE and PONRE, has been invaluable. In particular, at the national level, they have pushed forward elevation of Ong Mang to national PA status. At the provincial and district levels, the transfer of seven staff to be based at Ong Mang and provision of two additional full-time government staff at the Savannakhet PMU are strong contributions. Going forward, strong support from MAF/DOF and PAFO will be needed to increase cost effectiveness. This will include reducing the level of per diem payments by ensuring a more limited number of the most qualified staff implement activities and that villagers are drawn to participate in training based on interest rather than payment. Strong support from DOF and PAFO is also needed to ensure the project clarifies the nature of project target areas outside of the four target PAs (which account for a part of the first objective indicator) and to provide inputs as to whether an initiative to identify HCVFs outside of PAs in general could viably be used to increase connectivity between PAs.

DOF and PAFO support is also needed to ensure that the project can address the full area of the project’s targeted PAs/ protection forest, rather than just the parts in the five districts. Further, DOF and PAFO can play a stronger role in ensuring the policy and planning outputs, such as the ISPs, SEAs, and the upcoming DSS are utilized, rather than sitting on a shelf. They can liaise with Savannakhet DPI in this regard, but also ensure that their own linked entities, namely the DAFOs, make use of these items. In addition, it is recommended that DOF and PAFO ensure that their respective NPA Department/ Division are more involved in project activities, given their critical role in NPA management and the centrality of NPA management to the mission of the project. The lack of strong involvement of the department/division in the project is an institutional gap that it will be important to address. Finally, the IPs may look for means to step up co-financing during the project’s lifetime to achieve the USD 14.2 million in in-kind and cash grant co-financing originally committed by MONRE.

⁴⁵ EPF is a Government fund established for mobilizing different type of funds from internal and external sources for supporting natural resources management and environmental protection effectively and sustainably. The hydropower royalties are just one type of fund that EPF manages.

A very important area for improvement of the project in general and IP support in particular is moving to a strategic focus. Implementation has the problem that there is no clear strategic plan or focus on the big picture. Activities are implemented, but the purpose of these activities in supporting the bigger picture needs to be addressed.

The IP should also provide support in ensuring that social risks are addressed. There is a risk that women will benefit much less than men from the project. So far, at the village level, men, who are the majority of patrollers and get paid daily when in the field patrolling, are benefitting most from the project. The IP should work with the project team and UNDP to ensure that there are really gender disaggregated targets for beneficiaries and that activities are implemented to ensure targets for female beneficiaries are met. The other social risk that the IP should work to address is that the project may disproportionately benefit those at a higher socio-economic level and in urban areas, rather than the village level people that are intended as main beneficiaries. To assure that sufficient funds are used to benefit villager livelihoods, the IP should ensure that the project becomes more cost effective particularly with regard to money spent on per diems and other expenses associated with travel and workshops.

UNDP: UNDP has given strong and positive attention to the project to ensure timely progress and high-level support from Government, as well as quality M&E. At the same time, there is need for more support on project strategy to ensure meaningful and sustainable results are targeted. That is, there is a need for more “brainpower” input on the strategic level to ensure the project team is focused on how to achieve the targeted objective and outcomes and meaningful results that go beyond the project’s lifetime, rather than being consumed with fulfilling tasks and outputs.

The UNDP CO has been actively involved in the project at multiple levels. The DRR has consistently been personally involved in high-level discussions. The section manager and program officer, through their QA function, have gotten involved in specific details of implementation. Based on findings, the MTR Team recommends a few areas of attention for UNDP CO going forward. Most important is the need for a higher level strategic approach as mentioned above. While in the past, the project has been encouraged to deliver all outputs/ activities as designed, it is recommended that UNDP CO, along with its partner IPs, shift to an outcome-oriented delivery approach. As such, UNDP CO will encourage the project to make decisions strategically based on the objective and three outcome statements, along with their indicators (after revision vis-à-vis Annex 4), and with post-project sustainability of results taken as top priority. Further, findings suggest that there should be a greater balance between pushing for timely delivery and ensuring quality of delivery. In its first half, the project spent about 60 percent of GEF funds, but results fall short. Stakeholder consultations suggest various involved parties felt pressure to spend funds that they believed would not be spent as effectively as hoped due to lack of time to negotiate strategic plans. In this regard, UNDP CO faces quite a challenge, because projects can have a tendency not to spend targeted funds on time. Thus, the goal should be to strike a balance between timeliness and quality of results. Particularly because this project has cost effectiveness and per diem issues, the push for “delivery” may have stimulated these problems to more fully come into play. Indeed, a last and very important recommendation for UNDP CO is to work closely with the project team to monitor the specific nature of spending to ensure cost effectiveness is improved and funds are spend more strategically/ sustainably and always spent in the best interest of the project on project-related work. In this regard, UNDP CO’s relevant team leader and program officer may work closely with the two international members of the project team to improve cost effectiveness. They might carefully review Exhibit 12 under this report. This will enable them to see how current financial reporting commonly includes unrelated items under activities and how travel and workshop costs, both of which likely include a large proportion of per diems, are very large for a range of different activities. They may wish to work with the project team to develop changes to the method of accounting, so that they can more flexibly change activity statements to reflect what has really been done and only include relevant expenses under these revised activity statements.

UNDP-GEF Asia Pacific Regional Hub has also provided solid support to the project. The MTR team noted this particularly as related to guidance on M&E, such as through the annual PIR process and technical suggestions made. There has also been guidance on special needs, such as gender assessment and incorporating gender into M&E. Further, there has been guidance on achieving the required transition to core indicators. Given the need to shift, post-MTR, to a more strategic approach for meaningful post-project impact, the RTA's technical guidance and experience on similar projects should be highly valued in this regard and paid close attention to. The RTA may put special emphasis on suggestions of how the project can strive for sustainable results that will continue to support conservation aims post-project.

To further elaborate, what is urgently needed from UNDP (as with from the IP), both from the CO and RTA, is support in making project implementation more strategic. There is a great need to move from activity-by-activity implementation to asking the questions: What is the purpose of all the activities? How do they fit together? With higher level aims identified, such as in the objective and outcome statements, the activities should be adjusted to address those aims. UNDP in its role should both provide strategic guidance and provide the necessary flexibility for the team to be strategic. At present, there seems to be a perception in the team that not even the activities as listed and described in the budget can be changed nor the mode of payment of the project specialists. Even though the latter have long-term service contracts, their salaries are entered into expenditure accounting with the budget code of short-term individual contractors, because that is how these specialists were specified in the ProDoc budget. It seems there is a perception that everything must remain as it was in the ProDoc or at least as it was at inception. While it's not the only reason, this perception contributes to the lack of strategic approach. It should be understood why the project believes that they cannot make changes. Is this a real constraint from UNDP or an imagined one?

As for environmental and social risks, the UNDP ProDoc addressed such risks at the design phase. As the project has mainly environmental benefits, environmental risks are not a key area of concern. As for social risks, implementation also requires vigilance in two areas. One is gender. As has been discussed elsewhere, at the village level, the main beneficiaries of the project to date are men as they make up the vast majority of patrollers and patrollers are being paid a per diem for each day in the field. While there is discussion on the importance of benefitting women and some women-focused livelihoods have been developed, UNDP should ensure that a target for women to be substantially well-represented among livelihoods beneficiaries (e.g. 70 percent) be reflected in implementation. Secondly, per later discussions on cost effectiveness, UNDP should ensure that project funds that should be getting down to the villages for livelihoods are not excessively drained at higher levels through per diems and other travel costs of persons whose presence may not be required for the activity at hand.

9.2 Work Planning

Timeliness: As indicated in Section 2-3, overall, the project has been relatively timely in hitting its major milestones and is to be applauded for that. A few key activity areas, however, have been delayed to the detriment of results. These are the livelihood activities, which have started and progressed very slowly, and the activities regarding alternative financing mechanisms (aside from ecotourism), which started only after the MTR mission. It is recommended activities in these two areas be ramped up quickly and receive focused attention going forward.

Results-based processes and understanding of adaptive management: While the project appears to have been timely in preparing comprehensive work plans, we suggest work planning processes be readjusted to be more focused on high level (rather than low level) results. The results that should be paid attention to in this regard are the objective and three outcome (component) statements and their indicators

(revision of which are proposed in this report's Annex 4). One issue is that there appears to have been a misconception that GEF projects are not flexible for changes once the full project design is approved. Indeed, for this project and future GEF projects, UNDP CO, the IPs, and the project team should be made more aware of the areas of flexibility. As noted elsewhere, while objectives and outcomes cannot be changed, outputs, activities, and outcome-level indicators can be changed. Post-MTR, it is recommended, then, that adaptive management be increased by taking advantage of this flexibility and focusing on achieving sustainable results post-project. For future projects, a one-page sheet explaining the overall priorities and implementation philosophy for GEF projects in each focal area, respectively, might be provided to UNDP COs, project teams, and IPs. These should include guidelines on the emphasis on the objective and outcome statements and their indicators, as well as the flexibility for adaptive management in adjusting outputs and activities, as well as even outcome-level indicators, if needed. Work planning processes should also be enhanced to ensure cost-effectiveness, reducing unnecessary DSA spending, etc. Finally, work planning processes should incorporate suggested changes to the outcome indicators (once these are finalized by the project, see Annex 4 for suggestions) and transition to the core indicators at the objective level (see Annex 9 for suggestions).

9.3 Finance: Expenditure Analysis and Co-financing

This section provides information and analysis on expenditures, cost-effectiveness, and co-financing. It begins with a look at spending of GEF and UNDP cash funds overall by component and year, using data from UNDP CDRs. It then moves into the critical area of analysis of spending by major activities and outputs, which offers insights into cost effectiveness and potentially the need for a better system for reporting activity expenditures, so that management can review and get a high level perspective. It next touches briefly on the findings of the project's two financial audits. Last, it provides information on project co-financing.

Overall expenditures of GEF funds by outcome and by year: The project has kept up a strong pace of spending of GEF funds. Exhibits 9a, 9b, and 9c show expenditures of GEF and UNDP funds together, GEF funds only, and UNDP funds only, respectively, each by component and year (for 2019, the amounts are those spent up through Oct. 30, 2019). As noted, consultations indicate a strong feeling of pressure to spend money, to the detriment of quality. Correlating with this feeling, overall spending at this point suggests some weaknesses in cost effectiveness. According to the CDRs, 68 percent of GEF funds had been spent by Oct. 30, 2019. Considering that about USD 900,000 of "expenditures" related to EPF and EPF transfers to PAFO bank remained unspent and committed for work completed, as of Oct. 30, 2019, the percent of GEF funds truly spent is around 59 percent. Yet, based on findings in this report, the project has a lot to do if it is going to get on track to leave a sustainable legacy and also if it is to meet its objective indicator targets of forest area improved. So, it seems unfortunate that funds were spent quickly prior to the MTR. At the same time, the need to spend funds to have an active and fruitful project is understood. Given the limited amount of funds remaining, however, a more careful and strategic, but still active approach, should be taken. In terms of components, it is concerning that 88 percent of Component 3's GEF allocation has been spent, especially because this is the component that needs the most work to ensure course correction to focus on sustainability of results. Yet, as perhaps around USD 700,000 of the livelihoods funds indicated to be spent are really unspent (being either at EPF or being EPF transfers in PAFO's bank account), the real proportion of Component 3 GEF funds spent (as compared to the total allocation in the ProDoc budget) may be about 65 percent. This is less, but still very concerning given the low level of progress with the component. Looking at the delivery rate as compared to the annual spending targets for GEF funds as indicated in the ProDoc shows that the real spending surpasses the targets by just a bit based on 3 5/12 years having elapsed since ProDoc signing in May 2016. Yet, if we consider the real situation, that work was really initiated after the inception workshop (Oct. 2016), that the duration of the project after the inception workshop would really be 5 years 7 months instead of 6 years,

and that 3 years have elapsed since the inception workshop, we see that the project has surpassed what would be targeted if spending were to be targeted to occur evenly throughout the project's "real" lifetime. In retrospect, given the lack of experience of one of the key IPs (Savannakhet PAFO) with such a large government-donor partnership project and the need to ramp up key activities related to financing (such as livelihoods), a more gradual ramp-up of spending targets might have been incorporated into the design.

Exhibit 9a. Project Expenditures: GEF& UNDP Funds Combined by Component to Oct. 30, 2019
(from UNDP CDRs, in USD)

Component	2016	2017	2018	2019 (up to Oct. 30)	Total
1. Policy/ Planning	10,940	305,984	620,445	390,547	1,327,916
2. SFM	73,633	1,080,046	1,514,859	647,554	3,316,092
3. Financing	8,576	1,217,473	1,020,634	621,903	2,868,585
PM	88,379	60,286	70,849	38,974	258,488
Miscellaneous	108,792	6,583	13,434	3,041	131,850
Total	290,320	2,670,371	3,240,220	1,702,019	7,902,930

Exhibit 9b. Project Expenditures of GEF Funds Only by Component up to Oct. 30, 2019
(from UNDP CDRs, in USD)

Component	2016	2017	2018	2019 (up to Oct. 30)	Total	Amount Allocated in ProDoc	% Spent
1. Policy/ Planning	684	279,747	548,481	362,193	1,191,104	2,156,596	55%
2. SFM	32,861	1,021,327	1,453,400	619,015	3,126,603	5,134,620	61%
3. Financing	-	1,134,708	960,756	595,378	2,690,842	3,069,958	88%
PM	40,741	59,738	70,849	38,356	209,684	518,000	40%
Miscellaneous	108,610	6,583	13,434	3,041	131,668	0	
Total spent	182,896	2,502,103	3,046,919	1,617,982	7,349,900	10,879,174	68%
Total really spent	---	---	---	---	≈6,449,900	10,879,174	59%
Target based on time expired:							
first 3 + 5/12 yrs (of 6 yrs)					6,195,320	10,879,174	57%
first 3 years† (of 5.58 yrs)					5,845,526	10,879,174	54%

†MTR team provides two targets according to time expired and assuming that even spending is targeted throughout the project lifetime. The first is based on official project start date of May 20, 2016, so that around 3 and 5/12 years had elapsed at the time of the CDR, Oct. 30, 2019, out of 6 years available. The second is based on the inception workshop date (before which, typically, not much work is done and not many expenditures are made), which was in October 2016, so that around 3 years had elapsed at the time of the Oct. 2019 CDR out of a total "real" project duration of 5 years 7 months. Comparison to the second scenario shows that fund expenditure rate considering timing of inception workshop has been somewhat accelerated, being actually around 59% instead of the 54% that would be targeted if even spending over the "real" lifetime were the aim.

Exhibit 9c. Project Expenditures of UNDP Funds Only by Component up to Oct. 30, 2019
(from UNDP CDRs, in USD)

Note: Expected UNDP direct TRAC co-financing is USD 1.2 M, so that 46% had been spent as of Oct. 30, 2019.

Component	2016	2017	2018	2019 (up to Oct. 30)	Total
1. Policy/ Planning	10,257	26,237	71,964	28,355	136,812
2. SFM	40,772	58,719	61,459	28,539	189,489
3. Financing	8,576	82,764	59,878	26,525	177,743
PM	47,638	548	--	618	48,804
Miscellaneous	182	--	--	--	182
Total	107,425	168,268	193,301	84,037	553,030

Cost effectiveness and expenditure by main outputs and main activities: The MTR Team, for its analysis, initially aimed to prepare a high-level expenditure table, which shows, by major activity area, where the substantial expenditures of this project to date have gone. The MTR Team first asked the project team to provide a list of individual contracts and contracts with organizations (the latter limited to those over USD 10,000 in value). This information is shown in reformatted form in Exhibits 10 and 11. While for some projects, contracts make up the majority of expenditures and thus give a good idea of where spending is going, this turned out not to be the case with the *SAFE Ecosystem Project*. Instead, it was found that these contracts, totaling USD 1,305,065 (of which USD 246,307 was for individual contractors and the rest contracts with organizations), were far less in aggregate than the USD 7,902,930 spent to date. Even when subtracting the estimated USD 900,000 remaining with EPF (or EPF transferred funds) from total expenditures of GEF and UNDP cash funds, the amount spent on these contracts is just 18.6 percent of the total.

Exhibit 10. Expenditures as of Oct. 30, 2019 on Individual Short-Term Consultants

Individual Consultant Contracts: Nature of Task	Amount Paid (USD) <i>(total amount in parenthesis if contract not completed)</i>
National specialist for trainings on SMART- GIS software	9,210
National architect to design community hall and ecotourism lodging	11,622
International consultant to prepare NPA management plans	58,170
National consultant to for capacity building needs assessment.	30,713
National consultant to prepare guidelines for sustainable plantation forestry/ agriculture	17,371
International environmental law consultant to undertake policy/regulation review and revision for support of sustainable forest and land management	59,730 <i>(total: 91,893)</i>
National legal specialist consultant to undertake policy/ regulation review and revision for support of sustainable forest and land management	35,607 <i>(total: 54,802)</i>
National consultant for survey of sustainable local handicrafts within 16 project villages	23,884
TOTAL	246,307

Exhibit 11. Expenditures as of Oct. 30, 2019 on Contracts with Organizations
(with contract value of USD 10,000 or more and as of Oct. 30, 2019)

Project Contracts of USD 10,000 or more with Organizations: Nature of Task <i>(Note: All organizations are national, except for firm doing DSS and firm doing ranger training and we elephant work..)</i>	Amount Paid (USD) <i>(total amount in parenthesis if contract not completed)</i>
Design and monitoring the construction of the DDF center and 5 ranger sub-stations	10,012
GIS specialist to assist with NPA mapping in Savannakhet Province	11,568
Construction of the Ong Mang DDF center and 5 substations	220,562
Assessment of the biodiversity, wildlife habitat, and ecosystem health in Ong Mang	212,845
Technical equipment and services for hydrological station and weather station	88,605
Civil works for hydrological station	39,177
Ranger training and human elephant conflict resolution strategy	75,000
Construction of Ong Mang statue in Kaysone City, Savannakhet Province	35,534
Financial and project management training for 16 project villages	<i>(70,826 total)</i> 59,385
Preparation of GIS-based decision support system (DSS) <i>(international firm)</i>	<i>(126,000 total)</i> 37,843
Construction of 16 community halls (split among 3 different construction firms)	268,227
TOTAL	1,058,758

It is believed, then, based on the small proportion role of the above type of contracts in total spending, that large chunks of expenditures have been spent through other means, such as per diems to government

officials who carry out work with the project (including through MOUs) and attend workshops, per diems to villagers who patrol or participate in training and capacity building activities, perhaps other areas of which the MTR Team is unaware, and team salaries. Per diems are seen by some as a way to compensate government staff for doing work that on other projects in other countries may be carried out by consultants. At the same time, the work carried out by government staff under the project is usually congruent with their general mandate and responsibilities.

In further pursuit of high-level expenditure information that would show where the high level of spending to date has gone, the MTR team prepared a high-level expenditure information template, requesting that the project team aggregate spending by the several main activities in each outcome. The purpose was to understand which major activities had received the bulk of funding to date. Less directly related items, such as staff salaries and vehicles, were not to be included in the main activity expenditures, but listed separately, to give a better understanding of spending. In the end, the project team found it difficult to provide what was being requested and instead provided expenditure information by activity and output as described in the project work plan and without separating out things like project team salaries. They also provided a breakdown by COA code of each activity that showed categories of spending, such as travel and workshops, for each activity. The challenge in review of this information as initially provided is that in many cases what the funds are really being spent on is unclear. This is (i) because the output/ activity descriptions do not necessarily fully reflect the nature of all work involved, (ii) because of the inclusion of items that were not necessarily dedicated to the output/ activity (salaries, “project running costs”), and (iii) because of the inclusion of items that are not related to the activity at all. Yet, this information is greatly appreciated and was useful to see where question areas are. Once the draft MTR Report was prepared, noting questionably high expenditure levels for many activities, the project team provided explanations for many specific queries that arose. These responses helped the MTR Team to better understand how funds were being spent. The complexity of the situation shows that the accounting methods are such that outsiders cannot easily understand how money is spent in this project. Instead, they may need to have a very detailed and time-consuming exchange with the project team in conjunction with careful review of the COA codes to understand how funds have been spent. Based on this experience, the MTR Team suggests the project revamp its system for recording expenditures. Activity statements should be revised if needed to correspond to the real activity. Unrelated items should be moved to appropriate places. Items to be charged across an outcome, such as staff salaries, might get their own line item/ own “activity” within the outcome expenditure accounting so that the amounts spent on other activities are more transparent.

The MTR Team has reformatted the activity and output-wise expenditure information provided by the project team as shown in Exhibit 12. While this is quite a large table, the MTR Team feels it is important to include it in its entirety in the main body of the report. The need to follow up on cost effectiveness is one of the top conclusions of this report and a review of spending on various outputs/ activities and our comments on them should help readers better understand how we reach this conclusion. In Exhibit 12, for each activity, there are two steps, so to speak. The first step is to look at the total expenditures for each of the activities and outputs. The totals shown in Exhibit 12 have been improved to some extent, as we have subtracted out most salaries of the project team (aside from those of the two technical specialists) and have subtracted out the spending on the three project trucks. Based on looking at the total for each activity and output alone (after subtraction of these items), we provide comments in the same cell as some of the relevant activity descriptions or, in the same column, where “subtotal for activities” of a specific output is noted. These comments provide the impression on cost effectiveness of the activity in the case one has no further information beyond total expenditure (with salaries and trucks subtracted out). The second “step” is what’s found in the right-most column of the table. There, in regular font, we summarize the additional information provided by the project team as feedback on draft MTR comments on cost-effectiveness. This is sometimes provided for the full output and sometimes activity-by-activity. The additional explanation in regular font is followed, in italics, by our conclusions. The conclusions are based on the additional

information from the project team and review of the COA codes. We also provide related recommendations.

From the process of going one-by-one through the full list of these activity-wise expenditures, the detailed explanations regarding them, and their breakdown by COA code, there are some key findings. First, the MTR team finds that there are many activities and outputs that do not seem cost effective if one only reviews the total cost of the activity. This thus supports the macro-impression arrived at by looking at overall spending data and overall results. Yet, there is also a problem of transparency, as, with further exchange with the project team, it was realized that expenditures not as directly related to the respective activity or output as would be expected or not related at all are charged under it. Without time consumptive extensive review, it would be difficult to know what exactly many of the activity-wise expenditures and their COA code breakdowns entail. From the additional information provided, review of the COA codes, and analysis in the rightmost column, one can draw better-informed conclusions. In general, the conclusions following this more detailed assessment are that: (1) The method of expenditure accounting makes it impossible for an outsider to easily understand how much is truly spent on each activity as described. Instead, time consumptive review of account codes and, even beyond that, exchange with the project team for additional information is required. (2) Even when the salaries of the project team and expenditures on the three trucks are taken out⁴⁶, there remain under many activities expenditures unrelated to the listed activity as stated. (3) Even when all unrelated expenses are taken out, the cost of many activities seems quite high. Workshops (which include travel as a main component of expenses) and travel are two categories that stand out as having high expenditures in the case of many activities. The high expenditures are most likely linked to the per diem method of compensating not only officials and villagers who do work in the field but also attendees at various workshops and trainings.

Selected examples of cost effectiveness concerns raised by the information in Exhibit 12 include the following: (1) Activity 1.1.1, the very first one listed, is an intensive training workshop on SEA development at an activity cost of USD 217,283 after staff salaries are removed. Looking at the overall expense, even if the five district-level SEAs were being made good use of (findings suggest that they are not being used), this is quite an excessive amount for a workshop. Further information revealed that the real cost of the workshop was \$144,491, still an excessive cost for a workshop in Laos, while the remainder is unrelated costs. (2) According to the overall activity cost recorded, patrolling costs (Activity 2.2.3) have been \$541,552. Once non-patrolling costs are subtracted, the actual total is USD 424,317 (Activity 2.2.3) over three years, or an average of USD 141,439 annually. As noted elsewhere, this level of expenditure per year for patrolling in and around 16 of Ong Mang's 45 villages is unsustainable post-project and includes only Ong Mang (which already had experience with patrolling) and not the project's other three PAs/ protection forest, which were emphasized in the ProDoc to be in need of support with patrolling capacity building, as compared to Ong Mang, which had already benefited from such training. (3) According to overall expenditures recorded for Output 2.4, \$862,170 has been spent on reforestation. Once it is realized that some of the expenditures recorded have not been spent (as the funds are either at EPF or transferred to PAFO's bank account but not spent or committed for work already done), a rough estimate of \$630,000 for reforestation expenditures to date is obtained. Yet, back-of-the-envelope estimates considering costs of 1.4 million kip per ha for seedlings (including nursery and transport costs) and 1.4 million kip per ha paid to the villages for planting suggest total costs to date should be only USD 212,264 (see relevant footnote to Output 2.4 subtotal in Exhibit 12 for details). Initial purchase of seedlings from Vientiane before the nurseries were established probably contributes to somewhat higher average costs across all plantings, but it does not seem this could have inflated the total to the extent seen. (4) Another example that jumps out is Activity 3.4.3, "national consultant to undertake feasibility study and marketing survey of sustainable local handicrafts within 16 villages in Savannakhet Province." The

⁴⁶ The salaries of the two project specialists have not been removed as their salaries, while paid under long-term service contracts, are recorded as short term consultants in the budget.

actual contract for this consultant was USD 23,884, but expenses accounted for under this activity are USD 318,619. Further exchange with the project team revealed that the vast majority of expenses beyond the contract value are for activities that are separate from the feasibility and marketing survey of sustainable handicrafts, even though this is the activity under which all the expenditures totaling \$318,610 are included.

It is noted that the grand total in Exhibit 12 (USD 7,831,545), is a bit less than the grand total of GEF spending in the CDRs (USD 7,902,930), though Exhibit 12 was prepared 22 days after the CDRs and may reflect a later cut-off date for the last expenditures included. The difference may reflect that the CDRs include losses and gains from exchange rate changes, while the grand total in the Exhibit 12 is the actual project expenditures without adjustment for loss/gain from exchange rate changes.

To sum up cost effectiveness findings/ conclusions, based on a combination of the findings displayed in Exhibits 10, 11, and 12 and on consultations, the MTR Team believes the project has a serious cost effectiveness problem due to a number of issues, such as: (a) Excessive per diem or other travel payments to officials and villagers. This includes, for example, too many officials being involved in tasks that may be handled by just one or two officials and villagers being paid per diems for attending training, when provision of meals and transport, if training is outside of their village, could be more appropriate and eliminate perverse incentives for participation. These payments are included under travel and workshop COA codes. They may also be embedded in LOAs. (b) Excessive spending on patrolling at Ong Mang, when this is clearly not sustainable. While improving ecosystems in the short term, without a mechanism to ensure it is continued, it does not lead to long-term benefit and ignores the other PAs, even though Ong Mang had a previous history of patrolling in its core areas and the others much less so. (c) Excessive spending on reforestation at almost two times the per acre amount estimated. (d) Possible leakages where funds are spent on things not directly in the interest of the project.

It is suggested that UNDP, the IPs, and the Project Team put strong focus on cost effectiveness going forward. One of the first things they need is a better tool for understanding how funds are spent. Then they should work to answer some important questions: Where is all the per diem money going and how much of it is truly productive? What spending is associated with LOAs with government bodies and associations and are these LOAs a cost effective way to meet targets? What are reasonable workshop costs? Who should be involved in various types of travel to be cost effective? Is there a better way to attract villagers to attend trainings than providing per diems? Next, the partners should come up with a strategic plan to dramatically increase cost effectiveness of the project.

Exhibit 12. PMU Reported Expenditures by Output and Activity – as of Nov. 21 2019 (USD)

Note 1: The following table has taken the original activity expenditures reported by the project and subtracted out any expenditures for international staff, national staff under service contracts (except for the two SVK-based specialists), and purchase of three trucks. Expenses for the tourism specialist and livelihoods/gender specialist are not subtracted out because, even though they have full-time service contracts, the associated expense is charged under short-term consultant COA code and thus not easily differentiated from consultants hired to work on specific activities.⁴⁷ The costs for international staff and national staff whose salaries are coded properly as services contracts and the three vehicles are included as separate line items towards the bottom of the table, after project management.

Note 2: Assessment statements about expenditures, such as “seems high” or “too high” or “extremely high” (sometimes elaborated by “we did not hear about this”), are based on our experience with costs of basic activities in Laos and other developing countries combined with consideration of results and potential impact observed with regard to the respective activity. To address a second round of questions about such statements in the draft report, after more minor elaborations were made in the Exhibit 12 to address a first round of comments, we have now added substantial elaboration in the text of the table and in footnotes. We have also added Annex 10, which shows our estimates of benchmark costs for activities such as workshops or a round of field visits to all 16 of the target villages over a period of 20 days.

Output	Activity (Comments in italics are initial MTR Team assessment of cost effectiveness considering only the total expenditure in conjunction with the activity description. This is a more “macro” assessment of cost effectiveness than provided in the right column.)	Amount Spent (USD)	Additional Information on Output or Activity Expenditure Composition as Provided by Project Team (Comments in italics are feedback from MTR Team, based on the detailed project team explanation of how funds for each activity or output were actually spent along with our review of COA codes – i.e. the budget codes.)
1.1 Strategic Environmental Assessment (SEA) completed for 5 selected districts in Savannakhet Province	1.1.1 Intensive training workshop on SEA development process for District leaders and staffs, Cluster village leaders, province and project team SEA (Comment: <i>Seems extremely high for the cost of a workshop in Laos even if 100 people attended. Cost of \$15,000 to 30,000 seems more reasonable for large conference.</i>)	217,283	\$144,491 was actual cost of training workshop (1.1.1) and \$44,131 was actual cost of consultation workshop (1.1.2). Total also includes \$84,985 charge towards Biodiversity Assessment. Remaining costs of \$27,502 are project running costs and hiring of consultants. (Comments: (i) Cost of both workshops seem too high given the costs of workshops in Laos, even if 100 people were in attendance at each. (ii) It is noted that the actual cost of the SEA consultation workshop activity (1.1.2) at \$44,131 is over twice the cost of the ISP consultation workshop activity at \$21,637, although the activity statement descriptions of the two are quite similar. It is possible that the ISP workshop was shorter than the SEA one, but this sort of difference may merit additional attention. (iii) Team indicates they cannot update activities due to requirement that budget conform exactly to the ProDoc. MTR team’s understanding is quite different: It is mandatory to revise AWP at least annually,
	1.1.2 Consultation workshop with district, province and project on Strategy Formulation and Integration and Synthesis, identify maps of SEA (Seems somewhat high given costs of workshops in Laos, even if quite a large workshop of 100 people.)	44,390	
	1.1.3 Baseline data collection, interpretation and analyze Draft SEA reports and Maps	22,948	
	1.1.4 Consultation workshop with districts and village cluster leaders and their staffs, province and project on SEA	16,488	

⁴⁷ This was reportedly done to correspond with budgeting in the ProDoc. Yet, UNDP-GEF projects are not required to follow ProDoc budgeting so closely – the main restraint is that shifts of more than 10 percent of the GEF budget between outcomes require GEF approval, so may be best avoided unless truly critical. Thus, the MTR Team believes it would be better for the project to record the cost of these two specialists under the service contract account code to truly reflect how the money was spent.

	<i>Subtotal for activities under Output 1.1 (seems extremely high; SEAs not being used)</i>	301,109	<i>including activity revision if needed to ensure that expenditures match true activities).⁴⁸</i>
1.2 Integrated Land Use Management Plans (ILUMPs) developed and under implementation in 5 selected districts in Savannakhet Province	1.2.1 Intensive training workshop on ISP development process for District leaders and staffs, Cluster village leaders, province and project team I (<i>Seems very high for cost of workshop in Laos.</i>)	125,659	<i>\$64,116 under first activity is actually another payment towards the biodiversity assessment indicated above. Thus, cost of ISP training workshop is \$61,543. ((i) Revised cost of ISP training workshop at \$61,543 still seems high given costs in Laos and considering limited results from activity. Please see Annex 10, Exhibits 10-1 and 10-2, for our detailed benchmark estimates for a one-day workshop with attendees mainly from the province. For a 50 person workshop, the estimated costs are USD 1,452 without per diem (but including lunch and two coffee breaks) and USD 2,848, when each participant is, in addition, paid a USD 28 per diem. (This is per diem level for provincial participants. Level for district participants is half that amount, but we used the higher level to be “generous,” even in this “thrifty” estimate.) (ii) Biodiversity assessment is charged under a number of different activities. It should be an activity in and of itself with all expenditures included under that one activity.)</i>
	1.2.2 Consultation workshop with district, province and project on Strategy Formulation and Integration and Synthesis, identify maps of ISP	21,637	
	1.2.3 Baseline data collection, interpretation and analyze Draft ISP reports and Maps	25,530	
	1.2.4 Consultation workshop with districts and village cluster leaders and their staffs, province and project on SEA	1,215	
	<i>Subtotal for activities under Output 1.2 (seems very high considering that the outputs, 5 ISPs, are not being used)</i>	174,217	
1.3: GIS based decision support system developed and supporting Integrated Natural Resources Management in	1.3.1 Information technology company to provide updated remote sensing imagery (e.g. satellite habitat maps) (<i>Seems very high; did not hear about these being purchased for DSS work⁴⁹</i>)	97,313	<i>Total really spent on the three activities as described is \$74,658 including \$1,257 for remote sensing images (1.3.1), \$43,677 for computers, maps, and software (1.3.2), and \$29,724 for DSS training (1.3.3). The \$67,607 (not included in the activities as described) is the first payment to the DSS contractor. The remaining \$64,172 is indicated to be project running costs, including IT equipment and project running costs. The IT equipment was purchased for the GIS teams at PAFO and at each</i>
	1.3.2 Computers, servers, and other equipment, data, maps, GIS and other software to support Decision Support System (<i>DSS work just getting started by contractor, did not hear about this equipment being purchased for DSS work yet⁵⁰</i>)	78,452	

⁴⁸ From NIM SOP: “Updates or revisions of the AWP can be done at any time. The UNDP RR and Executive/NPD of the IP must sign each revised AWP.” Also, “Mandatory revision of the AWP including resource budgeting must be undertaken at the completion of each calendar year.” Steps and procedures are outlined on page 33-35 of NIM SOP. By doing at least annual revisions, expenditures and activities should be matched. The current expenditure situation suggests that AWP and budget have not been revised properly to show what expenditures have really been spent on.

⁴⁹ The MTR team had the opportunity to discuss with stakeholders in detail the status and methodology of the DSS work. The contract of about \$120,000 for this work, signed about four months prior to MTR mission, had resulted in work over about two months, mainly the inception workshop. Given the in-depth discussion, it would be surprising if there had been such a purchase of USD 97,313 for remote sensing imagery for DSS work as indicated in the expenditure reporting and we had not heard about it. The size of the expenditure is large and, indeed, approaches the size of the whole DSS contract. When one is able to have more information, as in the right column, one learns that only \$1,257 has been spent on remote sensing images. This reinforces the need for activity-level expenditure reporting that more clearly reflects what funds are spent on.

⁵⁰ As in the above footnote, given the large size of this expenditure of USD 78,452 and given our in-depth discussions on the DSS work, which had been recently launched at the time of the MTR mission, it would be surprising if there had been an expenditure of this size on items specifically for the DSS work and these purchases had not been mentioned. At the time of the MTR mission, the DSS work to date consisted of a workshop and initial work (around 2 months) of

Savannakhet Province	1.3.3 Training of DFRM and PAFO personnel in managing Decision Support System, including databases, GIS software, etc.	30,672	of the five DAFOs. ((i)It would be better to separate out project running costs that are not directly tied to these activities, so that a better understanding of activity costs and project running costs is possible. Project running costs as appropriate might still be allocated to this component, but should get their own line in the activity-wise expenditure table. (ii) Actual activity costs for the DSS training of Activity 1.3.3 are indicated to be \$29,724 of which \$27,808 is travel. Since DSS system is not ready yet, our guess is that this may have been for the DSS assignment launch workshop.)
	Subtotal for activities under Output 1.3 (seems high as DSS work is just getting started and main work has been a workshop and initial two months out of 10 or more of work by the contractor)⁵¹	206,437	
1.4: Multi-sectoral Coordination Mechanisms in place to support sustainable resource planning and management in Savannakhet Province	1.4.1 Information management specialist to establish information management system for Dry Dipterocarp Forest landscape and train DFRM / PONRE staff to maintain and update system (<i>Does not seem to fit with output; did not hear about this⁵²</i>)	55,076	Project input indicates these activities, implemented by SVK DPI, were meant to focus mainly on the district level. Based on SVK DPI's preference, however, Activity 1.4.3 was the preparation of improved investment regulations for the province, which were presented at the Responsible Business Forum in 2019. ((i) Activities 1.4.1 and 1.4.3 don't contribute to output as stated, with the intended focus on district multi-sectoral coordination. Yet, it is noted that \$46,501 in spending under 1.4.1 is coded as workshop costs (including travel), so that activity statement may be incorrect, with the real content being the "district multi-stakeholder coordination meetings" we have heard about, rather than an information management specialist. The lack of congruence
	1.4.2 District Stakeholder Committees and provincial-level Responsible Business Forum	35,753	
	1.4.3 Improvement of legal and regulatory environment to promote sustainable (<i>Does not seem to fit with output</i>)	22,617	
	Subtotal for activities under Output 1.4 (seems high for what we understand to have happened – holding of about 12	113,446	

contractor. Based on the more detailed information on the right, we later learn that USD 43,677 is the actual amount spent on “computers, maps, and software.” It is our guess that these materials were bought independently of the DSS work and perhaps before it, but categorized as a part of the DSS work.

⁵¹ The DSS work is being carried out by a contractor, who holds a contract with project of about USD 120,000. At the time of MTR mission, the contractor had carried out only about two months of work and had a challenging deadline to complete the work within 8 more months. Other than that, there had been one launch workshop on the DSS work. So, a total of USD 206,437, seems excessive for amount spent to date on the DSS work. From information on contracts we were given, it is indicated that USD 37,843 had been paid to the contractor at the time of the MTR mission. Information in the right-most column shows that a significant portion of the total expenditures for this activity is spent on project running costs (USD64,172) and another significant portion USD43,677 is spent on computers, maps, and software, which we guess to be separate from DSS work (see explanations in footnotes above). And, the total indicated in review comments to have been spent on the contract so far (USD67,607) as the first payment is substantially more than we were told had been made as the first payment when we requested contract information during the MTR mission.

⁵² When we discussed the inter-sectoral coordination mechanisms of Output 1.4 with stakeholders, we were told it was comprised of district level meetings. Though we interviewed all five district coordinators for the project and SVK DPI which coordinated Output 1.4 work as well as many officials at the national and local level, no one mentioned an information management system for DDF, an information management specialist to prepare such a system, or related training, so our best guess is that such work, if it occurred, was not at the level of USD 55,076, the expenditure shown. Indeed, when one moves to the right column (which reflects additional information provided in response to the draft version of this report), one learns that the activities under Output 1.4 were all carried out by DPI, which sources indicate carried out awareness and regulatory work. There is no indication that DPI carried out information management system work. Further, for Activity 1.4.1, expenditure codes show that USD46,501 of the USD 55,076 in expenditures are for workshops. Our best guess is that this workshop spending may have been spent on the district level coordination meetings, rather than information management system training.

	<i>meetings at district level and sponsorship of one forum at the provincial level)</i> ⁵³		<i>between output description and activity descriptions indicates either one or more of the descriptions needs to be changed to reflect reality or, if outputs and activities truly do not match,, certain activities should be placed under other outputs. (ii) While it's positive that SVK has improved its investment regulations, more clarity is needed on whether the new regulations have substantial focus on sustainable resource planning and management, so as to be relevant to the project objective and outcomes. So far the main strength of the new regulations that the MTR team heard about is that they speed up the investment process per Prime Minister's direction.)</i>
1.5: Policies & Regulations revised to support Sustainable Forest Management and Sustainable Land Management at the District Level	1.5.1 SFM Legal / Policy Experts to revise numerous policies & regulations related to SFM, SLM, land use planning, etc. <i>(did not hear of any district-level policies being revised)</i> ⁵⁴	30,120	In the end, these three activities provided inputs related to national level policy. The experts focused on: (i) Financing mechanisms that might be incorporated into NPA Decree. (ii) Relevant laws, rules, and procedures for establishing a new NPA. (iii) Means of elevating Ong Mang to national level PA. (iv) Identification of gaps related to i, ii, and iii. <i>(The output wording should be changed to indicate the work was on national level policy and not district level policy. Work to ensure that the outputs of these experts, especially i, is built upon and utilized should be considered. Utilization would increase cost effectiveness of funds already spent.)</i>
	1.5.2 Consultation meetings for new laws, regulations and policies related to SFM, SLM and land use planning	19,846	
	1.5.3 Printing and dissemination of new laws, regulations and policies related to SFM, SLM and land use planning	2,213	
	Subtotal for activities under Output 1.5 (did not find evidence of policies revised at district level)	52,179	
1.6: Stakeholder Capacities strengthened for	1.6.1 Training programs in sustainable forest and land management, PA management and financing, etc. <i>(did not hear about training programs)</i> ⁵⁵	46,995	Although described as training, Activity 1.6.1 expenditures were not used for training. Instead, \$31,876 was used for national consultant for capacity assessment and \$15,119 for “travel costs of

⁵³ Findings from consultations, documentation of district level meetings, and PIR reporting indicate the main things done under this output are 12 meetings at the district level and sponsorship of one forum at the provincial level. These activities are all contained in the description for the second activity, which has indicated expenditures of USD 35,753. (We guess that the district level meetings may be very low cost, as meetings may be held in government offices and attendees will be mostly from the district seat, so have no travel costs. The cost of the forum, then, might have been the main component of these expenditures.) A total cost of USD113,446 for the output overall seems high, as it is USD 77,693 more than the USD 35,753 spent for the relevant activities we understand to have taken place under this output.

⁵⁴ As Output 1.5 is focused on the district level, we assume Activity 1.5.1 refers to experts working on policies at the district level, as indeed the target of the output is such district-level revised policies. Yet, although the MTR team conducted in-depth interviews with each of the five district coordinators and asked them to discuss all relevant project activities, there was no mention of any district-level policies being revised. Further, although we requested and received a list of contractors, there were no contractors indicated to be working on district level policies. We thus guessed that this work on policy revision at the district level did not occur. Indeed, once we had additional information as provided in the right-most column, we learned that the three activities of Output 1.5 focused on national level policy instead of the district level, as would be assumed by review of the wording of the statement for Output 1.5.

⁵⁵ Although extensive consultations were carried out with officials at the national, provincial, and district level, trainings in SFLM, PA management, and financing were not raised by anyone, even once; and are not prominently mentioned in the PIRs. This seems surprising for an expenditure for USD 46,995 and

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Sustainable Management of Natural Resources in Savannakhet Province	1.6.2 Capacity building for local communities in land use planning, community land registration / land certificates, and community-level “self-monitoring”	34,570	participants” in that mission. For Activity 1.6.2 expenditures have included GIS training, financial management training, village forest management planning, land certificate training, training on land issues, etc. (<i>Activity statement for 1.6.1 should be changed to reflect the real activity conducted. Travel costs for persons facilitating consultants -- which at \$15,119 in the case of 1.6.1 is too high -- should be reduced if possible. National consultants may be able to carry out work without facilitators. In any case, those who are not needed should not travel with the mission.</i>) travel cost of participants to the mission amount \$15,119 is too high, again here those who is not needed should not travel with the mission
	1.6.3 Study tours for resource managers to study forest management (especially of dry tropical forests), and/or wildlife management, ecotourism and financial mechanisms (such as PES) (<i>heard about PA study tour in Thailand; seems to have been useful</i>)	12,177	
	Subtotal for activities under Output 1.6 (did not hear about training programs;⁵⁶ did hear about study tour to Thailand)	93,742	
1.7: Guidelines in place for Sustainable Plantation Forestry and Agriculture	1.7.1 Sustainable Plantation Forestry / Agriculture Specialist to develop detailed technical Guidelines for Sustainable Plantation Forestry / Agriculture (<i>seems very high because contract of specialist preparing guidelines was only \$17,371</i>)	50,991	Comments on initial version of this table indicated lump sum consultancy fee for Activity 1.7.1 was \$33,454, while list of contracts indicates it was \$17,371. The rest of activity 1.7.1 is indicated to be for travel costs. (<i>Total meeting costs for output are \$37,993. Seems high considering level of results obtained – draft guidelines prepared, but not yet adopted. Please see Annex 10, Exhibits 10-1 and 10-2 for benchmark costs for more thrifty approach to meetings. According to Exhibit 10-1, a 50-person one-day meeting with participants all from SVK would cost USD 1,452 including lunch and two coffee breaks, but not paying participants per diems. The total becomes USD 2,844 when per diem of USD 28 per participant is included for 45 participants, though this is twice the level of per diem district level persons would receive. While some of the project team might have attended from Vientiane, surely this should not have increased meeting costs by over ten times.</i>)
	1.7.2 Meetings to develop Sustainable Plantation Forestry / Agriculture Guidelines	20,445	
	1.7.4 ⁵⁷ Daily offices operational cost Vientiane, province and 5 districts in all target districts	1,456	
	Subtotal for activities under Output 1.7 (seem high; contract of specialist preparing guidelines was only \$17,371 and the guidelines are not being used yet)	72,902	
-----	OUTCOME 1 SUBTOTAL	1,014,031	

given the potential relevance of such training. It is likely that, had it occurred to the extent implied by the expenditure amount, it would have been raised at least a few times in our extensive consultations. Indeed, once more information was obtained, it was learned that the USD 46,995 was spent on a combination of “national consultant for capacity assessment” (USD31,876) and for travel costs of those accompanying the consultant on mission (USD15,119).

⁵⁶ As indicated in the footnote above, while the impression given by looking at the activity-wise expenditures only give the impression that USD46,995 for Activity 1.6.1 was spent on “training programs in sustainable forest and land management, PA management and financing, etc.,” additional information shows that these funds were instead spent on a consultant doing a capacity assessment and on travel expenses of those accompanying the consultant on mission.

⁵⁷ Activity 1.73 not included in expenditure information provided, presumably because there were no expenditures or because 1.74 is mis-numbered. There are other such instances of missing activity numbers in this table for which we assume the same two possibilities and maintain the numbering shared with us.

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2.1 - New protected areas established that conserve priority habitats or ecosystem services and/or strengthen PA connectivity	2.1.1 Protected Area Legal Expert(s) to provide legal inputs required for upgrading and expansion of Ong Mang NPA (<i>extremely high; did not hear about this work in consultations – actual product is a document of less than 9 pages.⁵⁸</i>)	126,154	Most expenditures here are said to be furniture, IT equipment, consultancy fee, and project running costs. (<i>Note from MTR Team: Totals shown are after subtracting out most salaries and all vehicles.</i>) Work on upgrading of Ong Mang is also included as are NPA sign installation. Actual activities as described are said to be linked to Output 1.5 activities. (<i>Under 2.1.1, largest areas of expenditure are international consultant \$46,309 and travel \$40,052. The need for such extensive travel costs is unclear. Remaining amount of \$39,793 for 2.1.1 must be miscellaneous costs mentioned above. Ideally, project running costs should not be ascribed to specific activities unless there is clear justification.</i>)
	2.1.2 Defining boundaries and assess current land and resource uses within the proposed area	19,658	
	2.1.3 Community consultation and other planning meetings for establishment of Ong Mang NPA	41,814	
	2.1.6 Furniture, radio installation, computer/printer, solar unit, etc. for Mngmt. Office, Field Stations and Ranger Outposts	72,498	
	Subtotal for activities under Output 2.1 (<i>extremely high – largest amount is for legal experts, though this work was not mentioned during mission as an important contribution towards progress on elevating Ong Mang to national level</i>)	260,124	
2.2 Management Capacity strengthened for Existing and New Protected Areas	2.2.1 Complete Management Plans for Dong Phou Vieng National Protected Area, Phou Xang He National Protected Area, and Se Ta Nouan – Phou Nak National Protection Forest, and the proposed Ong Mang Protected Area (<i>seems very high – cost of international consultant that prepared plans was \$58,170</i>)	155,986	Cost for consultant included here is \$20,360, whereas listing of contracts shows a total of \$58,170 (which includes his travel) has been paid for this management plans consultant. Other travel including here is \$63,413. Materials and goods are \$49,503. Project team ascribed non-consultant costs to travel and meeting costs of a wide range of participants from central, provincial, district, and sometimes village level associated with the mission of the consultant. These travel and meetings were deemed necessary by project team to complete the management plans. (<i>Amount of \$63,413 in travel to finalize the management plans, which were mainly prepared by one consultant, seems excessive. While it is positive that stakeholder consultation were extensive, travel and meetings costs- together totaling \$82,354 - are very high, especially given that 3 of 4 management plans are not being used and have no clear path to implementation. Perhaps it would have been better for some of the travel/ meeting costs to have been used</i>)

⁵⁸ According to information provided in the requested listing of contracts, the project has spent USD 91,893 on an international environmental law consultant on policy review/ revision for SFLM and has spent USD 54,802 on a national legal specialist for the same. Feedback obtained during the mission suggests that the work of these consultants has not been significantly utilized. Among outputs of the two consultants, there is a seven page document (excluding two pages of cover page and brief list of acronyms) on elevating Ong Mang to national-level status, but this does not seem to be the result of an effort equivalent to USD 126,154, even considering that attorneys have high daily rates. With more information, as shown in the right-most column, we learned that, of the USD 126,154, only USD 46,309 was for international consultant (and we presume this amount cuts across other work areas beyond the seven page report). The amount of USD 126,154 also includes travel costs of USD 40,052, though the need for such high travel costs if in association with the legal expert(s) seems unclear. Quite possibly, the funds were used for travel unrelated to this specific work of the legal experts. It is believed that the remaining USD 39,793 of the USD 126,154 is for miscellaneous costs including furniture, IT equipment, and “project running costs.”

			<i>instead for implementation of these 3 management plans. The \$49,503 for materials and goods has not been explained and seems inappropriate to the activity.)</i>
2.2.2 Training of PA Managers, Govt. and Community Rangers (<i>seems high, especially as Activity 2.2.4 amount of \$35,402 should be added in to reflect full costs; WWF contract for both carrying out this training and doing human elephant conflict resolution under a separate output was only \$75,000 in total. Adding this activity's total of \$125,890 to that of Activity 2.2.4's \$35,402, and subtracting roughly \$50,000 for cost of WWF-provided training via their \$75,000 contract leaves \$111,292. Without additional information, as provided to right, we might conclude all of these funds of \$111,292 were spent on training session expenses aside from the trainers. With quite generous assumptions in terms of number of attendees and days of training, we assuming there were three trainings of 5 days each and 115 persons trained at each training (including across the 3 trainings, 20 persons from each of 16 villages and 5 persons from each of five districts, for a total of 345 persons trained). There would be no room rental for training in the field, but we can assume the same transport costs, meal and coffee break costs, and per diem for provincial level persons of \$28 per day, all with benchmarks as indicated in Annex 10, Exhibit 10-1, and per diem for village level persons of USD 7 per day. In the case in which no per diems, but lunch and two coffee breaks are provided, total costs for three 5-day trainings with 115 persons each if \$7,476. When per diems, in addition to lunch and coffee break, are provided, the total jumps to \$20,388, still substantially less than the \$111,292 estimated, with limited information, to have been spent on training, not including trainer costs.</i>)	125,890	Project team explains that much of these activity costs are associated with several meetings and travel and also included travel to attend the trainings by WWF. (<i>Strangely, the contractual services codes for this activity shows only \$11,250 of WWF's total contract of \$75,000 included here, though the contract also covers the human elephant conflict resolution work. Codes show that expenditures for "workshop/ meeting package (accommodation & per diem; transport; coffee break; stationary)" is \$62,001, which seems excessive even if large number of persons were involved, given that travel distances should have been small. From estimates in the cell in this same row, two columns to the left, "workshop costs" for three five-day sessions with 115 persons each total \$7,476 if no per diems and \$20,388 if per diems provided. As for other expenditures under this activity, codes show \$34,730 is spent on materials and goods, though it is not clear what these are. Another \$17,421 is spent on additional travel.</i>)	
2.2.3 Responsive/routine patrolling in the core zone by villagers, and government staff around the sanctuary (monitored through SMART conservation software) as part of Community Conservation Contracts (<i>too high to be sustainable – We heard patrolling costs are around \$140,000 per year, which would be roughly \$420,000 after three years – this will not be sustainable after project due to lack of funds.</i>)	541,552	Project team indicates \$424,317 are payments to patrollers for patrolling. The other \$117,235 [<i>which is the remaining expenditures once salaries have been subtracted out</i>] are ascribed to "equipment and furniture, training costs, and office running costs." (<i>\$424,317 as patrolling costs over 3 years will not be possible to sustain after the project. Further, miscellaneous costs of \$117,235 seem high. Ideally, costs not directly attributable to the</i>	

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			<i>activity would be subtracted and recorded separately, even if under the same component, as a sort of “component overhead cost”.)</i>
	2.2.4 Training of PA Managers, Govt. and Community Rangers (<i>duplicate of 2.2.2, but with its own budget line; the two could be added together</i>)	35,402	Project team indicates this Activity 2.2.4 was updated in 2019 to “Utilize satellite / drone / GIS technology to monitor percentage of forest area and conduct training as part of Community Conservation Contracts”. They further indicate that this activity required several meetings and travel. <i>((i) All expenditures under this activity are for meeting costs, including travel. It would be best if all team members were using the same, updated activity descriptions. (ii) Other activity descriptions that no longer fit should be updated like this one has been.)</i>
	2.2.5 Development of a system for villagers to report illegal hunting / wildlife trade, illegal logging / timber trade; “PAFO/DAFO authorities” and/or “District officials” to investigate as part of the Community Conservation Contracts	5,508	
	<i>Subtotal for activities under Output 2.2 (biggest concerns related to cost effectiveness for this output are that patrolling costs are unsustainable and 3 of 4 management plans are not being used)</i>	864,338	
2.3 Existing intact forests designated as High Conservation Value Forests (HCVFs) to strengthen ecological connectivity between forest complexes	2.3.1 Protected Area Legal Expert (s) to provide legal inputs required for designation of HCVF areas (<i>have not heard of any work to date on HCVF areas</i>)	11,002	Project team explains that it was determined this work is not suitable to legal expert and technical expert is needed. Technical expert was then recruited and work began after preparation of this expenditure information, in Q1 2020. <i>(It would be good to adjust the activity description of 2.3.1 to explain a technical expert will carry it out. Even though work had not begun when expenditures were provided, expenditures of \$20,724 have been made on workshops (including travel), international consultant, and national consultant, presumably for other activities. It would be best to record these expenditures under those other activities.)</i>
	2.3.2 Define boundaries and assess current land and resource uses within proposed HCVF sites (<i>have not heard of any work to date on HCVF areas; also, targeted area for HCVFs -- whether they will be only without PAs or also within them -- is not clear</i>)	9,722	
	<i>Subtotal for activities under Output 2.3 (have not heard of any work on HCVF areas)</i>	20,724	
2.4: Ecological integrity of degraded forest areas restored through reforestation / afforestation	2.4.1 Support implementation of village reforestation activities funded through Environmental Protection Fund (EPF) as part of Community (<i>see Output 2.4 comment</i>)	286,347	Project team indicates that none of the amount of \$410,000 from EPF has been spent, so that total expenditures on reforestation are \$452,000. <i>((i) A critical issue is that a large amount of money (\$410,000) has been recorded as expenditures under a single budget code (“grants”) and is indicated informally not to have been spent, but no formal accounting for how much of the grants has been spent was shared with the MTR team. It’s very important that a formal system be in place and reviewed by management to ensure these funds are properly spent and accounted for. (ii) As most of the EPF portion for reforestation has been transferred to</i>
	2.4.2 Support implementation of village seedling production activities funded through Environmental Protection Fund (EPF) as part of Community Conservation Contracts	51,511	
	2.4.3 Support implementation of seedling production activities at the 5 DAFOs and Ong Mang Centre Nurseries funded through Environmental Protection Fund (EPF) (<i>see Output 2.4 comment</i>)	473,707	

	2.4.4 Support implementation of reforestation site monitoring and protection activities funded through Environmental Protection Fund (EPF) as part of Community Reforestation Contracts and Community Conservation Contracts	17,025	<i>PAFO and as villagers are owed money, it is likely the expenditures made or at least committed are somewhat higher than \$452,000. (iii) A very rough estimation method yields a total of \$634,600 spent on or committed to reforestation to date.⁵⁹ As noted in comment in this table's second column from left, under subtotal for Output 2.4, rough estimate of total costs based on indicative per seedling nursery and planting costs, suggest total spent or committed to date should be just \$212,264.</i>
	2.4.6 Seedling production to support project reforestation activities	33,580	
	<i>Subtotal for activities under Output 2.4 (seems extremely high – rough estimates of costs suggest total expenditures for reforestation to date should be \$212,264⁶⁰</i>	862,170	
2.5 Village forestry Capacities and Mechanisms Strengthened (possible new activity)	2.5.1 Community and technical meetings to develop rules and regulations for Village Forest Management Plans as part of Community Conservation Contracts (<i>Seems high for the development of rules and regulations, as there was no consultant involved in this work. To assess the expenses, we combine with Activity 2.5.3, which is comprised of similar meetings with community to develop village forest management plans. The total for these two activities is \$242,045. If we assume that two weeks is spent per village, we might first consider transport costs. Transport costs indicated by the project for other village activities are \$475/month, at the high end. We also note that there are two vehicles paid for by the project in the province, one at Ong Mang Center and one in the provincial capital, so this \$457 per month is probably mainly petrol expenses. At two work weeks per village carried out in 16 villages, the time needed in full is about 7.5 months, so total transport costs would be \$3,562. If five persons were involved in each village visit,</i>	75,133	The project team indicates this involved a large number of meetings and field work in 16 villages (2 to 3 weeks each) and involved national, provincial, and district officials. They indicate this activity includes preparation of the village forest management plans by team of COF/PAFO/ DAFO and Project GIS Specialist (<i>It's unclear whether the \$75,133 spent on this activity should be merged with the \$166,912 of Activity 2.5.3 spent on preparing village management plans. If so, the total cost of the plans is \$242,045; and the cost per village forest management plan is about \$15,130. Per the charge codes, main expenses for the \$75,133 under this activity are travel (\$46,781), probably mainly per diems to compensate government people for work in the field, and \$25,179 for workshops, which also includes travel and its per diems. Ideally, in-kind co-financing would cover government officials' time for work on activities related to government targets, such as village management plans. At the same time, the argument that paying per diems to government staff to do work is more cost-effective than retaining consulting firms is not without merit. What</i>

⁵⁹Consultations indicate \$1.2 M transferred to EPF, about \$780,000 for livelihoods and \$410,000 for reforestation. As of Sept. 2019, 47.7% had been disbursed (or spent on management fees), which would be \$572,400 (though there may be forex losses as money is now in Kip). Livelihoods team indicates only about \$200,000 transferred for livelihoods. If correct, that means \$372,400 had been transferred already to the project for reforestation by Sept. 2019. MTR Team does not know how much of this has been spent, but would guess that a significant portion is spent or at least committed, as village interviews indicated planting had occurred, but villagers had not yet been compensated. A rough estimate might be that half of the transferred amount has been spent or committed (or \$182,600), given the much larger drawdown than that for livelihoods.

⁶⁰ Planting is not on bare land, but is instead comprised of filling in spaces on forested land. Therefore, planting costs are less than on bare land. Stakeholders indicate costs of seedlings, including both nursery costs and transport, is about 2,500 kip per seedling and 500-600 seedlings are planted per ha. Thus, per ha seedling costs including transport are about 1.4 million kip per ha. Villages are also paid the same amount (1.4 million kip per ha) for planting. Thus, total planting costs are 2.8 million kip per ha or about USD 314 per ha. Project reports 676 ha planted at mid-term so total costs would be \$314 x 676 = \$212,264. The initial purchase of seedlings in Vientiane before the nurseries were established may contribute to somewhat higher overall average cost per ha, but would not explain the huge gap between the estimated total cost of \$212,264 and estimated total expenditures of \$630,000.

	<p><i>though a more cost effective approach would be to have just two persons involved per village, and if these were all paid per diems on average at the amount paid to provincial level people (district level people would receive half the provincial per diem and national level people double the provincial per diem, so the provincial level per diem might be considered an average), the per diem cost would be \$22,400 = 10 days per village x 16 villages x 5 persons x per diem for provincial level persons of \$28/ day. Thus, sub-total of travel and per diems for team visiting villages would be maximum of \$25,962. While many small, informal meetings may have been held in each village, and in general it is believed these meetings may be held without extra costs in the community centers built by the project, we assume that two formal meetings of one full day each are held in each villages with provision of a morning and afternoon snack to each attendee. Assuming \$2.23 per snack (20,000 kip) and 50 persons per meeting, two snacks per meeting, and two meetings for each of 16 villages, the total cost for all meetings is \$7,136. This brings the grand total for this field work and meetings to \$33,099 as compared to the expenditures of \$242,045 for this activity and Activity 2.5.3 combined.)</i></p>		<p><i>may be important under such a cost-effectiveness model is to ensure that those participating in the travel are the key persons that are doing work, so that there is not a problem of 7 persons going on travel when 1 or 2 could do the job.)</i></p>
	<p>2.5.2 Ground truthing community areas and installation of signage (demarcation) for each Village Forest Management Plan zone as part of Community Conservation Contracts.</p>	<p>65,585</p>	
	<p>2.5.3 Community and technical meetings to develop village forestry management plans 16 target villages including capacity building for 16 villages in village forest management (Seems high – please see explanation in this same column under Activity 2.5.1, as it is understood the field work for this activity and that one may be considered combined as a two-step process. The combined expenditures for the two activities are \$242,045 as compared to our estimate of a total of \$33,099 to cover 7 months of transport, 160 days of per diem for each of 5 persons, and two snacks, morning and afternoon, for each of two formal meetings in each village covering on average 50 persons per meeting.)</p>	<p>166,912</p>	<p>Input from the project team suggest this \$166,912 and the roughly \$75,000 for Activity 2.5.1 are used for the purpose of preparing the 16 village management plans. In addition, the team indicates the process involves two steps: (1) development of strategic planning and GIS maps and (2) participatory development of rules and regulations of the forest types for each of the villages. Work with district governor's offices to get the plans approved was also carried out. (Travel for Activity 2.5.3 is indicated to be \$86,246 and workshops are \$31,401. Same comments as for Activity 2.5.1: Vast majority of expenditures are likely to be per diems to compensate people for their time. Ideally, people's time would be in-kind co-financing contributions. Alternatively, in the case of work done in the field, travel costs may be substantially reduced by ensuring only the key persons needed for the work participate in the travel. In the case of workshops, where there is learning rather than work</p>

			<i>involved, it seems reasonable to compensate travel of attendees at cost only or to at least examine more carefully how workshop costs become so high and determine measures that could reduce these costs.)</i>
	<i>Subtotal for activities under Output 2.5 (if main output is village forest management plans, the overall input per plan for this output is \$19,227/ village forest mngt plan, though the output description instead indicates the \$307,630 was spent on “capacities and mechanisms”)</i>	307,630	
2.6: Provincial and District level stakeholders aware of benefits and strategies related to the conservation and sustainable development of Dry Dipterocarp Forests in Savannakhet Province	2.6.1 Outreach and education for local communities on new and existing regulations (<i>The total seems high, especially as we did not hear about these activities from our village visits, so conclude the activity was not that extensive. An estimate of benchmark costs for each round of visits to the 16 target villages is included in Annex 10 as Exhibit 10-4. For this, we include a generous time allocation of 20 days of field work to visit the 16 villages. The travel expense, taken from SAFE's own high-end estimate for livelihood travel to villages is USD 474 for a month. We estimate about \$56 in printed materials for each village or \$892 in all. This yields a sub-total of \$1,366 per round of village visits (including 16 villages). For the case in which per diems are paid to those visiting the villages, we include the relatively generous provincial level per diem of \$28 per day, though some staff may be entitled only to the district per diem of \$14 per day. Assuming two persons visit each village over 20 days, the per diem sub-total is USD1,120, almost doubling the cost per round of visits. This total cost per round of visits to 16 villages, when provincial-level per diem is included is \$2,486. Since the total expenditures for this activity (without considering the further breakdown given in the rightmost column), is \$81,493, the number of rounds of visits implied if provincial level per diem is included is 32.7. At 20 days per round that would 654 days in the field for this activity with almost 33 days per village. This kind of effort would not be needed for this activity and the results certainly did not show this kind of input.)</i> ⁶¹	81,493	Project team indicates this activity has been carried out from 2016 led by SVK PMU to raise awareness in villages on regulations and was done with five target districts. (\$33,889 is travel expenses and \$36,798 is workshops. Similar to comments on 2.5.1 and 2.5.3, it seems much of this total of \$70,687 of travel and workshops is spent on per diems to compensate people for their time. Ideally, people's time would instead be covered by in-kind co-financing. Alternatively, for the cases in which work is done in the field, persons going to the field should be limited to those that can efficiently do the job. A more promising way to achieve cost effectiveness in this work might be to pursue innovative approaches for reaching out to local communities that do not require physical presence (such as radio, TV, or social media), as workshops and travelling are expensive and time-consuming.) On the other hand, the costs indicated also seem extremely high based on our calculations of benchmark costs. As seen in this row in the column to the left (second from left in the table), even when per diems are provided, total costs per round of one-day visits to the 16 villages (allowing 20 days total) is \$2,486. It is unlikely that there were tens of round of visits to the 16 villages for this purpose, so it is unclear how travel and workshop costs reached \$70,687.)

⁶¹ The MTR Team visited five of the project's 16 target villages and carried out multiple consultations in each village. These consultations included a number of meetings with village leadership and those in charge of various SAFE efforts in the village. Yet, no one mentioned that there had been outreach and education on new and existing regulations carried out by outsiders. A few mentioned that, as a part of their conservation contract, village leadership would be carrying out

	2.6.2 Production and dissemination of materials for awareness raising programs for provincial/local decision makers and resource managers on DDF ecosystem functioning and threats posed by development practices (<i>did not see or hear about these materials as described; rightmost column in this row suggests a good part of the funds were spent on Eld's deer statue, which we did see and hear about, but that Eld's deer status was a main part of this activity is not clear from activity description, which suggests written, video, or online materials by inclusion of the word "dissemination."</i>)	35,954	Project team indicates the costs associated with this activity were for the production of the Eld's deer statues installed in the center of the provincial capital and preparation of CITES signs. (<i>Ideally the activity wording might better match what was done.</i>)
	Subtotal for activities under Output 2.6 (without clearer understanding of specific activities, seems high – please see discussion above for 2.6.1 and 2.6.2 to understand why)	117,447	
2.7: Monitoring Systems in place to measure changes in key ecological determinants of ecosystem health in dry dipterocarp forests	2.7.1 Biodiversity Assessment to design BD monitoring and BD Intactness Index including the Guideline development - Monitoring of selected species and BD Intactness Index (<i>payments to WCS were 212,845; we assume the rest is covered elsewhere</i>)	123,007	Project team indicates only \$20,532 of consultancy fee is included here as the rest of WCS fee of \$212,845 is covered elsewhere. They indicate \$102,476 was travel and workshop costs, which tend to be comprised largely of travel as well. (<i>As the consultancy's travel costs were probably lump sum and the payment to the firm is already quite substantial, it is understood that these other travel and workshop costs are not going to WCS. Yet, \$102,476 seems an excessive amount of travel for persons not carrying out the contract. Such high travel costs should be more closely examined and ways to reduce them, such as reducing/ optimizing persons travelling, reimbursement for actual travel costs, etc. considered.</i>)
	2.7.2 Monitoring water availability and flooding occurrence in Xe Bangxiang River including Materials / equipment related to monitoring of water availability and flooding (<i>likely, the cost of hydrological station and meteorological station via MOU with PONRE</i>)	217,827	This amount is mainly covered via costs in LOA with PONRE, though also includes additional travel outside of the LOA. (<i>Largest expense is "contractual services" for \$131,696. Second largest part is local consultant for \$56,250. MTR team is not clear if the LOA with PONRE covered both of these amounts and whether the \$131,696 is mainly the equipment cost, or includes other types of expenditures.</i>)

education within the village on the Village Forest Management Plans. Since we did not hear anything from our consultations about outreach and education on new and existing regulations in the villages as carried out by outsiders, the total expenditures of USD 81,493 seem quite high. That is, they are high for something that is not mentioned even in response to extensive query and discussion on the various activities carried out under the project in the village. Once the team got more information, as indicated in the right-most column, we learned that this work was led by SVK PMU and was carried out in the villages. Expenses are said to be USD 33,889 for travel and USD 36,798 for workshops. Our view on this is included in the right-most column. Here we would add that in our experience, awareness activities can be among the most economical carried out by UNDP-GEF projects. They can be low cost and have a lot of impact. Yet, here we see high costs associated with awareness and not much evidence that it has had an impact.

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	2.7.3 Develop an action plan and deliver training on Human-Elephant conflict in Phin district (WWF <i>contract for ranger training under a different output and this human-elephant-conflict-resolution activity combined was \$75,000</i>)	47,431	Project team indicates \$7,625 is WWF consultancy fee and the rest of the expenses are associated with provincial and district level officials' involvement in these activities. (\$21,591 is for workshops including travel and \$16,060 is for travel. Information gathered suggests the consultant was working with the villagers. No information was gathered on provincial and district level involvement in the fieldwork, though ideally officials will take over this work after project close to make it sustainable. Work on reducing travel and workshop costs without reducing results might be considered.)
	2.7.4 Training on SMART and GIS for compilation and analysis of patrolling data with PAFO/DAFO (including designing patrolling techniques and prepare forms for recording threats)	30,051	
---	Subtotal for activities under Output 2.7	418,316	
---	OUTCOME 2 SUBTOTAL	2,850,748	
3.1: Increased and More Strategic Funding for Sustainable Forest Management	3.1.1 Financing Mechanisms Specialist to develop financing mechanisms for SFM and PA financing mechanisms and finance strategy (combined with 3.3.1) (<i>extremely high considered financing specialist not yet hired at time expenditure table was prepared</i>)	100,230	Project team indicates that \$14,492 was spent for "field financial management monitoring." The rest is for project running cost and IT equipment. In the future the International Ecotourism Specialist will be charged to this activity. (<i>Ideally, the \$85,738 for project running cost and IT equipment would be listed in a separate line item. Field financial management monitoring also does not match the activity as described.</i>)
	3.1.2: Analysis of ecosystem services values and a costs and benefits analysis of different production systems and SFM practices	1,103	
	Subtotal for activities under Output 3.1 (<i>extremely high considering specialist not yet hired when expenditure data prepared</i>)	101,333	
3.2: Wildlife-related ecotourism operations developed and operated at four sites	3.2.1 Establishment of visitor infrastructure (trails, signage, viewing platforms/towers and water points) (<i>seems very high considering work to date on these items; not sure if it includes Ong Mang Center and 5 ranger sub-stations – the contract for those was \$220,562</i>)	284,469	Project team indicates \$70,645 is actual cost of activities, which include Ong Mang DDF center and ranger stations. Other costs are project "running costs." (<i>Not sure if full costs of Ong Mang Center and ranger substations are included. Regardless, ideally project running costs will be included in separate line item and activity will more clearly explain whether DDF center and ranger stations are included. Also DDF center and ranger station cost ideally should not each be split among many activities.</i>)

	<p>3.2.2 Consultations and awareness raising related to ecotourism sub-projects (<i>Seems high. From this description alone, we could guess the \$109,687 is spend on visits to villages and possibly trainings and workshops in villages. Yet, benchmark costs, such as show in Annex 10, Exhibit 10-4, suggest a round of visits to all 16 villages over 20 days of work, even when provincial-level per diems are paid to a team of two would cost just \$2,486 per round. Drawing from Annex 10's Exhibit 10-3, if one workshop is conducted in each visit, this would add \$3,568 to costs if two snacks are provided to 50 attendees. Thus a round of visits to villages with snack-providing workshops, might cost \$6,054. The total expenditure for this activity, then, might imply 18 such rounds of visits on eco-tourism awareness raising, with each round including the 16 villages. This, requiring 360 days of input by the team and 22.5 days per village on average, seems highly unlikely to have occurred, given the level of results observed.</i>)</p>	<p>109,687</p>	<p>Project team explains that 7 sub-activities related to ecotourism were carried out.⁶² (<i>Ideally, project activity statement would better reflect the type of activities undertaken such as in this case: "Site assessment, mapping, and marketing surveys to determine potential of project areas for ecotourism and plan ecotourism activities."</i>)</p>
	<p>3.2.3 Implementation of ecotourism activities at designated project sites (<i>Seems high based on what has occurred so far and also considering the potential overlap with content of Activity 3.2.1. During consultations, the MTR Team learned about some work on trails and toilets in DPV, as well as infrastructure work in Ong Mang, though both were presumed, when only activity-level expenditures are considered, to be included in Activity 3.2.1. We did not hear about a lot of other ecotourism activities aside from a visit of tour operators to Ong Mang. We understood there were also trainings and workshops for villagers, though would assume, based on activity statements, that these are included under Activity 3.2.2.</i>)</p>	<p>282,476</p>	<p>Project team indicates 6 sub-activities under this activity⁶³ for \$208,155 and the other \$74,321 going towards construction of the 16 village halls, DDF Center, and the ranger sub-stations. ((i)DDF Center and Ranger Sub-Stations are also charged to other activities. It would be better for the construction costs to be aggregated under a single activity. (ii) As for the other \$208,155 of activities, \$97,576 went to workshops (including travel) and \$50,228 went to travel, for a total of \$147,804, leaving just \$60,351 for other aspects of the ecotourism activities, such as visitor infrastructure in DPV NPA, Nong Luang Lake, Ban Dou, Phou Xang He NPA, and Ong Mang. It seems like more progress would be made with ecotourism if more had been spent on actual tourism infrastructure as intended rather than the large majority of funds going to travel and workshop expenses (including travel). As</p>

⁶² These 7 sub-activities are described by the team as: "1. Site assessment and mapping; 2. Tourism marketing information survey in Khammouan, Vientiane, and Luang Prabang Province; 3. Ecotourism and nature conservation based tourism awareness raising in DPV NPA area; 4. Marketing surveys for Protected Areas; 5. Marketing survey for Ong Mang and for DPV NPA; 6. Marketing survey for Nong Luang lake area and Ban Don; 7. Marketing survey for PXH NPA."

⁶³ These 6 sub-activities are described by the team as: "1. Ecotourism, conservation based tourism and tourism development in project target areas consultation meeting; 2. Establishment of visitor infrastructure (trails, signage, etc.) in the DPV NPA; 3. Establishment of visitor infrastructure (trails, signage, etc.) in the Nong Luang lake area and Ban Don; 4. Establishment of visitor infrastructure (trails, signage, etc.) in the PXH NPA; 5. Establishment of visitor infrastructure (trails, signage, viewing platforms/towers and water points to facilitate viewing of the Eld's deer, etc.) in the Ong Mang NPA; 6. Implementation of ecotourism activities at designated project sites.

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			<i>noted under Activity 3.2.2, second column from left, expenditures from a round of visits to all 16 villages over 20 days with a workshop in each village might be around USD 6,000. The expenditures of \$147,804 on travel and workshops, then, might suggest 24.6 rounds of visits, with each round including all 16 villages, or 24.6 visits to each village for the purpose of eco-tourism consultation and training in addition to that carried out under Activity 3.2.2. In terms of results realized, this seems highly unlikely to have occurred.)</i>
	3.2.4 Vocational training and workshops for villagers to provide support for the operations of community ecotourism enterprises (<i>Seems very high in terms of level of progress seen. As above, costs of around \$6,000 for a round of visits to all 16 villages over 20 days and including a day long workshop in each village may be used as a benchmark.</i>)	105,753	The project team indicates the full amount of \$105,753 was spent for four sub-activities including awareness raising, consultations, and vocational training. ⁶⁴ (<i>Budget shows the vast majority, which was \$105,291, was spent on workshops, including travel. Findings on awareness levels of villagers on ecotourism do not reflect this level of expenditure. Also, because per diems as compensation to people for their time tend to be a large amount of travel expenses, it is suggested that in the future the time of officials and villagers be might provided as in-kind co-financing contributions and transport expenses be compensated at cost. In the case of officials, an alternative approach may be to reduce the number of persons travelling to the villages, so that only those leading the work, one or two persons, visit at a time.</i>)
	3.2.6 Wildlife Specialist to provide technical guidance to the design of the wildlife-based ecotourism sub-projects	55,826	This includes two main activities: part of WCA survey consultancy work and vocational training for villagers. (<i>WCA amount is \$37,292 and training of villagers is workshop expense of \$18,570. Ideally, the villager ecotourism training might be included under Activity 3.2.4.</i>)
	<i>Subtotal for activities under Output 3.2 (seems extremely high: Ong Mang Center and 5 ranger sub-stations building contract was \$220,563; other significant work noted was trail and toilets at DPV NPA)</i>	838,247	
3.3 Increased and Diversified Financing for Protected Areas	3.3.1 Develop business plans for selected Protected Areas and support PA financial management systems (<i>consultant not yet recruited at time expenditures prepared</i>)	6,966	Funds were spent for provincial project staff and provincial and district GOL counterparts to attend training on NIM SOP and on emergency response (flooding victims assistance within the project

⁶⁴ Specific descriptions provided by project team for these activities are: “1. Consultations and awareness raising related to ecotourism sub-projects; 2. Consultations with local partners and communities on ecotourism sub-projects; 3. Consult with local partners and communities to raise awareness on ecotourism potential and share draft design of ecotourism sub-projects; 4. Vocational training and workshops for villagers to provide support for the operations of community ecotourism enterprises.”

and Forest Conservation activities	Subtotal for activities under Output 3.3 (consultant not yet recruited at time expenditures prepared)	6,966	target areas). (These activities are different than what is described for Activity 3.3.1. They should be listed elsewhere.)
3.4 Alternative Livelihoods / Conservation Agreements Scheme	3.4.1 Support ongoing development of Village Development Committees and Village Development Funds in 16 villages through review of regulations, training and provision of materials as part of the Community Conservation Contracts (<i>seems extremely high: If mainly to cover 2019 conservation contract commitments of \$2 per villager, the number of villagers would be 132,714, or average of 8,295 for each village. Yet, populations of villages we visited ranged from 615 to 1,983; taking the average of this high and low suggests average population of 1,299. Multiplying by 16 and then by \$2 per person suggests spending of only \$41,568 instead.</i>)	265,428	The project team indicates \$195,647 of total for activity covers six sub-activities, which seem to be mainly focused on assessment and developing procedures for Conservation Agreements, though it's not clear if actual livelihood activities were covered. ⁶⁵ The rest of the total included \$39,951 in salary for project specialist and \$29,830 for EDC consultancy to train villagers in financial management. (The amount for the 6 sub-activities includes \$124,932 for workshops (including travel) and \$43,352 for travel, or a total of \$168,284, which is 86% of the amount said to have been used for the six activities. This probably reflects the project's high use of per diems to attract/ compensate participants for their time. Ideally this time would be provided as in-kind co-financing. In addition, the number of trainers should be limited to those really needed, so as to optimize cost effectiveness. Because the \$195,647 for the six activities is so high, it is suggested the project explore whether cost effectiveness can be increased by sub-contracting to a local NGO or international NGO to carry out work with the communities, given that many of them are already on the ground.)
	3.4.2 Complete construction of 16 Community Halls as part of the Community Conservation Contracts (<i>construction contracts for 16 halls totaled \$268,227</i>)	168,738	The main expenditure is for the 16 village halls at \$133,645 – the rest of the village halls cost is covered under Activity 3.4.3. (This activity also includes \$32,684 for workshops, including travel. The village halls should be covered under a single activity.)
	3.4.3 National Consultant to undertake Feasibility Study and Marketing Survey of Sustainable Local Handicrafts within 16 Villages in Savannakhet Province (<i>excessively high: contract of national consultant for handicraft survey was \$23,884 or 7% of total</i>)	318,619	This expenditure includes \$134,582 towards the village halls of Activity 3.4.2. The other \$184,037 is said to cover 10 sub-activities related to livelihoods but not necessarily to handicrafts, one of which is the national consultant to understand the handicraft feasibility study. ⁶⁶ (The village hall expenditure should be included

⁶⁵ The six sub-activities included in this activity are said to be: “1. Assessment of candidate guidelines to implement support to community livelihood activities; 2. Communities conservation agreements and livelihoods activities; socio-economic baseline assessment and value chain analysis for potential sustainable livelihoods activities in 16 villages; 3. Review and adopt standard operation procedures (SOP) / technical; 4. Support development of fund mechanism support framework in 16 villages through review of regulation, training and provision of materials for village fund management committees etc.; 5. Monitor and follow up implementation of fund mechanism framework for community livelihood activities and use of technical guidelines/procedures in practice of 16 villages; 6. Feasibility study for portable water and small pond or dam renovation/improvement by Irrigation and Water Sanitation Section (Government Partner).”

⁶⁶ The 10 sub-activities as described by the project team are: “1. Village Vet capacity building/re-train and village vet revolving funds. 2. Support of rice planting for higher yield (rice seeds, technique, bio-fertilizer etc.). 3. Support an attempt of disadvantage households for crop integrating with small livestock raising for income generation of disadvantage households from 8 villages. 4. Village Forest Conservation activities and NTFP management in 16 villages including planting

			<i>in Activity 3.4.2. After the village hall expenditure and the handicraft consultant's contract of \$23,884 are subtracted out, there is \$160,153 remaining for the rest of the ten sub-activities. Of this amount, \$88,173 is spent for workshops, including travel and \$28,359 is spent on travel. Thus, 73% of the remaining amount, which is to be focused on livelihood activities, is spent on travel and workshops, including travel. Only \$27,331 or 17% is spent on materials and goods. This is similar to what the MTR team found in planning for future livelihood spending, the majority of funds are targeted for per diems and the share of capital investment to assist villagers with materials needed to start their livelihood ventures is very low. It would be good to reduce per diem costs such as through compensation of actual costs and/or ensuring that trainers travelling to villages include only key persons needed.)</i>
	3.4.4 Support implementation of alternative livelihood activities funded through Environmental Protection Fund (EPF) as part of Community Conservation Contracts	28,343	
	3.4.5 Alternative Livelihoods / Conservation Agreements Scheme (we assume this is money transferred to EPF, much of which has not yet been spent)	790,000	Only about \$116,249 has been spent. (The charge code indicates all \$790,000 is allocated to grants. The MTR team saw a draft plan for spending of these funds. The plan for some livelihood activities (such as chicken raising) was highly skewed towards per diems, etc., with only a small proportion allocated toward capital investment (e.g. purchase of chickens).)
	Subtotal for activities under Output 3.4: (While \$573,000 at EPF for livelihoods has not yet been spent, actual spending still seems high, especially \$318,619 for handicraft market survey that really cost \$23,844 and \$265,428 for VDCs. Please see explanations above in this column, such as for Activity 3.4.1 and Activity 3.4.3.)	1,571,128	
	OUTCOME 3 SUBTOTAL	2,517,674	
	Sub-total CTA, UNV salaries, and UNDP Program Development and Effectiveness Support (originally reported under various components and PM)	935,954	(Salaries and UNDP costs are 15% of total expenditures not including salary of the two specialists based in SVK PMU. Yet, it should be noted that this is not just overhead cost as the non-

demonstration of rattan, bamboo, Melientha (sweet vegetable), and developing of animal shed, fodder production and water source for animal health in exchange for agreement to cease grazing in restricted forest zones. 5. Training & equipping of disadvantage women from 16 villages on sewing skill trainers and revolving funds for small enterprise. 6. Technical support for livestock and fishery units, 5 districts (Workshop/training district staff). 7. Support an attempt of disadvantage households for crop integrating with small livestock raising for income generation of disadvantage households from 8 villages providing of revolving fund and necessary equipment. 8. Handicraft group capacity building and marketing support (marketing & study visit, training, booth construction). 9. Income Generation support activities (Marketing, training, material and seeding support)."

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	Sub-total for full-time national staff with service contracts (originally reported under various components and PM. Does not include the two full-time specialists in Savannakhet PMU who have short-term individual consultant contracts)	254,629	<i>finance team members are actively engaged in implementing the project components. In the activity-wise expenditure records shared, much of these expenses are included under some of the component activities, but have been taken out here to better facilitate understanding of what, exactly, the rest of the activity expenditures were spent on.)</i>
	SUBTOTAL FOR PROJECT FULL-TIME STAFF SALARIES AND UNDP SUPPORT (not including the two SVK specialists)	1,190,583	
	Project Vehicles: 3 project trucks (1 in Vientiane, 1 in SVK, 1 in Ong Mang)	108,793	<i>(Significant proportion of Vientiane vehicle use may be for non-project activities.)</i>
Project Management (PM)	PM.1: Organising project management meetings and establish operation and support offices both central and provincial that includes purchasing office equipment, furniture, air condition and internet setting up.	129,337	<i>(It is noted that several project activities of the components are also said to encompass "project running costs" in their expenditures.)</i>
	PM.2: Monitoring and Evaluation cost for UNDP	20,554	
	PROJECT MANAGEMENT SUBTOTAL	149,891	
TOTAL	GRAND TOTAL	7,831,545	

Project financial audits: The project has commissioned two financial audits, one for 2017 and one for 2018. The audits did identify some issues. For example, the 2017 audit found that the project was providing the full overnight per diem rate to persons who were doing day trips. The MTR Team notes that financial audits, as they do not deal with the relevance of the trip and person taking the trip, can only assess compliance with travel guidelines. Thus, concerns about the relevance of the person or about paying a “profitable” per diem in cases when persons are benefitting from training are not the sort of thing a financial audit would address. The 2018 audit made six key observations, rating the priority of these. One of the observations was rated high priority and that was that procurement handled by the IP was done with insufficiently competitive procedures for the procurements, the main issue being delay of 20 days in reviewing the bids. The audit team did not get access to the procurement documents. The audit rated as low priority control of usage of the project vehicles. Based on circumstances observed during their visit, the MTR Team notes that it appears the vehicle in Vientiane, the majority of time, is not available for use by the project, but it is used for travel to Savannakhet and while in Savannakhet is used fully for field work. Now that the project team is travelling more to Savannakhet, the project vehicle is said to be in Savannakhet two weeks per month. The MTR Team received feedback that the IP is interested in acquiring another vehicle for Ong Mang, where the need is clearer. (Currently, there is one project vehicle based in Vientiane, one based in Savannakhet, and one based in Ong Mang.) From the project team, it is understood that the project has also purchased 17 motorcycles (16 of which are stationed in the districts) and 15 tractors (required for wet season travel, all of which are in the districts). Yet, the MTR Team did not hear anything about these vehicles until the time of review of the draft MTR Report and does not have a feel for the proportion of time they are used for project purposes.

Co-financing: Exhibit 13 shows the committed co-financing as indicated in the CER as well as realized co-financing, as of October 30, 2019. Realized co-financing was provided by the project team who reached out to partners for expenditure data. Overall, committed co-financing was indicated at the time of project design to be USD 78,993,100, or 7.26 times GEF financing. Realized co-financing as of October 30, 2019, during the MTR Mission is USD 22,963,898.

Of this co-financing committed at the time of project design, USD 62,787,100, or 79 percent of it is to be from ADB, of which USD 60 million is to be in loans and the rest in cash grants. As for the loans, these are to be for “farm level infrastructure” for optimizing agriculture through the ADB Project *East-West Economic Corridor Agriculture Infrastructure Project*. The CER indicates *SAFE Ecosystems Project* will cooperate/ coordinate with the ADB project in areas related to civil works for irrigation, low volume rural roads, generating employment from civil works, etc. The CER explains that the relevant parts of the UNDP project for this cooperation were to be the SEAs, ISPs, DSS, hydrologic and meteorological monitoring stations, and the guidelines for plantations and agriculture in DDF areas. Realized co-financing from the ADB loan program during *SAFE Project* implementation up to Oct. 30, 2019, is reported to be USD 10,823,218. The scope of the ADB loan program includes, but is not limited to, four of the five *SAFE* target districts. Because *SAFE* includes SLM and related planning in its five target districts that should cover not only forestland, but also agricultural land, the ADB agricultural loans can be seen to be relevant. At the same time, the MTR Team did not find evidence of significant interaction between the two projects.

The ADB grant project, *Biodiversity Conservation Corridors Project* (BCC), has committed co-financing to *SAFE* of USD 2,787,100. Spending of the BCC Project (which ended in Dec. 2018) during the *SAFE* implementation period up to October 30, 2019, was USD 8,954,262. BCC’s scope includes greater similarities with *SAFE Ecosystems Project* than does the ADB loan project, though it does not overlap in geographic scope like the loan project does. BCC aims to sustainably manage biodiversity corridors in Xekong, Attapeu and Champasak Provinces via support for (i) institutions, (ii) patrolling, planting, management, (iii) livelihoods and small-scale infrastructure, and (iv) project management. The MTR Team found that top expenditure areas of BCC over the period of overlap with *SAFE* were (with the

largest expenditure area first) (a) patrolling, nurseries, and planting; (b) village infrastructure (including road, schools, health centers, and water supply); (c) international consultants; (d) local consultancy; (e) livelihoods; and (f) project management. BCC and *SAFE*'s Vientiane teams are both based in DOF offices and are said to have frequent exchanges. BCC also allows *SAFE* to use the BCC meeting room when needed. *SAFE* has also utilized reforestation/ silvicultural guidelines prepared by BCC. Yet, the MTR team did not find any joint activities between the two projects.

UNDP committed both direct co-financing and parallel project co-financing to *SAFE*. The direct co-financing commitment is for USD 1.2 million. Of this, USD 553,030 has been realized. This is the most relevant of all of *SAFE*'s co-financing, as it is spent directly on *SAFE* activities and project management. UNDP's committed parallel project co-financing is to be through its *Poverty Environment Initiative Phase 2* (PEI). Committed co-financing through PEI was USD 606,000; and, considering the period of overlap of the two projects, USD 403,110 has been realized. PEI ended in December 2018. PEI is relevant to *SAFE* as it focuses on decision making related to investments and utilization of natural resources. This is a key area for *SAFE*, which is working hard to prevent conversion of valuable ecosystems through concession investments. Like *SAFE*, PEI has worked with SVK DPI on these issues, though PEI's scope is broader than Savannakhet Province alone. The MTR Team did not find direct cooperation between the two projects, but found that one of the outputs prepared by PEI (EIA processes for investments) were utilized at the Sustainable Business Forum, which was supported in 2018 and 2019 by *SAFE*.

WWF committed co-financing of USD 200,000 for conservation work related to Eld's Deer on 96,000 ha in Savannakhet. This clearly would have been closely related to *SAFE*'s work, but the co-financing did not materialize.

MAF/DOF, as the current IP of the project, has reported significant co-financing. MAF/DOF did not commit co-financing at the time of project design, which was before it became IP. At that time, government co-financing, as indicated in the CER, targeted USD 14.2 million in cash grants from MONRE, which was then the project's IP. MONRE's co-financing letter indicates that, rather than fully cash grant, this amount will be partly in-kind, including office space (at national, provincial, and district levels) and staff time, and partly cash grants, including for baseline projects. The government co-financing reported as of the time of the MTR Mission is all from MAF/DOF, with a realized co-financing of USD 2,230,278, all in-kind. Of this amount, USD 768,800 is indicated to be assets, including office equipment, computers, vehicles purchased by DOF, renovations and maintenance of DOF offices, and communication and outreach materials. The other categories included in the total are utilities (USD 574,533), office space (USD 473,611), and staff (USD 413,334). The MAF/DOF co-financing total of USD 2,230,278 is also broken down into two thematic areas with geographic scope specified: (a) forest conservation and management in the five project districts and also supporting the relevant Savannakhet provincial and Vientiane national offices (USD 1,738,411); and (b) enforcement of wildlife protection in Savannakhet protected areas and also supporting the relevant Savannakhet provincial and Vientiane national offices (USD 491,867). It is noted that the MAF/DOF co-financing total includes DOF's very direct in-kind co-financing through *SAFE* project office space in both Vientiane (MAF/DOF) and Savannakhet (PAFO) and staff time, including two full-time persons from PAFO in Savannakhet and seven from PAFO/DAFO in Ong Mang, as well as much part-time input from other persons. Yet, it should also be noted that the co-financing in terms of staff time (especially input of part-time staff) is not quite as high as one would think. This is because the project compensates many government staff for their work on the project by per diems. Further, there is no evidence of cash co-financing from the government for activities like patrolling by villagers, nurseries, and tree planting. This is a key reason concern about sustainability of patrolling and reforestation is so great

Exhibit 13. SAFE Ecosystems Co-Financing Realized between May 20, 2016 (*project start*) and Oct. 30, 2019 (*mid-term review*)

Name of Co-financier	Main Activity/ Area of Expenditure	Type of Co-financing (Cash, cash grant or loan, or in-kind)	Amount Committed (USD)	Amount Realized (USD)
DOF/ MAF	1.Enforcement of wildlife protection: Staffing (\$103,334), utilities (\$137,089), and assets (including office equipment, computers, vehicles purchased by DOF, communication and outreach materials, renovations and maintenance of DOF offices related to the Wildlife & Aquatic Resources Division) (\$251,444). Expenditures are for SVK protected areas, SVK provincial office, and national-level office in Vientiane. Subtotal: \$491,867	In kind (<i>commitment was in-kind + cash; realized is all classified as in-kind</i>)	14,200,000	2,230,278 ⁶⁷
	2. Forest conservation and management: Office space (\$473,611), staffing (\$310,000), utilities (\$437,444), and assets (including office equipment, computers, vehicles purchased by DOF, renovations and maintenance of DOF offices related to forest conservation/ management) (\$517,356). Expenditures are in project's 5 target districts, SVK provincial office, and national office in Vientiane. Subtotal: \$1,738,411			
ADB	1. <i>Biodiversity Conservation Corridors Project (BCC)</i> : Project aims to sustainably manage biodiversity corridors in Xekong, Attapeu and Champasak Provinces via support for (i) institutions, (ii) patrolling, planting, management, (iii) livelihoods and small-scale infrastructure, (iv) project management. May 20, 2016 – Dec. 31, 2018 estimated expenditures in top expenditure areas are: (a) \$2.5 M patrolling, nurseries, planting; (b) \$2.4 M village infrastructure including road, schools, health centers, water supply; (c) \$2.2 M international consultants; (d) \$1.5 M local consultancy; (e) \$750,000 livelihoods; (f) \$720,000 project management. <i>Exchange with SAFE: Like SAFE, BCC has offices in DOF, resulting in frequent discussions between the two project teams, and SAFE is able to utilize BCC's meeting room. SAFE also utilized BCC's reforestation/ silvicultural guidelines.</i>	Cash (Grant)	2,787,100	8,954,262 ⁶⁸

⁶⁷ Estimated expenditures provided by DOF were for 2016-2019 and have been prorated to cover the period May 20, 2016 – Oct. 30, 2019, using a factor of 0.8611111

⁶⁸ This amount is arrived out by taking total payments by ADB during the period 2016 to 2018 (when the project ended) and multiplying by 2.616/3 to better reflect period of overlap of these two projects, since SAFE began May 20, 2016 and thus included 225 days out of 365 that year. It is noted that ADB total payments during the period were 14% less than total expenditures, presumably because there were excess funds from previous periods to spend. The amounts for various expenditure areas in the second column are based on expenditure data for 2016-2018 and also multiplied by 2.616/3 to get estimates on expenditures for the relevant period.

	2. <i>East-West Economic Corridor Agriculture Infrastructure Project</i> (WEECAI) aims to regenerate, replace, and upgrade agricultural infrastructure including irrigation and roads in SVK and Saravane Provinces via (i) improved agricultural infrastructure, (ii) increased capacity of farmers to manage and use agricultural infrastructure, (iii) project management. <i>WEECAI's geographic scope includes but is not limited 4 of the 5 target districts of SAFE Project.</i>	Cash (Loans)	60,000,000	10,823,218 ⁶⁹
	<i>Sub-total</i>	<i>Cash grant + loans</i>	<i>62,787,100</i>	<i>19,777,480</i>
WWF	Eld's Deer Conservation Phase III on 96,000 ha in SVK	Cash Grant	200,000	0
UNDP-direct	Cash spent directly on <i>SAFE Ecosystems</i> project activities and management.	Cash Grant	1,200,000	553,030
UNDP	<i>Poverty Environment Initiative Phase 2 (PEIP)</i> . Project had an objective of strengthening capacity of the government to make systematic decisions related to investments and utilisation of natural resources. <i>Aim of PEI has strong synergies with SAFE Ecosystems efforts to improve planning and decision making to avoid loss of valuable ecosystems to land conversion for economic purposes. Among its partners, PEI has worked with SVK DPI, which SAFE Project has also worked with. PEI supported EIA procedures for investments, which were featured by Responsible Business Forum supported by SAFE.</i>	Cash Grant	606,000	403,110 ⁷⁰
Total	--	---	78,993,100	22,963,898

⁶⁹ Total amount of loans for Oct. 13 2013 to March 2 2020 are prorated for the period May 2016 – Oct. 2019.

⁷⁰ Based on UNDP CDR Expenditures for 2016, 2017, and 2018, with 2016 expenditures prorated for 225/365 days.

9.4 Other Implementation: M&E, Stakeholder Engagement, Communications, and Gender

Monitoring and evaluation and reporting: As for monitoring tools, the project has prepared each of its annual required PIRs (2017, 2018, and 2019). UNDP CO shared quarterly progress reports from 2017 and back to office reports from field trips for 2017 and 2018 with the MTR Team. Presumably this reporting continued, and the absence of these in materials reviewed for later years is simply a matter of the file folders from which they were provided not having been updated. From the documents reviewed, it seems that the project frequently reports on progress towards activities and outputs. It was noticed that the annual reports include newspaper articles in the section on the development context, whereas text to summarize key developments might be more effective in briefing the reader. Yet, what is needed is in the area of M&E/reporting, especially in the PIRs. For this, as in other aspects of implementation, a higher level focus on outcomes and objective and outcome-level indicator targets (as revised) is needed. There may be a need for guidance of the team on how to assess land area indicators and also to help them really understand the meaning of the core indicators. (Some guidance on both is provided in this report.) The MTR Team found that sometimes it is indicated in project reporting that a full land area target has been met (such as SFM over a very large area), when there is no strong justification of that. The MTR Team also found a lack of clarity about what the first objective indicator (SFM over 698,746 ha) represents and a lack of clarity on the HCVF target and definition. As a prerequisite to M&E, what all of the targets represent and are defined to be should be clarified. Because there is a lack of clarity in the ProDoc and among stakeholders about the first objective-level indicator target, it will be important for the project team to discuss the real situation on the ground (e.g. with regard to the situation of forest outside PAs or at least outside the project targeted PAs in the five districts) so that all are clear on the type of land the indicator target represents. It is suggested that the project, once it has revised outputs and activities to better suit targeted outcomes, objective, and outcome-level indicators (as revised), can continue to monitor outputs and activities (as revised) closely. Yet, at the same time, high attention should be put on progress towards the three target outcomes, their (revised) indicators, and the project objective indicators and GEF core indicators. Lastly, because international team members are carrying out a lot of the M&E and may not speak or read Lao language, it will be important for them to double check explanations of target areas and findings regarding indicator status that are conveyed to them verbally, both by double checking with colleagues and by reviewing documents in Lao with translation software, such as they are already using.

As a final comment on reporting, the project team may more proactively follow up on recommendations from the PIRs as provided by UNDP Regional Headquarters. For example, in the last PIR (2019) it was recommended that the transition to GEF core indicators and their mid-term values be done prior to the MTR mission and that the baseline METT scores be reassessed. (As for METT scores, there was a problem that these had dropped at mid-term for some PAs, but this was explained by the baseline work being inaccurate rather than a deterioration of PA situation.) Yet, none of this was done before the MTR mission. And the METT score update used in mid-term reporting is from 2018. It has also been recommended by regional HQ in the 2019 PIR (summer of 2019) that a gender assessment and action plan be undertaken. This had not been initiated by the time of the MTR mission in October/November 2019, but was started post-MTR. It is further discussed in the sub-section on gender below.

Stakeholder engagement: The project has been strong in the area of stakeholder engagement. Particularly at the level of the project villages, it is impressive what a range of activities the project has used to engage villagers. The project has also done a good job at engaging district level officials from the DAFOs of the project's five districts, as well as many provincial and national level stakeholders. At the national and especially the provincial level, the project may do well to engage the officials responsible for

NPA. Also, as noted earlier, given its targets, the project should not restrict itself to the part of its target protected areas that are in its five target districts. Instead, it should address these PAs/ protection forest directly and with the support of the PAFO and DOF respective Protected Area Divisions. At the village level, if possible, the project should aim to engage more persons in each village and more villages across Ong Mang and villages in DPV, PXH, and STN-PN. Further, the project might engage more with other donor projects that are related and may have synergies with SAFE Ecosystems. The problem of financing PAs is a big topic where collaboration between projects may be of use.

Communications: In terms of communications, the MTR Team notes the following findings and suggestions: The Vientiane project team has set up good camera and microphone systems, so that they can communicate well with the Savannakhet team and each of the district coordinators. The MTR Team had the opportunity to use this system and were impressed with it. One challenge is communications with the villages, particularly the Village Development Teams. It would be useful if they could communicate remotely with Ong Mang Center when they have questions about financial and other matters. And, once livelihood work ramps up, a strong method of communications could also support more rapid progress. The challenge is that internet is not reliable in many of the project villages and the other PA villages that might be targeted. Satellite internet may be an option to consider, particularly if a service could be shared by nearby villages, but may be too costly. Currently, the Village Development Team Financial Officers are required to travel to Ong Mang Center each month to deliver financial reports. Lastly, as noted, the project should get started with its promotion of the PAs for the public, particularly ecotourists, with the promotion materials already prepared by the IP and Savannakhet Team. If better materials are prepared later, and particularly if the international ecotourism consultant retained post-MTR can make suggestions on these, those materials can be used as well when then are ready. To get more support from the general public and officials across various government entities, the project may consider wider outreach to the press to ensure greater public engagement in and support for its PAs and for conservation in Savannakhet. Events for journalists, such as journalist breakfasts, may help stimulate more media activity. It is important for the project to start promoting the PAs with potential channels such as tourist guidebooks and tour organizations, as well as direct channels to potential international tourists. The project might consider developing a communications strategy to promote protection of PAs among the public in Laos and promotion of ecotourism among potential entities that could attract international tourists.

Gender: Section 3 in its discussion of project design notes how gender is included in design, but that the project could have done a better job of strategically incorporating gender. Here we discuss gender addressed in implementation. The project design had called for the hiring of a full-time project specialist on gender and livelihoods and that person has been hired and is based in Savannakhet. Yet, there is still no formal gender strategy for the livelihoods work and, instead, it is relatively ad hoc. Livelihoods is indeed the area where gender might be addressed most. Because the patrolling work is paid and frequent and very few women are involved, men may be accruing the larger share of the village-level benefits from the project that are going to individuals to date. As the livelihoods work gears up, because women are more involved, however, the project should begin to benefit more and more women. Exhibit 14 summarizes some of the findings on gender breakdown of benefits from the village interviews. The MTR Team found that some livelihoods, such as weaving and sewing (the latter having too limited a market to be recommended by the MTR Team as a main livelihoods area), are specifically for women, whereas other livelihoods supported, such as pig and chicken raising, may involve a combination of men and women. The MTR Team recommends that the project aim to preferentially support women through the livelihoods work. This may provide more balance as, assuming patrolling is able to continue after the project through other financial mechanisms, it is likely to disproportionately benefit men. The MTR Team has preliminarily recommended in the revised indicator table that 3,500 (or 70 percent) out of 2,000 persons targeted to benefit from substantially increased incomes due to livelihoods be women. As a part of this targeting, the project should come up with a gender livelihoods strategy that indicates how livelihood activities will preferentially benefit women through a combination of women-only livelihoods,

women-suitable livelihoods, and mechanisms to get more women participants in the women-suitable livelihoods. Post-MTR mission, a gender consultant was hired and has already provided a draft report. Information included so far is mainly survey results. What is really needed, as explained in the foregoing text, is a plan, procedures, and their implementation to ensure women benefit in much larger proportion than currently, where men appear to have enjoyed the majority of individual benefits (via patrolling income) of the project so far.

Exhibit 14. Gender Breakdown of Project Benefits to Individuals/ Involvement as Indicated by Village Interviewees (numbers indicate number of women and men involved: M=male; F=female)

Village†	Patrolling	Female livelihoods	Coed livelihoods	Tree Planting
Village 1	6 M, 0 F	Sewing: 2 F Weaving: expected	Chicken, pig, duck, fish: female/ male involvement expected	50% M 50% F
Village 2	7 M, 0 F	Sewing: 1 F Weaving: 7 F Dying: 7-10 F	Village vet 1 M, 1 F Pig feed: 5 M (<i>still waiting for pigs</i>)	270 M 117 F
Village 3	25M, 0 F	Sewing: 1 F Weaving: expected 7 F Cooking team for ecotourism will be all women	Goats and pigs: expected 7 families each 3 vets: 1 F, 2 M (tbc)	90 persons (<i>told would be paid but not how much and not paid yet</i>)
Village 4	16 M, 2 F	(<i>hoping for weaving and sewing</i>)	Fish raising Vet training Pigs promised	NA
Village 5	All M	--	Vegetable garden – 18 families Fish pond Chicken training – 5 families	NA

†Villages consulted are listed in random order.

10. Conclusions, Lessons, and Recommendations

10-1. Conclusions and Lessons

Conclusions with lessons incorporated where relevant are given below. Lessons are preceded by the word “lesson” in italics.

Relevance

- The project as a whole is highly relevant: Laos possesses rich biodiversity and forest cover, but has limited funds and know-how for SFM and PA management. DDF is at particular risk of conversion, deforestation, and hunting; and there haven’t been any other projects in Laos supporting DDF. The project component on financing for SFM and PA management is particularly needed, as there is a serious shortfall of funds for these in Laos. Having such a large donor project is new for Savannakhet PAFO and addresses unmet needs to build forest conservation capacity and address SFM and PA management in this province in particular.
- The project possesses features of innovativeness: While most of the many individual elements of the project are not new to Laos (e.g. ISPs, SEAs, conservation contracts, village managements plans, village development funds, livelihoods, patrolling, etc.), putting them together in a comprehensive package to support DDF and other forest areas in Savannakhet is. Elevating Ong Mang to IUCN Level 4 NPA (“Habitat/ Species Management Area”), given that there are no other Level 4 NPAs in Laos, is new to the country. Reforestation with high value DDF species is also completely new to the Laos. The project’s component on financing has the potential for innovative work on PA financing if

this is proactively pursued with attention to action-oriented work and achieving real impact on the future financing of PAs in Laos.

- The project is highly relevant to some of the strategic priorities of UNDP Laos's current Country Program Document (CPD), namely the priorities of: (i) poor people ("especially agricultural workers and communities in or near protected areas") through the project's extensive work with communities in Ong Mang and neighboring villages; and (ii) sustainable forestry and land use management in protected areas, which is central to much of the project's work.

Assessment of Design

- High-level design of the project – the objective and component statements -- is strong and should be taken as the guide to adaptive management.⁷¹ That is, strategic focus in adjusting outputs and activities as the project is implemented should be guided by the objective and component statements, rather than by the output and activity descriptions, which can be revised and deleted as needed.
- Project design has significant weaknesses: First, it is initially quite confusing as statements labeled as "outcomes" in the CER are not appropriate per UNDP-GEF project design principles. Second, most important for attention going forward, several of the PRF indicators promote a focus on output/activity level results rather than outcome-level results or are not as relevant as they should be.
 - Project outcomes (as listed in Table IB of the CER) are too numerous and some are too output-like. Many of these CER outcome statements are more like indicator statements. Fortunately, in both the CER and ProDoc, the component statements, which are actually outcome-like, are listed in the PRF where the outcomes are usually listed, though they are still labelled as "components." UNDP has further improved upon this by listing these component statements as "outcomes" in the indicator table of the PIRs. Thus, the problem of inappropriate outcome statements in the CER is overcome, but this aspect of the design is confusing and shows lack of understanding of design principles for UNDP-GEF projects.⁷²
 - Many of the PRF "outcome" indicators are more output-level than outcome-level, focusing on narrow and simple task completion rather than meaningful results, and are too numerous. In this regard, relevance of the indicators could be improved. Further, indicators should be limited to three per outcome.
 - *Lesson:* Greater scrutiny of UNDP-GEF design is needed to ensure drafters of design documents: (i) are fully versed in the objective<-outcome<-output<-activity structure of projects and (ii) understand that outcome-level indicators need to be focused on meaningful results rather than on task completion.
- Planned activities are not clearly laid out in ProDoc. Instead, there is a description of each component and mention of activities, but not a clear listing nor clear description of activities. While activities can be revised through adaptive management, it would be more effective to give an initial starting menu so that implementers can understand the intention of the design.
 - *Lesson:* Ensure that all UNDP-GEF ProDocs, under each outcome, include a listing of outputs and then a listing of activity statements and descriptions under each output.

⁷¹ One shortcoming is that the Component 2 statement does not include the full area of the four priority PAs, even though to contribute to the second project objective-level indicator, the component should include these. Thus it is suggested that this component be interpreted to include not only the forest area in the 5 districts, but also the full area of the 4 priority PAs of the project that goes beyond the 5 districts.

⁷² One design suggestion, though not widely practiced in the design of UNDP-GEF projects, is that components be given title-like headings rather than results-like headings, which would then be reserved for the outcome statements. For a project structured like this one, the three component headings then might be "Policy and Planning for SFM and SLM," "Demonstration/ Implementation of SFM and SLM," and "Incentives and Financing for SFM and SLM."

- The nature and composition of the land area target within the five districts, but outside the four target PAs/ protection forest (vis-à-vis the first objective indicator of 698,745 ha) is unclear.⁷³
 - *Lesson:* Project designers and implementers need to be made aware of the critical importance of clarifying land areas that are indicator targets. Land area is an important measure of achievement in GEF projects in the LD, SFM, and BD areas. Thus, the composition all land area indicators (i.e. where the land is exactly and what type of land it is) in objective-level and outcome-level indicators should be made crystal clear to the IP, UNDP, and project team via accurate explanation in the design. If it is not made clear at the stage of design, the project team, IP, and UNDP should make it a top priority to clarify what the target refers to at the start of project.

Project Overall

Highlights of Achievements

- Progress in Ong Mang, one of the project's 4 target PAs, is the most impressive strength of project:
 - Ong Mang is likely to be elevated soon from provincial to national level PA status and will become Laos' first IUCN Category 4 NPA ("Habitat/Species Management Area). The evidence implies this achievement would be unlikely to have occurred without support of the project.
 - Establishment of infrastructure in Ong Mang by the project (especially Ong Mang Center) has convinced the Government to newly station seven staff there. This is progress towards a Government vision of building up staff to 25 persons in each of ten "core" NPAs among Lao's 23 NPAs, with the ten core NPAs then serving other nearby non-core NPAs.
 - *Lesson:* Support for infrastructure in NPAs (e.g. office building and sleeping quarters for staff) can be an effective means of using GEF funds to leverage commitment from governments to support NPAs by stationing government-paid staff in them for the long-term.
 - Awareness of villagers in 16 target villages regarding conservation has been raised and their capabilities in village forest management and financial management has been expanded.
 - Good progress in attracting attention of ecotourism operators to Ong Mang has been made, with two groups of tour operators already having visited. Ong Mang Center and substations were designed with dual purpose of accommodating tourists as well as government personnel and village patrollers.
 - *Lessons:* Conservation management facilities can have a dual use purpose to also serve as ecotourism facilities. Active outreach to tour operators is needed to realize real results in ecotourism.
 - Six nurseries have been developed with a focus on growing high value DDF species depleted in the forest, lowering planting costs as compared to level at start or project, when seedlings were bought from Vientiane.
 - *Lesson:* Establishment of local nurseries can substantially reduce reforestation costs.
- While in early stages, there are positive initial steps in the planning and policy area: (1) DSS work of project has had positive launch and appears to have potential to influence planning in the province in a way that could protect forest areas by limiting investments detrimental to forests. The DSS work is expected to incorporate earlier work on ISPs and SEAs for the five target districts and develop zoning recommendations. The project should work to ensure DSS serves its intended purpose of impacting zoning and decisions for the long-run, beyond project close. (2) Project has facilitated discussions regarding revision of *PA Decree* to support better financing of PAs. Quality legal revisions related to PA financing, if achieved, could be a critical contribution of the project and should receive strong emphasis going forward in combination with financing work of Component 3.

⁷³ Within the ProDoc and during MTR consultations, no satisfying explanation of how exactly the LD-PMAT target ("area of 698,745 ha under Sustainable Land Management"), which is one of the objective indicators and thus a very important target, was arrived at. That is, it is not clear what specific land areas are included beyond the portion of the PAs in the five target districts. It is also not clear whether this land is all forest land.

Main Concerns

- The project lacks a strategic big-picture approach. Such an approach would ideally focus on achievement of the objective and PIR outcome statements, so as to leave a long-term legacy of improvements beyond the life of the project. Manifestations of lack of strategic approach include: (1) Many of the major activities the project is carrying out lack a strong path to sustainability, so that achievements will not leave a lasting positive impact on the country. (2) The project lacks adaptive management to achieve big-picture targets and sustainability. Instead, it faithfully adheres to original outputs and activities. Implementation has been too strict about adhering to early activity design and would do better to focus on the objective and PIR outcome statements to reinvent itself as needed.
 - Project has spent in the range of USD 424,317 on patrolling in Ong Mang around 16 villages over 3 years. This level of spending on patrolling or even a much lower level will not be possible post-project due to lack of funds.
 - Nurseries/ reforestation (to thicken DDF), on which a very rough estimate of USD 630,000 has been spent or committed for planting done, lack a model for continuation after project.⁷⁴ Yet, targeted reforestation area, at only 1,111 (of which 676 ha has been achieved to date), can at best be viewed as demonstration, given its small share of degraded area. Also, seedling survival rates seem low; and site prioritization methods may need enhancement.
 - Annual conservation contracts with the 16 target villages are overly-generous, with benefits outweighing what villagers are asked to do to conserve the forest. Benefits include daily rate payments to all who conduct patrolling and reforestation work, village halls, payment to villages for promoting policies, and support for alternative livelihoods. Due to lack of funds, this will not be sustainable after project.
 - *Lessons:* (1) Achievement of long-term results post-project needs to be a key lens through which strategy for UNDP-GEF projects is developed and adaptive management actions are taken. The project teams and IPs of UNDP-GEF projects, with strong support from UNDP, need to continuously ask the question of whether the activities being carried out are leading to long-term post-project results or if major adjustment is needed to achieve such results. (2) SFM/BD/LD projects focusing on forest areas with significant populations living in them face significant challenges in coming up with long-term solutions, especially when post-project funding for patrolling and/or community payment is not available. Such projects need to put greatest focus on: (i) means of reducing people pressure on forests for the long-term (such as alternative livelihoods); (ii) innovative deals with local people (such as sustainable access to NTFPs on state land in return for forest protection services); and/or (iii) new long-term financing mechanisms (such as REDD+, funds from surcharges to investors, or funds from ecotourism, such as park entry fees), with possibly donor or philanthropic funds as a short to medium-term bridge. Both design stage work and implementation should put special focus on dealing with this very tough issue of sustainability of solutions for SFM/BD/LD projects.
- The project as implemented is focusing the vast majority of resources on an area much smaller than indicated in its proposal to the GEF. The focus is Ong Mang (130,745 ha), but the other 712,046 ha targeted in the design and objective indicator targets has gotten little attention.
 - For example, patrolling has only been in Ong Mang, though project design indicates the other 3 PAs were in great need of capacity building in this area, while Ong Mang already had capacity.

⁷⁴ Estimate is very rough, because the USD 1.2 M transferred to EPF includes USD 410,000 for reforestation. While some of this amount has been transferred to provincial accounts and village stakeholders during the MTR mission indicated they had not yet received payment for reforestation work carried out, it is not clear how much of this USD 410,000 has already been spent or promised for work already done. Based on information gathered, we estimate that that \$372,400 had been transferred already to the project for reforestation by Sept. 2019 and guess that perhaps half of this has been spent or committed.

- *Lesson:* Target areas of impact for such projects need to be clearly agreed upon at design phase. In implementation, IP, Project Team, and UNDP need to assure full target areas are addressed.
- Alternative livelihoods are one of the most promising sustainability mechanisms for forest conservation in project areas, given the significant population living in them and lack of financing for patrolling or CAs post-project. Yet, project livelihoods work to date has been very limited in scale, benefiting a small proportion of families in each village and benefiting only 16 of about 44 villages in Ong Mang and no villages in the other 3 PAs/ protection forest. Also, selection of type of livelihoods has not always been strategic in terms of benefiting multiple families. (Sewing, for example, might benefit just two families per village due to the main market for this service being in the village itself.) The project has not done work to determine which families should be targeted for support. (E.g. Only a few poor families that most extensively harvest NTFPs or the majority of families?) And, the project so far lacks good support in marketing outside of the village, which will be needed if multiple families are to take up the same type of alternative livelihood activities.
 - *Lesson:* SFM, BD, LD projects should pay special attention to the potential role of livelihood interventions as a key option providing potential for long-term post-project conservation results. As such, the scale and coverage of livelihoods work to be carried out and the nature of targeted households (e.g. all households or a few select ones dependent on forests) should be carefully assessed.
- Findings suggest low cost effectiveness overall and with regard to specific activities.
 - USD 7,902,930 of GEF and UNDP funds spent by Oct. 29, 2019 (mid-term), of which \$7,349,900 are GEF funds, which is 68% of total GEF funding. If the amount of funds remaining at EPF or in PAFO's bank account are considered, about 59% of GEF funds have been spent). Given what has been achieved so far and what needs to be done to truly achieve sustainable outcomes and meet forest area targets, the spending to date seems high.
 - Overuse of per diems, such as by including too many persons as trainers or by providing villagers per diems to attend trainings, appears to be one key source of spending problems.
 - Weak strategies in various areas may also contribute to low cost effectiveness, such as too many persons patrolling together at one time or a livelihoods budget that spends too much money on per diems and training and not enough on capital investment for villager businesses (such as purchase of chickens). Reforestation expenditures are much higher than per seedling nursery and planting costs would suggest.
 - It is difficult for outsiders assessing project content to understand how much was truly spent on activities as described and what the rest of the spending was on. This is true even when international and national staff salaries recorded under certain activities are subtracted out. A particularly obvious example is the activity of a national consultant carrying out a feasibility and market study on handicrafts in the 16 target villages. USD 318,619 is recorded to have been spent on the activity, though the consultant was paid only USD 23,884 or 7% of the total. The total does not include salaries of project staff.
 - *Lessons:* To enhance cost-effectiveness, future project should institute: (1) an accounting method that allows management and other outsiders to understand the true amount spent on each activity as described; (2) a policy that only relevant persons (e.g. key trainers for training) travel to project sites and that use of per diems as "bonuses" is discouraged by compensating actual travel costs or paying directly for travel; (3) increased scrutiny, especially on basic activities to keep them more cost effective, such as (i) by limiting the number of persons going patrolling together and (ii) by assessing benchmark costs of tree planting and ensuring project reforestation expenditures correspond to benchmarks.
- Ecotourism work lacks comprehensive analysis and strategic approach. There is a risk that the project depends too heavily on ecotourism as the solution to post-project PA funding and livelihood needs, without solid analysis to back this up. There is a lack of clear projections on ecotourism income and how this translates into costs of patrolling and other support needed annually for PAs, such a CA payments to communities. There is a lack of understanding of the international market for ecotourism

in the project's four targeted PAs, including both willingness to visit and projected spending per visitor. There is a lack of promotion of the target PAs for ecotourism, even though promotion materials have been prepared, and a lack of international experience to understand whether international tourism might be attracted to these areas and, if so, how to attract them.⁷⁵

- *Lessons learned:* SFM and BD projects should not be over-dependent on unassessed and unproven ecotourism potential as the main source of future financing for PAs. Efforts to create sustainable solutions for the protection of PAs should include a portfolio of options and recognize livelihoods as the option that may benefit the largest numbers of persons living in PAs. As for ecotourism, clear projections of ecotourism revenues and how this translates into unmet PA costs of the future should be prepared. Assessments should include separate analysis for international tourists. Promotion of sites should be carried out in a timely fashion.
- Work on other innovative and well thought out financing mechanisms has not been initiated in a timely manner, though these are one of the greatest needs to ensure sustainability. No work on a mechanism to derive funding from local concessionaires/ investors or on securing funding from national or international sources (such as philanthropies and donors) had been done by the time of the MTR mission.⁷⁶
 - *Lesson:* Projects that envision financing mechanisms for NPAs should begin work on such mechanisms early in the project. The work should focus on the most practical and likely alternatives and include active outreach to relevant parties that would approve funding. Long theoretical reports without direct application should be avoided.

Component 1 – Policy/Planning – Results (in addition to relevant content under Project Overall)

- As for policies and plans drafted by project: *Plantation and Agriculture Guidelines for Savannakhet* were prepared, but have not been adopted. The consultant for the *Guidelines* originally prepared guidelines for reforestation in DDF areas due to requests from the provincial/ district level. These guidelines on DDF reforestation may have been useful, but he was asked to change course, due to incongruence with TOR for the assignment. ISPs and SEAs for each of five districts were prepared, but are not being used. It is recommended they be incorporated into district socio-economic development plans when possible. There is a current window of opportunity in the five project districts, because there SEDPs are currently being revised.
 - *Lessons:* Policy work should put strong emphasis on adoption and utilization. Recommendations for revision of scope of policy work to be more impactful/ better fit needs should be considered.
- While (i) adoption of SFA Decree and ISP regulations and (ii) resolution of jurisdictional issues related to forest protection, which are both PRF targets, were achieved, these results were not due to the project.
- The project targets adoption of HCVF policies, but the rationale is not that clearly laid out in the ProDoc and stakeholders seem unclear about the nature of HCVF areas and how to distinguish them from PA areas. This target may be dropped in favor of focus on other priority areas unless the areas are defined to achieve concrete benefits (such as forest corridors to link PAs).

⁷⁵ As learned during the period of comments on the draft version of this report, an international ecotourism consultant was hired shortly after the MTR mission, which should address this last concern. Recommendations for the consultancy are included in the next sub-section.

⁷⁶ As learned during the period for comments on the draft version of this report, after MTR consultations, at the end of 2019, a Sustainable Financing Mechanism Consultant was brought on board to assess REDD+, ecotourism, offset payments, payments for ecosystem services, and national financing mechanisms. Given the criticality of financing to sustainability, this work would have ideally begun earlier in the project. Now that it has been initiated, the MTR team recommends it focus on the high potential areas indicated: national conservation funds and international sources, such as donors, philanthropies, and REDD+. Emphasis should be on action-oriented outreach to these potential sources and not on long, theoretical reports.

- The project has supported multi-stakeholder committees in the five target districts and a sustainable business forum for the province. The former have met about two to three times in each district to discuss the nexus of investment and conservation.⁷⁷ The latter was a preexisting annual event supported by the project one or two times. It resulted in a Tourism Strategy for Savannakhet Province, but ecotourism receives only limited attention in the strategy. It further resulted in SVK being first province to simplify investment procedures per Prime Minister Order 2, which is a positive development, though it is not clear if the new procedures have an increased link to the nexus of conservation and investment. Ideally, both provincial and district institutional efforts will in the future have clear target outputs tied to the project's objective and outcomes.

Component 2 – Sustainable Forest Management – Results (*in addition to relevant content under Project Overall*)

- Project's biodiversity assessment is critical to achieving IUCN Category 4 NPA designation of Ong Mang (expected soon). The assessment also provided biodiversity intactness indicators for which data is now gathered by patrollers. Yet, baseline, target, and mid-term values for the associated indicator in the PRF has still not been determined. Mid-term values for animal population indicators in PRF are also not determined.
- Project prepared management plans for each of the 4 PAs. While Ong Mang is implementing its management plan (of which there was a prior version before project), management plans of the other 3 PAs (which did not have such plans before) are not being used.
 - *Lesson:* PA management plan work should be followed by efforts to ensure management plans are implemented. In cases where there is no hope of implementation, resources should not be spent on such plans.
- HCVF on-the-ground work in project design with target of 193,684 ha has not been carried out and there is confusion as to whether this work could focus only on areas outside of PAs in order to serve as corridors between PAs. As with HCVF policy work, this work may be dropped unless meaningful benefit (such as forest corridors between PAs) is viably designed into it.
- Village forest management plans, while not new in Laos, are useful to the 16 villages for which they were prepared by the project. Land certificates are expected soon for these 16 villages.
- The meteorology and hydrological stations financed by the project have been installed. They are less directly tied to project aims than other efforts and thus seem out of place. If the hydrological station were to measure soil runoff parameters, the relationship to project SFM aims may be enhanced. So far, baseline, target, and mid-term values of associated indicators in the PRF have not been provided.
- Human-elephant conflict resolution work seems of value, but may not be sustainable without further follow up with villagers on how to keep elephants out of fields and perhaps more financing by government of electric fences. Activities by WWF on moving elephants to new areas of PAs (a workshop and action plan financed by other donors) is something the project should keep abreast of for potential cooperation in its target PAs.

Component 3 – Financing and Incentive Mechanisms – Results (*in addition to relevant content under Project Overall*)

- Evidence suggests livelihoods work is moving very slowly. Among potential livelihood areas, the project may consider a closer look at NTFPs. Work might include developing guidelines for and allowing sustainable NTFP collection and then supporting villagers via a platform for sales (to keep middle men from siphoning off profits that might go to villagers). Or, it might include developing opportunities for villagers to plant and cultivate NTFPs in the forest.

⁷⁷ The two districts in which the committees met three times each are Xonnabuly and Thapangthong. The committees have met two times in each of the other three districts.

- Financial and project management training is beneficial to villagers, but more coaching is needed, as is a less costly way to deliver it.
- Budget-wise, ecotourism has focused mainly on Ong Mang (with the building of dual use administrative and tourism facilities), with much more limited support in terms of expenditures (trail marking, training, boat renovations) in DPV. It is not clear which of the 4 PAs will be most attractive to international tourists, but sufficient support to all could make sense, rather than putting the vast majority of focus on Ong Mang alone.

Institutional

- There are 18 persons working full-time as part of the project team, 9 of which are paid fully by the project, the other 9 being seconded from their government roles. Layering, given 3 different team locations and the target of much work being located in the PAs, seems to be a problem: The full-time project team is spread across Vientiane (5 persons, all paid by the project, 2 international); Savannakhet (6 persons, 4 paid by the project); Ong Mang Center (7 persons, none paid by the project).
 - *Lesson:* Provincial-level projects with strong field components may benefit from having most team members based in the province or even in the field.
- Project team does not appear to be empowered to drive adaptive management and cost effectiveness.
 - *Lesson:* Project teams should be clearly educated on the adaptive management rules of UNDP-GEF projects, realizing that outputs/ activities can be changed and the focus should be on the objective and outcomes and realizing long-term sustainable results. Project teams should be made responsible for cost effectiveness and making their expenditure reporting easily understood by those outside the project. In this regard, they may need to conduct research and estimates on the reasonable benchmark costs of activities, such as reforestation, to guide their spending decisions.
- IPs are DOF and PAFO, which have provided strong support via pushing for Ong Mang elevation to national level (DOF) and providing seven staff in Ong Mang and two in Savannakhet to support project full-time. More support is needed going forward from DOF and PAFO to increase cost effectiveness, determine nature of project target forest areas outside the 4 target PAs, and determine whether HCVF areas outside the PAs could be protected so as to serve as areas connecting PAs.
- Aside from IP relationships, project partners with a number of other government entities via LOAs. Work on cost effectiveness should also consider such LOAs.
- EPF was asked to manage USD 1.2 million in funds from project, which were transferred in 2017 and not begun to be used until 2019. EPF charges 3% management fee. No really useful function of EPF's role vis-à-vis this transfer was identified.
 - *Lesson:* Use of national fund managers such as EPF for UNDP-GEF projects should only be considered if there is clear value add to the project for the fees charged.
- UNDP has given strong and positive attention to the project, including at the high level of DRR. Going forward, UNDP can assist with a transition to outcome-oriented delivery and adaptive management, as well as with raising cost effectiveness.

10-2. Recommendations

Recommendations are provided below, divided into the categories of cross-cutting results, Outcome 3 results (presented first of the outcome results due to the paramount importance of addressing issues related to incentives and financing for conservation), Outcome 2 results, Outcome 1 results, cost effectiveness, and implementation.

It is noted that the issue of sustainability of *SAFE* interventions are an important theme in several of the recommendations. The MTR Team believes that by addressing these issues, *SAFE* will be poised to make

a major contribution across the forest conservation sector in Laos. Lack of sustainable models for major conservation expenditure areas, such as patrolling and tree planting, is not an issue faced by the *SAFE Project* alone. Instead, it is a widespread problem, faced across the sector and in other government-donor projects. By developing and demonstrating sustainability models post-MTR, *SAFE* will provide viable approaches that could be adopted on a broad scale.

A. Cross-Cutting Results

Recommendation 1 (or A1). Shift to big-picture strategic approach. Prioritize: (a) achievement of results that will be sustainable for the long-term post project; (b) achievement of objective and (PIR) outcome statements for the long-term; (c) achievement of objective indicators for the long-term. (1) Prepare big picture plan with rough budget allocations for remaining 2.5 years of project. Delete/revise/add outputs/ activities as needed. (2) Approve plan. This is a macro-recommendation, which several of the recommendations below support.

Justification: Currently, there is high risk that many of *SAFE*'s efforts will not yield sustainable and meaningful results beyond the lifetime of the project. This is largely because: (i) there is a lack of funding to continue conservation work (e.g. extensive patrolling and tree planting) post-project; (ii) livelihood work is very limited; and (iii) plans/ guidelines prepared are not being implemented. So far implementation has been constrained by strictly implementing the project as designed. Yet, UNDP-GEF implementation guidelines allow for deletion of outputs and activities in favor of consistently striving to achieve objective and outcomes.

Elaboration: See recommendations: on (i) outcomes/ indicators, (ii) financing mechanisms, (iii) livelihoods, (iv) conservation contracts, (v) ecotourism work, (vi) reforestation, and (vii) patrols. Note that not more than 10% of total GEF budget (USD 1.09 million) can be moved between outcomes without GEF approval. Lack of sustainability of results so far indicates that Outcome 3 (financing, incentives) should receive the most focus. Yet, this component unfortunately is also the most spent-down as 88% of GEF funds have been spent. Or, considering unspent funds that are or were with EPF, effectively 65% of GEF funds for Component 3 have been spent). Yet, the maximum of USD 1.09 million allowed to be taken from other outcomes could be used. Beyond that, broad interpretation of the scope of outcomes may be utilized for incorporating relevant activities under the other two outcomes.

Team: Prepare plan: Assistant Project Manager (APM), International Technical Advisor (CTA), Finance Manager (FM), UNDP CO (Program Officer = PO and/or Team Leader = TL), RTA. Approve plan: PSC.

Recommendation 2 (or A2). Clarify and improve the project indicators ("PRF"); revise PRF: (1) Revise project objective-level indicators to match most pertinent of GEF core indicators. Finalize transition from tracking tool to full set of relevant core indicators.⁷⁸ (2) Prepare and finalize 1 to 3 broad indicators for each of the 3 PIR outcomes and replace current indicators as needed. Consider those prepared by the MTR Team (Annex B). Indicators should not just target simple task completion. Instead they should target meaningful results. (3) Assess, finalize, and approve new PRF.

Justification: Transition from tracking tool to core indicators is required by GEF. And, adopting the most pertinent core indicators as the objective-indicators will benefit from improved clarity, as land areas of different objective indicators no longer overlap under core indicator framework. Broader outcome-level indicators will ensure the project aims for meaningful results instead of just task completion. They will also push the project to realize the outcome statements. Being broader, the new outcome indicators will further allow flexibility as to how they are met.

Elaboration: The improved objective-level and outcome-level indicators can guide project course correction as suggested in Rec. 1.

⁷⁸ Post-MTR mission and with substantial input from the RTA, the M&E Officer prepared draft core indicators and the MTR Team provided preliminary recommendations for some revisions or further follow up. These recommendations are included in Annex 9 of this report.

Team: Prepare draft revised project indicators (“PRF”): M&E Officer, APM, CTA, UNDP CO (PO/TL), and RTA. Approve revised PRF: PSC and RTA.

Recommendation 3 (or A3): Clarify forest areas targeted and prepare action plan to address full areas. (1) Clarify forest areas targeted by first 2 project objective indicators. Ensure that SFM is carried out across full areas. This should include active management, not just management plans sitting on a shelf. (2) Come up with action plan to address full areas.⁷⁹ Include: (a) full area of 4 target protected areas/ protection forest (within and without 5 target districts) and (b) additional forest area in five districts, but outside these protected areas.⁸⁰ (3) Finalize and approve action plan.

Justification: The vast majority of project funds spent to date have focused on Ong Mang (130,745 ha), despite the project objective indicators and ProDoc indicating plans for SFM over a much larger area, including: (i) 414,758 ha of the project’s 3 other target PAs/ protection forest and (ii) 297,288 ha of other forest in the five project districts (whether this be other PAs besides the 4 targeted ones, or outside such areas). Efforts related to these areas (i and ii) have been too limited to claim real improvement in SFM. Also, the MTR Team found a lack of clarity among stakeholders on what, exactly, the forest area in the original project Objective Indicator 1 (SFM/ LD-PMAT indicator) is comprised of. Further, they were told there is a lack of willingness to address areas in the project’s target PAs/ protection forest outside the five target districts, despite indication in Objective Indicator 2 that they will be addressed. There was a corresponding lack of substantial involvement of the NPA Divisions of both PAFO and DOF leading to an emphasis of district interests over PA-wide interests.

Elaboration: As a first step, the project should work with DOF to clarify what the forest areas outside the target PAs/ protection forest, but within the five districts (as in the original Objective Indicator 1), refer to. Are they in other PAs or are they forest outside of PAs? Or, a combination of the two? Second, the project should come up with a plan to address the other target PAs/ protected areas (414,758 ha) encompassed in Objective Indicator 2 and the other 297,288 ha of forest areas encompassed in Objective Indicator 1. For the target PAs/protection forest, this could include (some covered in various recommendations below): (a) livelihoods work; (b) ecotourism work; (c) action-oriented financing mechanism work that connects project-prepared PA plans with funding sources; (d) DOF actions to draw from other, ongoing donor projects to implement PA plans. For forest areas outside of the target PAs/ protection forest, this could include: (e) actions to ensure that to-date not utilized ISPs and SEAs and the forthcoming DSS are utilized to prevent clearing for concession; (f) designation of HCVF areas outside of PAs and ensuring their protection as corridors or “stepping stones” between PAs.

Team: Clarify forest areas targeted and come up with action plan to address full areas: APM, PM, CTA, Savannakhet Coordinator (SVK Coordinator), PAFO (Forest Division = FD, NPA Division = PAD). Finalize and approve plan: PSC.

B. Outcome 3 Results (Incentives and Financing for SFM and SLM)

Recommendation 4 (or B1). Put strong focus on developing financing mechanisms and other special mechanisms for post-project conservation in project’s target NPAs/protection forest. Design and assess the options. Plan and implement activities to establish selected mechanisms. Work should be very action-oriented. Avoid long, theoretical reports. Instead, conduct outreach to (a) international funding sources and (b) domestic entities that are needed to make domestic mechanisms viable. Consider: (i) Identification of and outreach to international foundation/ philanthropic funding sources, including Swiss sources, that may support livelihoods or patrolling. Their support can be a short-term bridge to

⁷⁹ If the project decides not to address the full areas targeted, strong justification should be provided.

⁸⁰ The first objective indicator, targeting 698,746 ha is understood to include only land within the 5 target districts. It is understood to include parts of the 4 PAs within the 5 target districts ($\approx 401,458$ ha) and other forest areas within these 5 target districts ($\approx 297,288$ ha), but what and where these other areas are is unclear. So, (b) here refers to the $\approx 297,288$ ha.

other options. (ii) Support to Savannakhet for involvement in REDD+ (possibly as bridge to USD71 million REDD+ project that includes USD17 million GCF grant). (iii) Fees collected from private sector companies investing in Savannakhet (advocate and support policy changes on fees). (iv) National funds targeted for conservation, including but not limited to EPF and FRDF. (v) Provision of benefits to villagers (such as access to NTFPs) in return for patrolling services. International consultant, hired after MTR mission, should have action-oriented deliverables (e.g. making connections with promising philanthropies) and focus only on promising mechanisms.⁸¹

Justification: Per Rec. 1, project faces high risk of unsustainability. Financial support for activities in Ong Mang (e.g. patrolling, reforestation, livelihoods) will likely end when project ends. Management plans for three other PAs/ protection forest are just sitting on shelf. In order for project to have a legacy, course correction to achieve financing or other mechanisms to support conservation activities is needed. While ecotourism may contribute, its potential to generate the level of funding needed is far from ensured.

Elaboration: Plans for international consultant should be adjusted to achieve pro-active consultancy addressing needs i-iv above. Project may work with provincial government on item iii and national government on item iv. For item i, a broad list of targets may be prepared and priority ones approached. Already, interest has been expressed by promising philanthropy in supporting project's livelihoods for conservation work in Savannakhet. Area v overlaps with recommendations on livelihoods and conservation contracts.

Team: CTA, M&E Officer, APM, Component 3 Focal Point (FP), SVK Coordinator, and International Financing Mechanism Consultant, with support from PAFO (Director General, DG, and other leadership = etc.), DOF (DG, etc.), and UNDP CO (DRR/TL/PO) on outreach to relevant entities.

Recommendation 5 (or B2). Improve livelihoods strategy and revise livelihoods action plan and budget:

(i) Assess which villagers need to benefit from livelihoods support to ensure conservation results and issue clear criteria. Assuming many or most villagers need to benefit to achieve conservation goals, focus on types of livelihoods that can benefit large numbers of villagers. (ii) Provide support for market assessment and market access.⁸² (iii) Increase proportion of livelihood funds used for capital investment – substantially reduce amount going to per diems. (iv) Increase amount of overall project budget going towards livelihoods. (v) Expand number of villagers and villages receiving support, including potential expansion to other 3 target PAs. (vi) Consider expansion of NTFP access for villagers and support for their NTFP selling. (vii) Consider outside consultant to assist with i, ii, iii, v, vi.

Justification: As per Rec. 1, sustainability is a key issue and livelihoods is a key means to reduce people pressure on the forests. Yet, the project's livelihoods work has begun very slowly and is benefiting only a small proportion of villagers. And, a plan reviewed for livelihood fund use shows excessive amounts going to per diems, training, etc. and little flowing down to actual livelihood applications. Considering the scale of the project's budget and the importance of livelihoods, more villagers and villages should be supported. While project is supporting livelihoods in 16 villages in Ong Mang, there are a total of 44 villages in the PA. And no villages are supported in the other three project PAs/production forest.

Elaboration: For i, first determine villagers that need to be addressed in each village to achieve conservation goals. Is it only a few poor families that collect NTFPs extensively, or is it the majority of villagers in each village that need livelihoods support in order to achieve targeted conservation results? Assuming it is the majority, then priority should be given to types of livelihoods that can benefit many villagers in one village, so that funds and other project inputs are used cost effectively. As an example related to i, sewing can only benefit about two persons per village given that the market will be local, so is not an optimal area of support, while chicken, pigs, etc. can benefit many. If indeed there is a need to

⁸¹It is suggested this recommendation be applied to guidance of the international consultant that has been recently hired as well as work of the project team and partners. International members of the project team can also help with relevant outreach to foreign entities.

⁸² This means understanding whether the market is promising and also how the villagers will access/ connect with the customers/ buyers.

benefit the majority of villagers to achieve conservation goals, expand the number of villagers receiving support as in v. As in Rec. 4, take advantage of opportunities to get additional philanthropy/ donor support to expand this work. As for iii, reduce the funding that goes to per diems, by reducing provincial and district personnel to the minimum needed for training and by providing transport/ meals for villagers as needed to attend trainings, but not providing them with cash per diems. As for NTFP access as in vi, if sustainable harvesting is possible, access may be expanded, perhaps in exchange for patrolling support (also mentioned in Rec. 4). Project could set up a platform for sale of NTFPs to ensure villagers get good prices and are not losing out due to middle men.

Team: Livelihoods/ Gender Specialist, Component 3 FP, Consultant, Ong Mang Director (OM Director), SVK Coordinator, APM, CTA

Recommendation 6 (or B3). In future conservation agreements (2020 and beyond), achieve a better balance of what villagers receive from project and what they offer in terms of conservation. Consider innovative approaches, such as NTFP access or other benefits in return for patrolling services.

Justification: In the 2019 conservation contracts, the benefits provided to the villages beyond individual payments for services (e.g. village community hall, USD 2 per person to village development fund, payments to village for disseminating forest laws, and livelihood support) appear to exceed any unpaid support of conservation. It should be noted that each patroller is paid separately (in addition to the foregoing village benefits) for their patrolling time. And, each person participating in reforestation is also expected to receive compensation for their planting time. The conservation agreements (“CAs”) are highly unsustainable: Once the project ends, there will be no funding for them.

Elaboration: As for NTFPs, a number of areas defined in the village management plans may in theory allow NTFP collection, but require guidelines to be developed first for sustainable harvest (see Annex 8). Other livelihood benefits, such as permission to plant/ cultivate NTFPs in the forest, may also be considered.

Team: Livelihoods/ Gender Specialist, Component 3 FP, Livelihoods Consultant (if hired), Ong Mang Director, SVK Coordinator, APM, and CTA.

Recommendation 7 (or B4). Improve and expand ecotourism work: (1) Expand scope to include more extensive work in DPV and PXH. (2) For each of OM, DPV, and PXH, develop clear, realistic projections on ecotourism and how this translates into needed funds for patrolling, infrastructure, etc. (3) Carry out promotion work for each area, beginning with materials already prepared by SVK project team with PAFO. (4) Reach out to tour operators, etc. for direct promotion of areas. (5) Ensure that the international ecotourism expert hired after the MTR mission assesses the 4 PAs for international tourist appeal and advises on what is needed for the areas and for promotion. Require action-oriented outputs of consultant, such as outreach to international guidebooks and tour operators.

Justification: The MTR team did not find clear, realistic projections on ecotourism income and how this translates into financing of patrolling, etc. Further, there is a great need for promotion to attract tourists, but the materials prepared so far by the team are not being used. If international tourism (which brings in greater revenues) is to be counted on for revenues, international perspective is needed.

Team: Ecotourism Specialist, Ecotourism Adviser, Component 3 FP, International Ecotourism Consultant.

Recommendation 8 (B5). Prepare gender strategy and prioritize women beneficiaries, especially in livelihoods work. Include targets for women as proportion of those that experience substantially increased incomes from livelihoods work (e.g. 70 percent). (A draft gender assessment has been prepared post-MTR mission, but what is urgently needed is a concrete approach for prioritizing women beneficiaries.) Indicate how livelihood activities will preferentially benefit women through a combination of women-only livelihoods, women-suitable livelihoods, and mechanisms to get more women benefiting

from livelihoods work.⁸³ Be aware that so far greatest benefits have accrued to men through payments for patrolling work, in which very few women are involved.

Justification: Men have been chief beneficiaries of project payments for patrolling, on which the project has so far spent USD 424,317. Further, in rural Laos, women often hold a lower position, so that there is a need to empower them by proactively seeking their participation in livelihood opportunities and access to income generating activities. Project design aims to emphasize attention to gender and calls for a Gender a Livelihoods Specialist, which the project now has. Yet, work on gender has been ad hoc and not systematic or target-based. So, a clear strategy with targets is needed.

Team: Livelihoods/ Gender (L/G) Specialist, M&E Officer, Component 3 FP, Gender Consultant, OM Director.

C. Outcome 2 Results (Demonstration/ Implementation of SFM)

Recommendation 9 (or C1). Improve reforestation work in Ong Mang. Develop post-project sustainability plan for nurseries and reforestation. Consider transferring some funds allocated for reforestation to livelihoods. (i) Select optimal locations for planting (using satellite imagery etc.) and optimal species. Consider asking consultant to finalize draft DDF reforestation guidelines prepared so these can be referenced. (ii) Determine total areas needing planting (via satellite imagery, etc.) to map additional needs/ costs for reforestation in the long-run post-project. (iii) Improve survival rates via proper care.⁸⁴ (iv) Develop a sustainability model for post-project continuation of nurseries and reforestation. For example, consider selling high value species seedlings at cut rates to villagers in return for them planting additional seedlings in PA conservation forest. (v) Determine where excess reforestation costs (beyond 2.8 million Kip per ha) are going and eliminate inefficiencies.

Justification: Reforestation to date (all on already forested land) has not been that strategic. There is no clear indication in Ong Mang and surrounding areas of how much land needs planting; and site selection for planting to date has not used satellite imagery or other systematic means. Survival rates of planted seedlings are said to be relatively low. Currently, it appears nurseries and will not be sustainable post-project and DDF reforestation will not continue beyond project close. So far, costs have been much higher than the 2.8 million Kip per ha indicated.

Elaboration: As for DDF reforestation guidelines, a draft was prepared by the *Plantation Guidelines* consultant at the request of provincial and district leadership during the *Guidelines* kick-off meeting, but he was then asked by the project to take his assignment in a different direction per stricter adherence to the TOR, so did not finalize the draft. If considered useful (per i), this draft could be finalized.

Team: Component 2 FP, OM Director, APM, PAFO (FD, PAD), Guidelines Consultant (possibly), Finance Manager.

Recommendation 10 (or C2). Assess patrolling needs and prepare new patrolling plan. Assess relevance of patrolling work with regard to locations, frequency, etc. Consider both: (a) post-project sustainability of patrolling and (b) how to cover full targeted forest area of project, or at least all 4 PAs. Prepare new patrolling plan for rest of project and first few years post-project: (1) Analyze patrolling needs considering: (i) incidents that are occurring, (ii) core versus noncore areas, and (iii) forest area per village. (2) Optimize use of patrolling personnel. Reduce number of people that patrol together to reduce costs. (3) Analyze composition of total patrolling costs. Reduce other areas of excess spending. (4) Expand patrolling areas to include those in the 3 other target PAs and protection forest via financing

⁸³ After the MTR mission, a draft *Gender Analysis and Action Plan* was prepared. The draft has a lot of data, but no practical actions are yet listed. What is being recommended by the MTR Team is a much more practical approach in which the following question is answered and followed up on: How can we set up a system so that women are the main beneficiaries of livelihood work or at least represent a high proportion (e.g. 70%) of beneficiaries?

⁸⁴ While comprehensive data is not available and some planting is very recent, survival rates of just 60 to 70% have been indicated by stakeholders.

mechanisms (see Rec. B1). (5) Consider providing non-cash benefits to villagers in return for patrolling (such as access to conservation areas for sustainable harvesting of NTFPs.).

Justification: Project has spent USD 424,317 directly on patrolling and concurrent ecosystem monitoring in Ong Mang over three years. This level of spending is considered highly unsustainable. In fact, there is no clear source of funds for patrolling post-project. Reporting suggests incidents of illegal logging and hunting that patrollers catch in the act are not that common (e.g. once a year or less per village), while in-the-act NTFP collection incidents are somewhat more frequent. Given high expense of patrolling and paramount importance of protecting the endangered Eld's Deer, core areas (3,000 ha) of Eld's Deer habitat might be prioritized for patrolling. Amount of forest held by different villages varies greatly; and prioritization of patrolling areas might also consider this. As a key example, of 15 target villages for which the MTR Team has data and which are all carrying out patrolling, Padong Village in Thaphantong District accounted for 44 percent of conservation forest and 55 percent of total forest. Thus, patrolling in Padong might be prioritized. Findings suggest patrolling team sizes, with five to ten persons patrolling at a time together, are not cost effective. Experts suggest four to six persons are sufficient for overnight patrolling and two to three for day trips.

Elaboration: Given the level of incidents being detected, it is important to determine if there are other, more cost-effective ways to stop the remaining illegal hunting and logging, which appears limited, and reduce overharvesting of NTFPs. This may include substantially reduced patrolling combined with other measures. Based on financing work (Rec. 4), the project may wish to prepare realistic projections of funding that will be available for patrolling post-project and prepare its plan for rest of project and first few years post-project, accordingly. Patrolling team size should be reduced to four persons for overnight patrolling and two persons for daytime patrolling. Exchanging NTFP access or other benefits (such as planting NTFPs in the forest) for patrolling services could be a means to get the forest patrolling services despite lack of cash financing.

Team: Component 2 FP, OM Director, APM, PAFO (FD, PAD).

Recommendation 11 (or C3). Investigate viability and usefulness of designating HCVF areas outside of PAs to form corridors (swaths or “stepping stones”) between PAs. If deemed practical and useful, work to get these “corridor” HCVFs, which are outside of PAs, to be officially designated and protected sustainably. Consult with DOF and PAFO on this work, which may be combined with DSS work. If not viable or not useful, officially drop this activity.

Justification: ProDoc and project targets indicate inclusion of HCVF activities, but text provides conflicting information on whether these are within PAs or only outside of them. The ProDoc also emphasizes connectivity between PAs via swaths or “stepping stone” corridors. These are important tools in the landscape approach to sustainable forestry. Thus, the MTR Team suggests HCVF work (if pursued) should focus on HCVF areas outside of PAs that form forest corridors between PAs. Given the other challenges facing the project, the high level of challenge associated with creating these corridors and protecting them, and low capacity levels, project proponents and the project team should assess the viability of such work before proceeding.

Team: SVK Coordinator, APM, PM, PAFO (DG, etc.), DOF (DG, etc.).

D. Outcome 1 Results (Policy and Planning)

Recommendation 12 (or D1). Develop sub-activities to ensure that DSS, ISPs, SEAs, are used to prevent concessions in forest areas outside of PAs/ protection forests. If possible, ensure DSS training is periodic (every couple of months) and consider webinar training. Build ownership so that various provincial entities will contribute data. Conduct one-on-one outreach to relevant officials to ensure that DSS, ISPs, and SEAs are used. Take advantage of the window of opportunity of new socio-economic development plans (SEDPs) being prepared in the 5 project districts to get project ISP and SEA work incorporated in the SEDPs, given the ending of the last 5-year cycle (2014-2019).

Justification: Findings indicate the five ISPs and five SEAs prepared by the project are not being used, though the quality is said to be good. The DSS work is just getting started, but training planned is limited.
Team: SVK Coordinator, CTA, DSS Contractor, PAFO (FD, PAD), SVK DPI (DG).

Recommendation 13 (or D2). Facilitate further work on PA Decree to get financing of PAs incorporated into Decree.

Justification: Financing mechanisms to support post-project sustainability of SFM in PAs are urgently needed. Yet, for some such financing mechanisms to work, the legal structure must be put in place for PAs to be able to receive such financing. The project has already supported initial discussions on relevant revisions to the PA Decree. It is important to finish the job by getting the financing mechanism related amendments finalized, incorporated, and implemented.

Team: APM, CTA, PM, DOF (Legislative Division = LD).

E. Expenditures

Recommendation 14 (or E1). Put high priority on increasing cost effectiveness. Develop a clear view of how funds have been spent. Focus on problem areas. Prepare a “cost effectiveness action plan”:

(1) Develop a better tool to see where funds are going. This should separate out project team costs and costs not directly related to an activity but accounted for under it. (2) Reduce excessive per diem payments – (i) only one or two key persons should travel to villages to deliver training, (ii) if training outside of village, consider providing villagers transport and food directly, but not per diem. (3) Reduce layers in project – do not bring in additional parties with MOUs unless value add and cost effectiveness is clear. (4) Eliminate unrelated costs charged to the project, if any. (5) Prioritize cost effectiveness in (i) livelihoods (so that bulk of funds goes to villager capital costs); (ii) patrolling (reduce team size, optimize patrolling sites, identify waste, and consider non-cash deals for patrolling services with villagers, such as patrolling in return for NTFP collection permission or permission to plant NTFPs in forest); (iii) reforestation (identify waste, consider non-cash deals for villagers to plant trees, such as compensation with seedlings for their own land); (iv) workshops (hold low cost workshops by eliminating expensive travel packages, reimbursing actual travel cost only if at all, and including only relevant attendees).

Justification: Overall cost effectiveness and cost effectiveness in certain major activity areas seem low. As of Oct. 29, 2019 (at mid-term), project has spent USD 7,902,930 of GEF and UNDP funds, of which \$7,349,900 is GEF funds representing 68 percent of total GEF funds. If funds remaining at EPF or still remaining in PAFO’s bank account after transfer from EPF (and not owed for work already done) are taken into account, then perhaps about 59 percent of GEF funds have been spent in reality. Looking at the project overall, given what has been achieved so far and given what needs to be done to truly achieve sustainable outcomes and meet forest area targets, the spending to date seems far too high. Overspending on per diems (a sort of bonus to government workers who participate in various activities or to villagers who participate in training) appears to be the norm and may be a key area of excessive spending. As one example, many attending ranger training were those with no intention of ever patrolling. Workshop costs, with associated travelled rolled in, appear quite high and may also reflect this “bonus” approach.

Elaboration: Currently opaque expenditure information should be collated in such a way that content-oriented management persons (such as those from UNDP CO, DOF, and PAFO, as well as specifically the PM, M&E Officer, CTA, APM, SVK Coordinator, and OM Director) can assess whether costs are reasonable and how leakages/ serious inefficiencies are occurring. This new method of expenditure reporting should only show the true costs of an activity under the activity. And, the activity description should reflect the true nature of the activity as implemented. Salaries and vehicles can be listed as separate line items from the true activities, even if they are included in the same component. Special attention should be paid to per diems, workshop costs, possible expenditures on non-project costs, and whether MOUs and other contracts are reasonable in cost. UNDP, DOF, and PAFO should have direct discussions about problems discovered and how the project can become more cost efficient going forward.

Team: Finance Manager, M&E Officer, PM, CTA, APM, SVK Coordinator, OM Director, UNDP CO (PO/TL).

F. Implementation

Recommendation 15 (or F1). Move project staff closer to the action in Savannakhet, especially Ong Mang and the other 3 PAs, if this can be done without incurring additional costs. Establish clear process for considering recommendations from province in decisions made in Vientiane:

(1) Consider, during the upcoming critical period of implementation, assigning: (i) the Assistant Project Manager at least half time if not full time to Ong Mang or Savannakhet;⁸⁵ (ii) the Tourism Specialist and the Gender and Livelihoods Specialist full time in Ong Mang and (if the project extends its activities as recommended to its other PAs/Protected Areas) the other 3 PAs. Adjustments to postings of staff should be done in such a way that per diems and frequent back and forth travel costs are eliminated. (2) Establish formal system in which ideas/ suggestions for activities from the province (project team or PAFO) are documented. Responses from Vientiane project team and DOF should also be documented. This may be achieved by preparing a table with ideas in first column and responses in second column. The purpose is to ensure that good ideas from the province are fully considered based on their merit of contributing to the project objective and outcomes.

Justification: At present, the vast majority of project activities are taking place in Savannakhet Province and particularly in Ong Mang. Based on the results of MTR findings, it is suggested that work going forward should focus not only on Ong Mang, but also the other 3 target PAs/ protection forest and possibly some forest areas outside of them. The present structure of the project is quite layered, with three levels, though most of the work is in the field (PA level). Yet, final decisions are made on initiatives in Vientiane. The MTR team believes in some cases there has been good initiative at the provincial level, but ideas have not been allowed to move forward. This may be the case with regard to DDF reforestation strategy and with regard to promotion of PAs for ecotourism. As for DDF reforestation strategy, this work was requested of a consultant by PAFO and the districts, but discontinued due to direction from Vientiane, because it was incongruent with the MTR. Yet, the work on DDF reforestation methodology could be useful in terms of selecting priority planting sites, if indeed the work focused on this aspect. As for promotion of ecotourism, promotional materials, including drone videos, were prepared at the provincial level. They appear to be of acceptable, though not highest, quality. Yet, direction from Vientiane has not allowed the provincial team to move forward with use of some of these materials, despite the urgent need to promote the PAs for ecotourism. Apparently a decision has been made to wait for more professional materials, but these are slow in coming and so far have not been commissioned. (Note: It is not clear whether the use of the drone videos has been delayed due to direction from Vientiane or a desire to improve them.)

Team: Assigning staff to locations closer to where project activities are being carried out: UNDP CO (DRR/TL/PO), DOF (DG, PAD), and PAFO (DG). System for documenting ideas from the province and response from Vientiane: M&E Officer, CTA, APM, PAFO (FD, PAD), Ecotourism Specialist, Livelihood/ Gender Specialist, Component 2 FP, Component 3 FP, and OM Director.

⁸⁵ During the mission, the MTR team was told that the APM, CTA, and M&E Officer were each spending one week per month in Ong Mang or Savannakhet. During the comment period, the MTR team was told that the APM was already spending half time in Ong Mang or Savannakhet.

Annex 1. Mid-Term Review Interviews and Site Visits – Realized Schedule

Consultation Segments

Pre-Mission via Skype: October 21, 2019

Mission: October 28 – November 8, 2019

Post-mission in-person by national consultant: November 12 – 13, 2019

Post-Mission via Skype: November 19, 2019

Consultations

1. Pre-Mission (via Skype for International Consultant and in-person meeting for National Consultant)

Date	Name, Role, and Organization
Oct. 21, 2019	Project Team: Mr. Adam Starr, Technical Advisor; Mr. Phayvieng. Bernanrd

2. Mission in Laos: Oct. 28- Nov. 8, 2019

October 28 (Monday) Vientiane
1-1. Project Team: Mr. Adam Starr, Technical Advisor; Mr. Phayvieng Vong Khaheng, Assistant PM; Bernard Bett, M&E Officer.
1-2. National Project Director (NPD): Mr. Sangthong, Deputy Director General of the Department of Forests, Ministry of Agriculture and Forests
1-3. PM: Mr. Keokolakoth Chanthavisa, Deputy Head for Wildlife Management Division, DOF; and Alternate PM, Mr. Bumthang, also of DOF
1-4. Project Finance Officer: Mr. Thongchanh Bounthan
1-5. Assistant Project Manager: Mr. Phayvieng Vong Khaheng
October 29 (Tuesday) Vientiane
2-1. Forest Legislation Division, DOF: Mr. Saly Singsavanh (also, former PM to project)
2-2. Village Forestry and NTFPs Management Division, DOF: Dr. Oupakone Alounsavath, Director
2-3. Wildlife Conservation Association (WCA): Dr. Phaivanh (responsible for biodiversity and ecosystem survey for project) and John Parr, PA Expert, World Bank
2-4 UNDP CO: Ms. Ricarda Rieger, Resident Representative; Mr. Balasubramaniam Murali, Deputy Resident Representative; Ms. Souphalack Bounpadith, Monitoring and Evaluation Manager; Mr. Justin Shone, Team Leader, Natural Resources Management, Climate Change, DRR & UXO; Mr. Thome Xaisongkham, Programme Analyst, Natural Resources Management and Climate Change (with responsibility for SAFE Project); Mr. Adam Starr, Technical Advisor to SAFE Project
October 30 (Wednesday) Vientiane
3-1. Center of Development and Environment (CDE), University of Bern: Dr. Michael Epprecht
3-2. Environmental Protection Fund (EPF), MONRE: Ms. Bounphama Phothisane, Deputy Executive Director; Ms. Sengdean, Finance Manager, and one other team member
October 31 (Thursday) Vientiane
4-1. Project Monitoring and Evaluation Officer: Mr. Bernard Bett
4-2. Project Technical Specialist: Mr. Adam Starr
4-3. Palamay District DAFO: Mr. Banlang, District Coordinator and Deputy Head of Palamay DAFO
4-4. Phine District DAFO: Mr. Somleth Le Gounlamany, District Coordinator, and two teammates
November 1 (Friday) Savannaket Provincial Capital (early morning flight from Vientiane to Savannaket)

<p>5-1. DG PAFO and Project Steering Committee Chair:</p> <p>5-2. Project Provincial Coordinator, SVK PMU and Deputy Section Head for NTFPs, Division of Forestry, PAFO: Mr. Bounmanh</p> <p>5-3. DDG PONRE and Provincial PSC Member: Mr. Noukhan (responsible for land licensing)</p> <p>5-4. Savannakhet PONRE Environment Division: Mr. Oukham Phounprakone, Head of PONRE Environment Division and Hydrological Engineering Consultant</p> <p>5-5. Savannakhet NPA Division, PAFO: Mr. Savay, Division Chief</p> <p>5-6. Project Livelihoods Specialist, Savannakhet PMU: Mr. Sisavanh Vongkatangnou</p>
<p>November 2 (Saturday) Ong Mang Center and Sananxay Village, both in Xonaboulry District</p> <p>6-1. Ong Mang Center Director and Xonaboulry District Coordinator, Mr. Khamphai</p> <p>6-2. Sananxay Village Member of VDC Responsible for Admin</p> <p>6-3. Sananxay Village Women: 5 Women with following roles related to project: (1) will be a cook for tourists; (2) chicken raising; (3) husband does patrolling; (4) sewing team member; (5) VDC Finance Officer</p> <p>6-4. Sananxay Village Chief</p> <p>6-5. Sananxay Village Conservation Head</p> <p>6-6. Sananxay Village Site Visit: Fish Pond, Nursery, Vegetable Garden</p> <p>6-7. Ong Mang Center Vice Director, Mr Vannalith (responsible for Component 3)</p>
<p>November 3 (Sunday) Ong Mang Center, Tangvainam Village, Songhong Village – all in Xonaboulry District (evening drive to Songkhone District Seat)</p> <p>7-1. Site Visits nearby to Ong Mang Center (reservoir/ fish pond, DDF nursery, and livelihoods demonstration area) and Site Visit to a Ranger Sub-Station on the way to Tangvainam Village</p> <p>7-2. Tangvainam Village Leadership: Two leaders (both men): (1) Village Chief and VDC Head; (2) Village Deputy Chief and Conservation Team Lead</p> <p>7-3. Tangvainam Village Women: Two women: (1) Member of VDC responsible for finance and member of VCT involved in patrolling; (2) VCT member involved in patrolling</p> <p>7-4. Tangvainam Village Rangers: Casual conversations with three men</p> <p>7-5. Songhong Village Leadership: Two men: (1) Village Chief; (2) Village Conservation Team Lead</p> <p>7-6. Songhong Village Women: Two women who have no special role, but know about project. An additional two other women joined halfway through.</p> <p>7-7. Songhong Village Group Conversation on Community Hall Porch: Villagers and Savannakhet Project Team, especially Savannakhet Project Coordinator who has official position related to NTFPs</p>
<p>November 4 (Monday) Songkhone District Seat and Nathang Village, Songkhone (evening drive to Thaphantong District Seat)</p> <p>8-1. Mr. Khanye, Songkhone District Coordinator for SAFE Project and Deputy Director of Songkhone District Agriculture Forestry Office (“DAFO”) responsible for agriculture (<i>included tree nursery visit</i>)</p> <p>8-2. Nathang Village, Songkhone District: Two leaders (both men): (1) Village Chief. (2) Village Deputy Chief and Conservation Team Lead</p> <p>8-3. Nathang Village, Songkhon District: Four women: (1) village vet trainee, (2) village security officer, (3) member of weaving group, (4) sewing trainee (<i>followed by visit to household loom</i>)</p>
<p>November 5 (Tuesday) Thaphantong District Seat and Nathaman Village, Thaphantong (evening drive back to Savannakhet Provincial Capital)</p> <p>9-1. Mr. Bounthai Xaiyarlath, Thaphanthong District Coordinator for SAFE Project and Deputy Director of Thaphanthong District Agriculture and Forestry Office (“DAFO”)</p> <p>9-2. Nathaman Village, Thaphantong: Four leaders (all men): (1) Village Head and Chair of VDC, also gives advice to VCT; (2) VCT Member, Deputy Village Head, Deputy Head of VDC; (3) Deputy Village Head, Deputy Head of VDC in charge of finance, VCT Member (“Ranger”); (4) Deputy Village Head, Head of VCT, Deputy Head of VDC.</p> <p>9-3. Nathaman Village, Thaphantong: Six village women: (1) Woman who leads Lao Women’s Union for village, also doing village vet work; (2) another woman who leads Lao Women’s Union for village;</p>

<p>(3) woman who is doing sewing training; (4) woman who will be doing sewing training; (5) woman who did tree planting; (6) who collected seeds of high value trees and sold to nursery and whose son did tree planting.</p> <p>9-4. Mr. Phayvieng Vongkhamheng, Assistant PM, SAFE Ecosystems Project (<i>en route from Nathaman to Savannakhet</i>)</p>
<p>November 6 (Wednesday) Savannakhet Provincial Capital (<i>evening flight from Savannakhet to Vientiane</i>)</p>
<p>10-1. Mr. Kaisey Vongphoumy, Ecotourism Specialist, Savannakhet PMU, MAF-UNDP-GEF SAFE Ecosystems Project</p> <p>10-2. Mr. Siha, Ecotourism Advisor to Savannakhet PMU, UNDP-GEF SAFE Ecosystems Project, and former Vice Director of Savannakhet ICT Office</p> <p>10-3. Ms. Vathsana Athkaath, Savannakhet, Savannakhet PAO Division of Forests Staff Person Responsible for Livelihoods and Tourism in the SAFE Ecosystems Project, Savannakhet PMU</p> <p>10-4. Mr. Khamkhoun Khounbolin, WWF Laos, responsible for training to communities in Phou Sang He on Community-Elephant Conflict Resolution</p>
<p>November 7 (Thursday) Vientiane</p>
<p>11-1. Mr. Sousath Sayakoummane, Director General of Department of Forestry, MAF</p> <p>11-2. Mr. Souklaty Sysaneth, Consultant on Rural Development (based in Berlin), responsible for project Handicraft Survey and for project Guidelines for Plantations</p> <p>11-3. Ms. Buakhai Phimmavong, Managing Partner and Consultant, Enterprise & Development Consultants Co., Ltd. (EDC), organization that carried out Training/ Capacity Building in Financial Management and Project Management for project's 16 villages</p> <p>11-4. UNDP CO: Ms. Ricarda Rieger, Resident Representative; Mr. Balasubramaniam Murali, Deputy Resident Representative; Ms. Souphalack Bounpadith, Monitoring and Evaluation Manager; Mr. Justin Shone, Team Leader, Natural Resources Management, Climate Change, DRR & UXO; Mr. Thome Xaisongkham, Programme Analyst; Natural Resources Management and Climate Change (with responsibility for SAFE Project), Mr. Adam Starr, Technical Advisor to SAFE Project;</p>
<p>November 8 (Friday) Vientiane</p>
<p>12-1. UNDP CO: UNDP CO: Mr. Balasubramaniam Murali, Deputy Resident Representative; Mr. Thome Xaisongkham, Programme Analyst, Natural Resources Management and Climate Change (with responsibility for SAFE Project); Mr. Adam Starr, Technical Advisor to SAFE Project; Mr. Bernard Bett, Monitoring and Evaluation Officer, SAFE Project</p> <p>12-2. MTR Debrief with Department of Forests and UNDP CO: Led by Mr. Sousath Sayakoummane, Director General of Department of Forestry, MAF; and Mr. Balasubramaniam Murali, Deputy Resident Representative, UNDP CO. Also, in attendance: Mr. Justin Shone, Team Leader, Natural Resources Management, Climate Change, DRR & UXO, UNDP CO; other representatives of Department of Forests; and representatives of project team.</p>

3. Post-Mission

Date	Name, Role, and Organization
Nov. 12, 2019	International Organization Division, Department of International Cooperation, Ministry of Planning and Investment (MPI): Mr. Morakot Vongxay, Head of International Organizations Division (<i>in-person meeting, National Consultant only</i>)
Nov. 13, 2019	Savannakhet Provincial Department of Planning and Investment (DPI): Mr. Valiya Sichanthongthip, Director General (<i>in-person meeting, National Consultant only</i>)
Nov. 19, 2019	UNDP-GEF Regional Technical Advisor: Ms. Lisa Farroway (<i>via Skype</i>)

Annex 2. Master Interview Guide

I. Big Picture

1. What do you see as the most important / most impactful achievements of the project so far?
2. What do you think the project should focus on going forward?
3. What do you see as the greatest challenges or shortcomings of the project?
4. Is the project relevant/ needed vis-à-vis the situation in Laos? Are other projects already doing what this project aims to do? Is the project innovative and doing things that would not happen without the project?

II. Component 1: Policy and Plans (see also detailed question list in section above for Component 1)

Please discuss the following if you know about them and/or are involved with them. What has happened and what is the status? Is it due to the project? What are their impact? How are they different than what's come before? Are they being used? What can be done to get them to be used and impact SLM/ SLFM and PA management?

1. ISPs and SEAs (and eventually zoning)
2. Info management system/ decision support system
3. District multi-sector coordinating bodies
4. Responsible provincial business forum
5. Policy and regulatory items
 - a. SEA decree and ISP regulations
 - b. Resolving jurisdictional issue: merger of two departments
 - c. Increasing Inspecting of Logging/ Wood Transport - May 2016
 - d. Wildlife Trade – May 2018
 - e. Regulations and PA financing
 - f. Regulations on PA functioning
6. Technical guidance on plantation forestry and agriculture in dry dipterocarp region.
7. Savannakhet Ecotourism Strategic Plan
8. 16 village forest management plans that have been completed? Will they be used?
9. HCVF defined and incorporated into policy/ plans

III. Component 2: SFM and PA Expansion in five districts (Please see also detailed question list in section above for Component 2)

Please discuss the following if you know about them and/or are involved with them. What has happened and what is the status? Is it due to the project? What are their impact? How are they different than what's come before? Are they being used? What can be done to get them to be used and impact SLM/ SLFM and PA management?

1. New protected area
2. HCVF
3. Forest restoration work
4. Community land certificates (16)
5. Village forestry management plans (16)
6. Village conservation teams
7. Community Halls
8. Biodiversity measurement system
9. Animal population surveys
10. Water quality maintenance work (monitoring, etc.)
11. PA plans (3)
12. Eld's deer display
13. Ong Mang Eco-Center

14. Outreach materials on illegal wildlife trade
15. Boundary signs in Se Ta Noun-Phounak Protection Forest

IV. Component 3: Incentives and Sustainable Financing for Biodiversity Conservation and Forest Protection (Please see also detailed question list in section above for Component 2)

Please discuss the following if you know about them and/or are involved with them. What has happened and what is the status? Is it due to the project? What are their impact? How are they different than what's come before? Are they being used? What can be done to get them to be used and impact SLM/ SLFM and PA management?

1. Ecotourism projects
2. Involving private sector in investing in SLFM and PA management
3. Increasing government funding – Environmental Protection Fund project of \$650,000 2017-2020
4. Community conservation agreements (16)
5. Development of financing mechanism

V. Key Indicators Please comment on indicators involved, status, progress, challenges

1. LD-PMAT
2. METTs
3. Capacity Scorecard
4. New protected areas gazette
5. New or existing protection forest designated as HCVF
6. Forestland restored

VI. Design: Please discuss project design: Has it been appropriate? Are there needs for changes in activities/ outputs/ and/or indicators? What's good about the design? What doesn't fit? Lessons learned?

VII. Implementation: Please discuss successes and challenges with regard to:

1. Project Team
2. Implementing Partner (IP)
3. Project Board
4. UNDP's role

VIII. Cost effectiveness

1. Which activities have been a good value for the money and why?
2. Which activities were not a good value for the money and why?
3. Is there a way to get the cost down, such as for restoration?
4. How has co-financing been?

IX. Other topics

1. Sustainability of results: Please discuss whether key results will be sustainable. What needs to be done to make them so?
2. M&E: Has M&E processes been useful or more a bureaucratic drain? How can they be more useful?
3. Stakeholder engagement
 - a. Who are the key stakeholders?
 - b. How involved are they?
 - c. What needs to be done if anything to increase stakeholder engagement
4. Gender
 - a. How are women being engaged in project implementation?
 - b. How is it being ensured women benefit from livelihoods and ecotourism work?

X. Closing and the future of the project

1. What are your biggest suggestions for improving this project and making sure it has an impact on the ground (on improving the forests and land and PAs)?
2. What are the biggest issues to address?
3. What questions should we have asked that we didn't or what else would you like to say?

Annex 3. Documents Reviewed

The documents reviewed for the MTR are listed below, organized into eight groups based on source and, in some cases, time that they were provided.

1. Documents Found Online

1. PIF
2. ProDoc
3. CER
4. GEF Review Comments
5. STAP Review Comments

2. Documents Provided by PMU before and during Mission

1. PIRs (2017, 2018, and 2019)
2. Annex 2 of ProDoc
3. Progress Reports: 2019 Q3, 2019 Q2, 2019 Q1, 2018 Q4, 2016 Q4
4. Annual Work Plans: 2016, 2017, 2018, 2019
5. Conservation Contract Template and Annex 2
6. Tracking Tools: LD Tracking Tool, Capacity Scorecard, and Review of METT Scores for 4 PAs as prepared by consultant preparing PA management plans.

3. Documents Provided by UNDP M&E Officer

1. ProDoc Annex 3 – SESP
2. Project Inception Report
3. 2017 Quarterly Progress Reports (all 4), 2018 Q1 Quarterly Progress Report
4. Audit Reports (2017 and 2018)
5. various oversight mission reports (12 in total)
6. NIM SOPs
7. UNDP Country Program Document (Laos 2017-2021)
8. PSC Meeting Minutes: 2017 and 2018
9. Monthly Meeting Minutes (6 from 2017 and 4 from 2018)
10. Diagram of SAFE Project Implementation Structure
11. MOU with EPF
12. CDRs for 2016, 2017, 2018, and 2019 (to date) – outcome-wise

4. Documents Provided after Mission by Technical Specialist

1. WWF Patrolling Capacity Building documents (two instructor's guides, two reports, and curriculum for PA managers)
2. PA Management Plans (4 in total) and Preliminary Analysis Report
3. DSS Work: TOR, Budget, Report on DSS Inception Workshop, Info on Previous Work in Laos by CDE

5. Documents Provided after Mission by Project M&E Officer

1. Biodiversity Survey (for Ecotourism) by WCA and Biodiversity Assessment by WCA
2. Stakeholder Capacity Assessment Report; Capacity Building Strategy Report
3. Reports on District Stakeholder Committee Meetings in Each of Five Districts (2017)
4. Information on Provincial Forum
5. Ong Mang Management Plan and Ong Mang Development Strategy
6. Svannakhet Tourism Plan
7. Materials on Financial and Project Management Training for Villagers

8. Report on Flooding
9. Strategy and Reporting on Human-Elephant Conflict Resolution Work
10. ISPs (one for each of 5 districts)
11. New Forestry Law (2019) and Protected Area Decree
12. Selected Patrolling Reports and Training Materials on Using Related SMART and GIS Software
13. SEAs (one for each of 5 districts)
14. Sustainable Plantation Forestry and Agriculture Guidelines
15. Village Forest Management Plans (16 – one for each target village)

6. Documents Provided after Mission by Gender and Livelihoods Specialist

1. Documents on Baseline and Livelihood Strategy
2. Handicraft Assessment Report
3. Report on Agriculture
4. Marketing Survey
5. Report on Demonstration Activities

7. Interviewee Provided Documents

1. Hydrological Data Collection and Water Quality Monitoring

8. Documents Provided after Review of Draft Report by UNDP CO/ Project Team

1. TORs of newly hired consultants
2. Additional PSC notes, additional “Monthly Meeting” notes, and Quarterly Meeting notes
3. Reports from legal consultancy
4. MONRE co-Financing letter
5. Conservation Agreement Guidelines
6. NIM SOP Manual
7. Draft General Analysis Report
8. Project 2019 Financial Presentation

Annex 4. Proposed Revised Project Results Framework

New Version of Project Results Framework with Core Indicators and Outcome Indicators

Notes: For objective indicators, the GEF Core Indicator number is indicated by “(GEF Core Indicator x.x)”. Objective indicators in the PRF are typically a maximum of four. Thus, while six Core Indicators apply, we have used only three of the most applicable.⁸⁶

Strategy	Indicator	Baseline	Target	Value at time of MTR
Objective: To facilitate a transformative shift towards sustainable land and forest management in the forested landscape of Savannakhet Province in order to secure the critical wildlife habitats, conserve biodiversity and maintain a continuous flow of multiple services including quality water provision and flood prevention.	Terrestrial protected areas newly created (ha) (GEF Core Indicator 1.1). ⁸⁷	0 ha	168,914 ha ⁸⁸	0 (on track to achieve 130,745 ha)
	As evidenced by improvement in management effectiveness from baseline to target value (METT score) of Ong Mang PA	46	74	61
	Terrestrial protected areas under improved management effectiveness (GEF Core Indicator 1.2)	0 ha	414,758 ha ⁸⁹	0 ha (not on track as project has done little in these other PAs)
	As evidenced by improvement in management effectiveness from baseline to target value (METT score) of			
	-Dong Phou Vieng PA (197,000 ha) -Phou Xang He PA (109,900 ha) -Se Ta Nouan Protection Forest (107,858) <i>Should this be CI 4 instead?</i>	30 35 20	65 65 60	34 40 26

⁸⁶ The fourth that seems applicable is GEF Core Indicator 3.2 “Area of forest and forestland restored.” Yet, in the case of this project, the restoration is not on bare land, but land in the expected newly created Ong Mang National Protected Area indicated in the first indicator. Thus, to avoid overlap in the area of the different objective indicators of the PRF (Core Indicators do not allow overlap), Core Indicator 3.2 is not included in the PRF. Another reason for eliminating it is that it is more “output” like than the other objective indicators here, because it is simply associated with a single activity, rather than more broadly associated with multiple activities like the remaining objective indicators.

⁸⁷ Since Ong Mang is already a PA at provincial level, it might be included in Core Indicator 1.2, instead of 1.1.

⁸⁸ This is about 300 ha more than the target we see in the ProDoc Annex 2 (168,614 ha). It is arrived at by subtracting the areas of the other three PAs from the total target area for improved METT scores in the original PRF.

⁸⁹ Sum of areas of Dong Phou Vieng, Phou Xang He, and Se Ta Nouan. However, the team needs to discuss whether Se Ta Nouan’s area should be included here or somewhere under Core Indicator 4, as it is not a protected area (PA), but a “protection forest.”

	<p>GEF Core Indicator 4.4: Area of High Conservation Value Forest (HCVF) loss avoided.</p> <p>or</p> <p>GEF Core Indicator 4.3 Area of [forest] landscapes under sustainable land management in production systems</p> <p>Notes: (1) Need to discuss whether this is GEF Core Indicator 4.3 or 4.4 or PA area. This figure is computed based on the original objective indicator 1 as reported in LDPMAT, Part I for forest land outside of protected areas and protection forest.(2) Some or all of this area may actually be in PAs not prioritized by project. So, the team may need to take that part out and add in an additional line in the second indicator row, which is focused on PAs.</p>	0 ha	297,288 ha ⁹⁰ forest land	0 ha (no project activities substantially impacting this area)
Outcome 1: Enabling policy environment and increased compliance and enforcement capacities for sustainable land and forest management across landscapes including protected areas	Number of project supported plans, policies, and tools for which there is evidence of real use/ implementation that affects land use or land management decisions, such as preventing a planned conversion of forest (one point for each of five integrated spatial plans utilized max 5 points; one point for utilization of <i>Technical Guidelines for Plantations and Agriculture in Dry Dipterocarp Areas</i> ; one point for each verified use by policy makers for separate decisions of project's decision support system, DSS, up to maximum of 5 points; one point for each case in which new HCVF classification changed use of forest up to maximum of 5 points)	0	10	0 (plans and guidelines developed but not utilized)
Outcome 2: Sustainable Forest Management and Protected Area Expansion in five priority Districts of Savannakhet Province	<p>Improvements in biodiversity:</p> <ul style="list-style-type: none"> • Increase in Biodiversity Intactness Index for Dry Forests across DDF areas of Savannakhet Province • Populations of species with IUCN Endangered Status, each in one or more of project's four protected areas <ul style="list-style-type: none"> ○ Eld's Deer (<i>Panolia eldii</i>) 	<p>???</p> <p>60-80</p>	<p>??</p> <p>96-128</p>	

⁹⁰ This first figure in the target cell is based on the original improved SFM indicator of 698,746 ha in the PRF. Based on discussion with the project team, the MTR team assumes that the 698,746 ha refers to the total forest area in the 5 target districts. We then subtract from 698,746 ha that part of the 4 PAs that are within the 5 target districts (based on Annex 2 of ProDoc). The result is 297,288 ha, which is entered in the cell. We believe, however, that some, if not all, of this 297,288 ha of forest land may be other PAs (aside from the four on which the project focuses) rather than production forest, so is important for the project team to get clarity on this issue. If that's the case, such area would fit better as an additional sub-indicator in the second indicator row of this table.

	<ul style="list-style-type: none"> ○ Silver Leaf Monkey (<i>Trachypithecus cristatus</i>) ○ Asian Elephant (<i>Elephas maximus</i>) ○ Francois' Langur (<i>Trachypithecus francoisi</i>) ○ Siamese Crocodile (<i>Crocodylus siamensis</i>) 	70-100 32 ?? 12	83-118 36 ?? 12 (stable)	
	<p>Improvements in ecosystem services:</p> <ul style="list-style-type: none"> ● Stabilization of water quantity in downstream area of Xe Bangxiang River <ul style="list-style-type: none"> ○ Baseflows (dry season) ○ # of flooding events ● Reduction in soil run-off <ul style="list-style-type: none"> ○ Siltation index 	?? ?? ??	?? ?? ??	
	<p>Number of villages with mechanism in place to continue patrolling or carrying out other similar preventive measures after project close</p> <ul style="list-style-type: none"> ● Villages in Ong Mang ● Villages in Dong Phou Vieng ● Villages in Phou Xang He ● Villages in Se Ta Nouan 	0 0 0 0	32 15 15 15	0 0 0 0
Outcome 3: Developing and Promoting Incentives and Sustainable Financing for Biodiversity Conservation and Forest Protection	No of households with income increased by 25% due to project livelihood activities and/or project ecotourism activities and/or payments for patrolling and other conservation services (no of cases for which the income increase is due to livelihood activities carried out by women)	0 (0)	5,000 (3,500)	0 (0)
	Increased amount of income/ budget going annually to four project PAs from ecotourism, government budget, required transfers from business/ Environmental Protection fund, or donors linked up to PAs via project (USD)	0	\$400,000	0
	Number of project designated PAs/ protection forest able to sustainably (i.e. extending to post-project period) increase patrolling by 100% (as compared to baseline) due to sustainable source of non-project funding AND/OR able to sustainably implement project designed management plans (at least 75% of designated budget) due to sustainable sources of non-project funding	0	3	0

Annex 5: Ratings Scale

Below, this annex provides definitions for the rating scales used in the “MTR Ratings and Achievement Summary Table for SAFE Ecosystems Project” found in the Executive Summary and in Exhibit 8, the Progress towards Results Matrix, found in the main body of the text in Section 4. The rating scales are based on guidance for MTRs of UNDP-GEF projects.

Rating Scales taken from *Guidance for Conducting Mid-Term Review of UNDP-Supported, GEF-Financed Projects*

Progress towards results rating scale:

Highly Satisfactory (HS): The objective/outcome is expected to achieve or exceed all its end-of-project targets, without major shortcomings. The progress towards the objective/outcome can be presented as “good practice.”

Satisfactory (S): The objective/outcome is expected to achieve most of its end-of-project targets, with only minor shortcomings.

Moderately Satisfactory (MS): The objective/outcome is expected to achieve most of its end-of-project targets but with significant shortcomings.

Moderately Unsatisfactory (MU): The objective/outcome is expected to achieve its end-of-project targets with major shortcomings.

Unsatisfactory (U): The objective/outcome is expected not to achieve most of its end-of-project targets.

Highly Unsatisfactory (HU): The objective/outcome has failed to achieve its midterm targets, and is not expected to achieve any of its end-of-project targets.

Project implementation and adaptive management rating scale:

Highly Satisfactory (HS): Implementation of all seven components – (1) management arrangements, (2) work planning, (3) finance and co-finance, (4) project-level monitoring and evaluation systems, (5) stakeholder engagement, (6) reporting, and (7) communications – is leading to efficient and effective project implementation and adaptive management. The project can be presented as “good practice.”

Satisfactory (S): Implementation of most of the seven components is leading to efficient and effective project implementation and adaptive management except for only few that are subject to remedial action.

Moderately Satisfactory (MS): Implementation of some of the seven components is leading to efficient and effective project implementation and adaptive management, with some components requiring remedial action.

Moderately Unsatisfactory (MU): Implementation of some of the seven components is not leading to efficient and effective project implementation and adaptive management, with most components requiring remedial action.

Unsatisfactory (U): Implementation of most of the seven components is not leading to efficient and effective project implementation and adaptive management.

Highly Unsatisfactory (HU): Implementation of none of the seven components is leading to efficient and effective project implementation and adaptive management.

Sustainability rating scale

Likely (L): Negligible risks to sustainability, with key outcomes on track to be achieved by the project’s closure and expected to continue into the foreseeable future

Moderately Likely (ML): Moderate risks, but expectations that at least some outcomes will be sustained due to the progress towards results on outcomes at the Midterm Review

Moderately Unlikely (MU): Significant risk that key outcomes will not carry on after project closure, although some outputs and activities should carry on

Unlikely (U): Severe risks that project outcomes as well as key outputs will not be sustained.

Annex 6. Evaluation Consultant Agreement Form

UNEG Code of Conduct for Evaluators/ Midterm Review Consultants

Evaluators/Consultants:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study limitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

International MTR Consultant Agreement Form

Agreement to abide by the Code of Conduct for Evaluation in the UN System:

Name of Consultant: Eugenia Katsigris

I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.

Signed at Dallas, Texas, USA (Place) on January 14, 2020 (Date)

Signature: Eugenia Katsigris (electronic signature)

National MTR Consultant Agreement Form

Agreement to abide by the Code of Conduct for Evaluation in the UN System:

Name of Consultant: Latsany Phakdisoth

I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.

Signed at Vientiane, Lao PDR (Place) on January 14, 2020 (Date)

Signature: Latsany Phakdisoth (electronic signature)

Annex 7. MTR TOR

(excluding ToR Annexes)

UNDP-GEF Midterm Review Terms of Reference

Standard Template 1: Formatted for attachment to UNDP Procurement Website

1. INTRODUCTION

This is the Terms of Reference (ToR) for the UNDP-GEF Midterm Review (MTR) of the full-sized project entitled *Sustainable Forestry and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR* (referred to as the *SAFE Ecosystems Project*) (PIMS#5448) implemented through the Department of Forestry, Ministry of Agriculture and Forestry, which is to be undertaken in 2019. The project started on the May 20, 2016 and is in its third year of implementation. In line with the UNDP-GEF Guidance on MTRs, this MTR process was initiated before the submission of the third Project Implementation Report (PIR). This ToR sets out the expectations for this MTR. The MTR process must follow the guidance outlined in the document *Guidance for Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* (http://web.undp.org/evaluation/documents/guidance/GEF/mid-term/Guidance_Midterm%20Review%20_EN_2014.pdf).

2. PROJECT BACKGROUND INFORMATION

The Dry Dipterocarp Forest (DDF) ecosystems located in Savannakhet Province are recognized as being globally important (as part of the Central Indochina Dry Forests ecoregion identified in Global 200 WWF Ecoregions and as habitat for a number of globally significant and threatened species) and nationally important for their provision of numerous ecosystem services (water supply; sustainable timber and Non-Timber Forests Products; carbon sequestration; etc.) that benefit the people of Lao PDR. In recent decades, DDF ecosystems and the species within them have come under increasing threat from large-scale conversion of forest, degradation of forest ecosystem services, and species loss. In Laos, which retains a large proportion of the remaining Dry Dipterocarp Forests in the region, the demand for cash-crops is propelling forest conversion, while unsustainable logging, over hunting, over harvesting of non-timber forest products and burning to provide fresh growth for livestock are all leading to habitat degradation.

Recognizing their global and national importance, the Government of Lao PDR (GoL) has prioritized the conservation and sustainable management of the Dry Dipterocarp Forests landscape of Savannakhet province. As a measure of the GoL's commitment to the DDF landscape, it has selected this area to be the site of the newest National Protected Area in the country, and as a demonstration site for testing the implementation of new national policies and processes related to Strategic Environmental Assessment, Integrated Spatial Planning, and High Conservation Value Forests. The GoL has also identified this landscape as suitable for the development and implementation of innovative financing mechanisms for sustainable forest management and PA management, as well as community participation in protected areas management, ecotourism programs, and livelihoods programs linked to conservation outcomes through formal Conservation Agreement mechanisms. The project is implemented through the Department of Forests (DOF) in the Ministry of Agriculture of Forestry (MAF), with implementation of activities through the Provincial Agriculture and Forestry Office (PAFO) of Savannakhet Province and the five District Agriculture and Forestry Offices (DAFOs) in the five target districts of Xonobouly, Songkhone, Thaphanthong, Phine and Palamay.

However, the GoL and other national stakeholders face significant barriers to achieving this goal, including inadequate legal, regulatory and institutional frameworks to support integrated and effective management of natural resources; limited experience among key government and civil society stakeholders in developing and implementing sustainable forestry management and biodiversity conservation practices on the ground; and insufficient mechanisms to compensate for land uses for conservation of biodiversity and ecosystem services. For this reason, the proposed project will seek to strengthen land and resource use planning capacities and procedures and the policies and regulations that govern them, while simultaneously expanding and strengthening the management of resources on the ground by government agencies, local communities and private sector actors, and also developing innovative financing mechanisms and programs (including ecotourism and livelihoods programs) that can ensure the sustainability of improved land use and resource management approaches.

To implement the proposed project, US\$10,879,174 was requested from the GEF Trust Fund from the Biodiversity and Land Degradation Focal Areas, and accessing the set-aside funds for Sustainable Forest Management. A matching amount of US\$78,993,100 has been confirmed as co-financing from various national and international sources, as parallel, in-kind and in-cash commitments.

3. OBJECTIVES OF THE MTR

The MTR will assess progress towards the achievement of the project objectives and outcomes as specified in the Project Document, and assess early signs of project success or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results. The MTR will also review the project's strategy, its risks to sustainability.

4. MTR APPROACH & METHODOLOGY

The MTR must provide evidence-based information that is credible, reliable and useful. The MTR team will review all relevant sources of information including documents prepared during the preparation phase (i.e. PIF, UNDP Initiation Plan, UNDP Environmental & Social Safeguard Policy, the Project Document, project reports including Annual Project Review/PIRs, project budget revisions, lesson learned reports, national strategic and legal documents, and any other materials that the team considers useful for this evidence-based review). The MTR team will review the baseline GEF focal area Tracking Tool submitted to the GEF at CEO endorsement, and the midterm GEF focal area Tracking Tool that must be completed before the MTR field mission begins.

The MTR team is expected to follow a collaborative and participatory approach⁹¹ ensuring close engagement with the Project Team, government counterparts (the GEF Operational Focal Point), the UNDP Country Office(s), UNDP-GEF Regional Technical Advisers, and other key stakeholders.

¹ For ideas on innovative and participatory Monitoring and Evaluation strategies and techniques, see UNDP Discussion Paper: *Innovations in Monitoring & Evaluating Results*, 05 Nov 2013.

Engagement of stakeholders is vital to a successful MTR.⁹² Stakeholder involvement should include interviews with stakeholders who have project responsibilities, including but not limited to:

- Implementing Partner – Department of Forests in MAF
- Chair of the National Project Board

⁹¹ For ideas on innovative and participatory Monitoring and Evaluation strategies and techniques, see UNDP Discussion Paper: *Innovations in Monitoring & Evaluating Results*, 05 Nov 2013.

⁹² For more stakeholder engagement in the M&E process, see the *UNDP Handbook on Planning, Monitoring and Evaluating for Development Results*, Chapter 3, pg. 93.

- The National Project Director (NPD)
- Project Manager (PM)
- Assistant Project Manager (APM)
- Project Staff in Vientiane Capital
- Chair of the Provincial Project Board
- Staff of PAFO and DAFO
- Communities in the five target districts
- National Consultants
- International Consultants
- Co-financiers
- UNDP staff who have project responsibilities

Additionally, the MTR team is expected to conduct field missions to one or more of the five target districts in Savannakhet Province), including the following project sites Ong Mang Sanctuary, Ong Mang Eoc-tourism Centre, Dong Phouvieng Protected Area, DAFO and PAFO offices, facilities constructed, and other sites to be recommended.

The final MTR report should describe the full MTR approach taken and the rationale for the approach making explicit the underlying assumptions, challenges, strengths and weaknesses about the methods and approach of the review.

5. DETAILED SCOPE OF THE MTR

The MTR team will assess the following four categories of project progress. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for extended descriptions.

i. Project Strategy

Project design:

- Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions or changes to the context to achieving the project results as outlined in the Project Document.
- Review the relevance of the project strategy and assess whether it provides the most effective route towards expected/intended results. Were lessons from other relevant projects properly incorporated into the project design?
- Review how the project addresses country priorities. Review country ownership. Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)?
- Review decision-making processes: were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?
- Review the extent to which relevant gender issues were raised in the project design. See Annex 9 of *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for further guidelines.
- If there are major areas of concern, recommend areas for improvement.

Results Framework/Logframe:

- Undertake a critical analysis of the project's logframe indicators and targets, assess how "SMART" the midterm and end-of-project targets are (Specific, Measurable, Attainable, Relevant, Time-bound), and suggest specific amendments/revisions to the targets and indicators as necessary.
- Are the project's objectives and outcomes or components clear, practical, and feasible within its time frame?
- Examine if progress so far has led to, or could in the future catalyse beneficial development effects (i.e. income generation, gender equality and women's empowerment, improved governance etc...) that should be included in the project results framework and monitored on an annual basis.
- Ensure broader development and gender aspects of the project are being monitored effectively. Develop and recommend SMART 'development' indicators, including sex-disaggregated indicators and indicators that capture development benefits.

ii. Progress Towards Results

Progress Towards Outcomes Analysis:

- Review the logframe indicators against progress made towards the end-of-project targets using the Progress Towards Results Matrix and following the Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects; color code progress in a "traffic light system" based on the level of progress achieved; assign a rating on progress for each outcome; make recommendations from the areas marked as "Not on target to be achieved" (red).

Table. Progress Towards Results Matrix (Achievement of outcomes against End-of-project Targets)

Project Strategy	Indicator ⁹³	Baseline Level ⁹⁴	Level in 1 st PIR (self-reported)	Midterm Target ⁹⁵	End-of-project Target	Midterm Level & Assessment	Achievement Rating ⁹⁷	Justification for Rating
Objective:	Indicator (if applicable):							
Outcome 1:	Indicator 1:							
	Indicator 2:							
Outcome 2:	Indicator 3:							
	Indicator 4:							
	Etc.							
Etc.								

Indicator Assessment Key

Green= Achieved	Yellow= On target to be	Red= Not on target to be
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In addition to the progress towards outcomes analysis:

- Compare and analyze the GEF Tracking Tools at the Baseline with the one completed right before the Midterm Review.
- Identify remaining barriers to achieving the project objective in the remainder of the project.
- By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.

⁹³ Populate with data from the Logframe and scorecards

⁹⁴ Populate with data from the Logframe and scorecards

⁹⁵ Populate with data from the Logframe and scorecards

⁹⁶ Color code this column only

⁹⁷ Use the 6 point Progress Towards Results Rating Scale: HS, S, MS, MU, U, HU

iii. Project Implementation and Adaptive Management

Management Arrangements:

- Review overall effectiveness of project management as outlined in the Project Document. Have changes been made and are they effective? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement.
- Review the quality of execution of the Executing Agency/Implementing Partner(s) and recommend areas for improvement.
- Review the quality of support provided by the GEF Partner Agency (UNDP) and recommend areas for improvement.

Work Planning:

- Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved.
- Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results?
- Examine the use of the project's results framework/ logframe as a management tool and review any changes made to it since project start.

Finance and co-finance:

- Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions.
- Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions.
- Does the project have the appropriate financial controls, including reporting and planning, that allow management to make informed decisions regarding the budget and allow for timely flow of funds?
- Informed by the co-financing monitoring table to be filled out, provide commentary on co-financing: is co-financing being used strategically to help the objectives of the project? Is the Project Team meeting with all co-financing partners regularly in order to align financing priorities and annual work plans?

Project-level Monitoring and Evaluation Systems:

- Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive?
- Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively?

Stakeholder Engagement:

- Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders?
- Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation?
- Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives?

Reporting:

- Assess how adaptive management changes have been reported by the project management and shared with the Project Board.
- Assess how well the Project Team and partners undertake and fulfil GEF reporting requirements (i.e. how have they addressed poorly-rated PIRs, if applicable?)
- Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.

Communications:

- Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results?
- Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?)
- For reporting purposes, write one half-page paragraph that summarizes the project's progress towards results in terms of contribution to sustainable development benefits, as well as global environmental benefits.

iv. Sustainability

- Validate whether the risks identified in the Project Document, Annual Project Review/PIRs and the ATLAS Risk Management Module are the most important and whether the risk ratings applied are appropriate and up to date. If not, explain why.
- In addition, assess the following risks to sustainability:

Financial risks to sustainability:

- What is the likelihood of financial and economic resources not being available once the GEF assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and other funding that will be adequate financial resources for sustaining project's outcomes)?

Socio-economic risks to sustainability:

- Are there any social or political risks that may jeopardize sustainability of project outcomes? What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project? Are lessons learned being documented by the Project Team on a continual basis and shared/ transferred to appropriate parties who could learn from the project and potentially replicate and/or scale it in the future?

Institutional Framework and Governance risks to sustainability:

- Do the legal frameworks, policies, governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required systems/ mechanisms for accountability, transparency, and technical knowledge transfer are in place.

Environmental risks to sustainability:

- Are there any environmental risks that may jeopardize sustenance of project outcomes?

Conclusions & Recommendations

The MTR team will include a section of the report setting out the MTR's evidence-based conclusions, in light of the findings.⁹⁸

Recommendations should be succinct suggestions for critical intervention that are specific, measurable, achievable, and relevant. A recommendation table should be put in the report's executive summary. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for guidance on a recommendation table.

The MTR team should make no more than 15 recommendations total.

Ratings

The MTR team will include its ratings of the project's results and brief descriptions of the associated achievements in a MTR Ratings & Achievement Summary Table in the Executive Summary of the MTR report. See Annex E for ratings scales. No rating on Project Strategy and no overall project rating is required.

Table. MTR Ratings & Achievement Summary Table for (Project Title)

Measure	MTR Rating	Achievement Description
Project Strategy	N/A	
Progress Towards Results	Objective Achievement Rating: (rate 6 pt. scale)	
	Outcome 1 Achievement Rating: (rate 6 pt. scale)	
	Outcome 2 Achievement Rating: (rate 6 pt. scale)	
	Outcome 3 Achievement Rating: (rate 6 pt. scale)	
	Etc.	
Project Implementation & Adaptive Management	(rate 6 pt. scale)	
Sustainability	(rate 4 pt. scale)	

6. TIMEFRAME

The total duration of the MTR will be approximately 16 weeks starting June 17, 2019, and shall not exceed five months from when the consultant(s) are hired. The tentative MTR timeframe is as follows:

TIMEFRAME	ACTIVITY
May 24, 2019	Application closes

⁹⁸ Alternatively, MTR conclusions may be integrated into the body of the report.

2 weeks after application closure	Select MTR Team
First week after contract signing	Prep the MTR Team (handover of Project Documents)
Within first two weeks of contract signing	Document review and preparing MTR Inception Report
Within first three weeks of contract signing	Finalization and Validation of MTR Inception Report- latest start of MTR mission
To start within fourth and fifth weeks of contract signing for 12 days in-country mission	MTR mission: stakeholder meetings, interviews, field visits
Day 10 or 11 of in-country mission	Mission wrap-up meeting & presentation of initial findings including concluding Stakeholder Workshop - earliest end of MTR mission
During weeks seven and eight after contract signing	Preparation and submission of draft report
During weeks eleven and twelve after contract signing	Incorporating audit trail from feedback on draft report/Finalization of MTR report (after allowing two-week review period by stakeholders)
During weeks thirteen and fourteen after contract signing	Preparation & Issue of Management Response
Week sixteen after contract signing	Expected date of full MTR completion

Options for site visits should be provided in the Inception Report.

7. MIDTERM REVIEW DELIVERABLES

#	Deliverable	Description	Timing	Responsibilities
1	MTR Inception Report	MTR team clarifies objectives and methods of Midterm Review	No later than 2 weeks after contract signing	MTR team submits to the Commissioning Unit and project management
2	Presentation	Initial Findings/Stakeholder Consultation	End of MTR mission	MTR Team presents to project management and the Commissioning Unit
3	Draft Final Report	Full report (using guidelines on content outlined in Annex B) with annexes	Within 3 weeks of the MTR mission	Sent to the Commissioning Unit, reviewed by RTA, Project Coordinating Unit, GEF OFP
4	Final Report*	Revised report with audit trail detailing how all received comments have (and have not) been addressed in the final MTR report	Within 1 week of receiving UNDP comments on draft	Sent to the Commissioning Unit

*The final MTR report must be in English. If applicable, the Commissioning Unit may choose to arrange for a translation of the report into a language more widely shared by national stakeholders.

8. MTR ARRANGEMENTS

The principal responsibility for managing this MTR resides with the Commissioning Unit. The Commissioning Unit for this project's MTR is (In the case of single-country projects, the Commissioning Unit is the UNDP Country Office. In the case of regional projects and jointly-implemented projects,

typically the principal responsibility for managing this MTR resides with the country or agency or regional coordination body – please confirm with the UNDP-GEF team in the region – that is receiving the larger proportion of GEF financing. For global projects, the Commissioning Unit can be the UNDP-GEF Directorate or the lead UNDP Country Office).

The commissioning unit will contract the consultants and ensure the timely provision of per diems and travel arrangements within the country for the MTR team. The Project Team will be responsible for liaising with the MTR team to provide all relevant documents, set up stakeholder interviews, and arrange field visits.

9. TEAM COMPOSITION

A team of two independent consultants will conduct the MTR - one team leader (with international experience and exposure to projects and evaluations in other regions globally) and one team expert, usually from the country of the project. The consultants cannot have participated in the project preparation, formulation, and/or implementation (including the writing of the Project Document) and should not have a conflict of interest with project's related activities.

The selection of consultants will be aimed at maximizing the overall “team” qualities in the following areas: *(give a weight to all these qualifications so applicants know what is the max amount of points they can earn for the technical evaluation)*

- Recent experience with result-based management evaluation methodologies; 10 points
- Experience applying SMART indicators and reconstructing or validating baseline scenarios; 5 points
- Competence in adaptive management, as applied to Biodiversity Conservation, Land Degradation and Sustainable Forest Management; 10 points
- Experience working with the GEF or GEF-evaluations; 10 points • Experience working in (South East Asia); 5 points
- Work experience in relevant technical areas for at least 10 years; 5 points
- Demonstrated understanding of issues related to gender and Biodiversity Conservation, Land Degradation and Sustainable Forest Management experience in gender sensitive evaluation and analysis. 5 points
- Excellent communication skills; 5 points
- Demonstrable analytical skills; 5 points • Project evaluation/review experiences within United Nations system will be considered an asset; 5 points
- A Master's degree in (Environmental Science, Forestry, Biodiversity Conservation, Sustainable Development), or other closely related field. 5 points

10. PAYMENT MODALITIES AND SPECIFICATIONS

10% of payment upon approval of the final MTR Inception Report
30% upon submission of the draft MTR report
60% upon finalization of the MTR report

Or, as otherwise agreed between the Commissioning Unit and the MTR team.

11. APPLICATION PROCESS⁹⁹

Recommended Presentation of Proposal:

- a) Letter of Confirmation of Interest and Availability using the template¹⁰ provided by UNDP;
- b) CV and a Personal History Form (P11 form¹¹);
- c) Brief description of approach to work/technical proposal of why the individual considers him/herself as the most suitable for the assignment, and a proposed methodology on how they will approach and complete the assignment; (max 1 page)
- d) Financial Proposal that indicates the all-inclusive fixed total contract price and all other travel related costs (such as flight ticket, per diem, etc), supported by a breakdown of costs, as per template attached to the Letter of Confirmation of Interest template. If an applicant is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the applicant must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

All application materials should be submitted to the e-mail address lao.procurementjob@undp.org indicating the following reference “Consultant for *Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR (SAFE Ecosystems Project Midterm Review)*” by midnight Bangkok Time, June 4, 2019. Incomplete applications will be excluded from further consideration.

Criteria for Evaluation of Proposal: Only those applications which are responsive and compliant will be evaluated. Offers will be evaluated according to the Combined Scoring method – where the educational background and experience on similar assignments will be weighted at 70% and the price proposal will weigh as 30% of the total scoring. The applicant receiving the Highest Combined Score that has also accepted UNDP’s General Terms and Conditions will be awarded the contract.

⁹⁹ Engagement of the consultants should be done in line with guidelines for hiring consultants in the POPP: <https://info.undp.org/global/popp/Pages/default.aspx>

Annex 8. Village Forest Land Areas by Category

Exhibit 8-1. Area of Forest in Each Village by Forest Type as Indicated in Project-Prepared Forest Management Plan

District	Village Name	Protected Zone (Ong-Mang) (ha)	Controlled Use Zone (Ong-Mang) (ha)	Village Production Forest (ha)	Village Protection Forest (ha)	Watershed Protection Forest (ha)	Riparian Protection Forest (ha)	Village Conservation Forest (ha)	Village Use Forest (ha)	Forest Restoration Area (ha)	Sacred Forest (ha)	Cemetery Forest (ha)	Sum of village forest area (ha)
Palanxay	Sanoun	1,305.07	729.47	1221.86					125.44	3		36.58	2,116.35
Palanxay	Nahu	802.22	456.02				49.4	25.32		20	7.97	3.18	561.89
Phin	Napack	231						180.38	101.12	8.97		11.8	302.27
Phin	Kae	313.66					142.1		188.79		177	4.77	12.66
Songkhone	Nathang	351.88		2063.15				77.99	211.93	8.41		2.82	2,364.30
Songkhone	Phaleng				370.31			283.62	152.21	36.89		8.47	851.50
Thaphanth.	Nathamam	1,303.92			1,140.03			66.00		14.1	6.68	8.82	1,235.63
Thaphanth.	Padong	5,213.94	3,901.02	15,443.97	2,410.90					434.13	30.42	13.28	22,233.72
Xonnabouly	Samamxay	1146.18			342.81	24.47		501.35	276.05	131.76	4.51	6.73	1,287.68
Xonnabouly	Dongnongkh	238.58	118.23					183.57			7.75	51.1	360.65
Xonnabouly	Tangvainam				168.23			156.79	724.54		14.16	12.32	1,076.04
Xonnabouly	Naxay			911.77			314.49	211.5	101.92		2.67		1,542.35
Xonnabouly	Nongsongho	241.09			38.31			70.69	672.46			21.18	1,043.73
Xonnabouly	Nongsim		1,231.05		223.51					9.69	101.4	2.5	1,568.13
Xonnabouly	Nasano	835.33		3325.99			81.64		149.73	19.62	13.62	8.41	3,599.01
Sum by forest types		11,982.9	6,435.79	22,966.74	4,655.79	24.47	587.63	1,686.52	2,031.7	686.57	366.2	170.78	40,655.91

Exhibit 8-2. Types of Activity for Each Category of Forest Land in the Village Management Plans

Village Forest Classification Type	NTFP collection	Village forest fire prevention measure needed	Survey of forest restoration areas is recommended	Natural regeneration encouraged	Supplementary planting encouraged	Tree planting is encouraged for poor families	Patrolling
Protected Zone (Ong-Mang)	No	Yes	Yes	Yes	Yes		Yes
Controlled Use Zone (Ong-Mang)	Village to work with district to develop management regulations	Yes	Yes	Yes	Yes		Yes
Village Production Forest	Village to work with district to develop management regulations	Yes	Yes	Yes	Yes		Yes
Village Protection Forest	yes, with specific regulation required, and must ensure sustainability	Yes	Yes	Yes	Yes		Yes
Watershed Protection Forest	yes, with specific regulation required, and must ensure sustainability	Yes	Yes	Yes	Yes		Yes
Riparian Protection Forest	yes, with specific regulation required, and must ensure sustainability	Yes	Yes	Yes	Yes		Yes
Village Conservation Forest	yes, with specific regulation required, and must ensure sustainability	Yes	Yes	Yes	Yes		Yes
Village Use Forest	yes, for self-use and income generation, but have to ensure sustainability	Yes	Yes			Yes	

Annex 9. GEF Core Indicators with Mid-Term Levels

Below is a preliminary suggested draft of the GEF Core Indicators at mid-term for the SAFE Project. Based on GEF requirements, the SAFE Project will transition from the GEF Tracking Tool indicators to GEF Core Indicators. The Project Team and MTR Team have had some exchanges on these indicators and the Project Team prepared an initial draft. The MTR Team has some feedback on that initial draft and in some cases suggests alternative values of indicator baselines or mid-term values and in some cases suggests further work be done to confirm current values. Comments are included in the Core Indicators table below in italics. Some key points are:

- For land areas, the Core Indicators require that there be no overlap between different indicators. Each hectare of land, then, should only be counted once. Thus, the reforested land in Ong Mang (now at 676 ha) is not included in a separate reforestation category in the Core Indicators as it is already included in the “improved PA forest management or new PA category.”
- It is unclear whether Ong Mang should be included in the “new PA sub-category” or the “improved PA forest management sub-category,” as it is already a provincial level PA, but becoming a national level PA will bring improved protection. For now, it is included in the “new PA sub-category.”
- So far, the main area of improvement of forest or land management in general, as verified during the MTR, is the 130,745 ha of Ong Mang. Improved management on any other land areas was not confirmed during the MTR.
- As discussed in the main text of this report, the first project objective indicator in the PRF includes 698,746 ha. Of this, it’s possible that 401,458 ha represents the part of the project’s 4 target PAs that are in its 5 target districts and thus included in the areas covered by the first category of Core Indicators (1.1 and 1.2). The remaining 297,288 ha is said by the project team to also be forest land in the 5 districts, but it is not clear whether it is in other PAs or in production areas. The MTR team suggests further work be done on this issue. For now, it has temporarily been placed within the HCVF target. If the project decides to pursue a “forest corridor between PAs” or “forest stepping stones between PAs” strategy and these areas fit, they might be targeted as future HCVF designees as discussed in the main text of this report.
- The CEO Endorsement Request (“CER”) for the project indicates an overall target of improved management of landscapes of 1,060,525 hectares. This figure is not included as a target in the PRF. Based on the ProDoc, however, this may be the total land area in the five target districts. (Yet, findings on the size of this area is conflicting.) If the first objective indicator of 698,746 ha is indeed forest area of the five districts, the difference between the two numbers, or 361,779 ha, could be the non-forest area in the five districts. More work needs to be done on this issue. For now, this latter amount is included in the target area for improved land management in production areas.
- Further work may need to be done to determine CO₂ emission reduction and CO₂ sequestration targets and achievements. Review of the original tracking tool does not provide a clear enough explanation and offers mainly per ha CO₂ emission reductions numbers. The MTR Team suggests that any achievements in this area so far that are due to the project be only those in the 130,745 ha of Ong Mang and not those in other areas targeted.
- Further work may be done to strengthen the justification of the number of beneficiaries to date. A preliminary spreadsheet has been provided by the project team, but more justification is needed of the number of beneficiaries in each category-type (e.g. livelihoods category, reforestation category, ecotourism category, patrolling category). In addition, district-level and provincial level and even national-level beneficiaries might be added.

GEF 7 Core Indicators of SAFE Ecosystems Project Assessed at Mid-Term

Core Indicator 1	Terrestrial protected areas created or under improved management for conservation and sustainable use					(Hectares)
		Hectares (1.1+1.2)				
		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
	(i) Ong Mang Provincial PA, (ii) Phou Xang He NPA, (iii) Dong Phou Vieng NPA, and (iv) Se Ta Nouan – Phan Nak National Protection Forest <i>Comment: Only Ong Mang has significantly improved management</i>		583,372	130,745		
Indicator 1.1	Terrestrial protected areas newly created					
Name of Protected Area	WDPA ID	IUCN category	Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Ong Mang NPA		IUCN Category 4 NPA (“Habitat/Species Management Area”) <i>Comment: While Ong Mang is already a provincial PA, we include here as it is expected to be elevated to NPA status. It’s possible that it should be included under Core Indicator 1.2 instead, though. Also, we understand that Ong Mang, when elevated, will be Category 4, rather than Category 6 as in draft version prepared by Project Team.</i> METT Score <i>Comment: While no METT Score indicated for new PAs, since this was already provincial PA, we include METT Score here and will include in PRF as well.</i>		168,614	0 (130,745 expected soon)	
		Sum		168,614	0	
Indicator 1.2	Terrestrial protected areas under improved management effectiveness					
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score		
				Baseline		Achieved
				Endorsement	MTR	TE
Dong Phou Vieng NPA	312986	VI PA with sustainable use of natural resources	197,000	Baseline 30 Target 65	34	
Se Ta Nouan – Phan Nak Protection Forest		VI PA with sustainable use of natural resources <i>Comment: Annex 2 of ProDoc indicates 107,858 ha</i>	99,417 (107,858)	Baseline 20 Target 60	26	
Phou Xang He NPA	18866	VI PA with sustainable use of natural resources <i>Comment: Annex 2 of ProDoc indicates 109,900 ha</i>	115,036 (109,900)	Baseline 35 Target 65	40	
		Sum <i>Comment: The original target area of the sum of these three PAs was 414,758. New areas for STN-PH and PXH based on management plans prepared by project.</i>	411,453 (414,758)	85	100	
Core Indicator 3	Area of land restored					(Hectares)
		Hectares (3.1+3.2+3.3+3.4)				
		Expected		Achieved		
		PIF stage	Endorsement	MTR	TE	
	<i>Comment: Because core indicators are not supposed to overlap and since project reforestation target of 1,111 ha is within Ong Mang</i>			0	0	

	PA's 130,745 ha reported above, the reforestation target and progress should not be reported here.					
Indicator 3.2	Area of forest and forest land restored					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		Comment: Because core indicators are not supposed to overlap and since project reforestation target of 1,111 ha is within Ong Mang PA's 130,745 ha reported above, the reforestation target and progress should not be reported here.		0	0	
Core Indicator 4	Area of landscapes under improved practices (hectares; excluding protected areas)					(Hectares)
			Hectares (4.1+4.2+4.3+4.4)			
			Expected		Expected	
			PIF stage	Endorsement	MTR	TE
Indicator 4.1	Area of landscapes under improved management to benefit biodiversity					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.2	Area of landscapes that meet national or international third-party certification that incorporates biodiversity considerations					
Third party certification(s):			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.3	Area of landscapes under sustainable land management in production systems					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		Non-forest land under sustainable land management (SLM) in the five target districts of the project Comment: More work needs to be done to confirm this number. While the PRF probably does not include non-forest land targets, the CEO Endorsement Document has a target of 1,060,525 ha for SLM, which is believed to be the total area of the 5 project districts. If this is correct and it is also correct that the first PRF indicator of 698,746 ha is forest area in the 5 project districts, then non-forest area is 361,779 ha. For now we propose that figure, but it should be checked and updated by the Project Team and IP. The MTR Team did not find evidence of improved SLM on these non-forest areas and in particular did not find that the ISPs and SEAs were being used		361,799 (further discussion needed)	0	
Indicator 4.4	Area of High Conservation Value Forest (HCVF) loss avoided					
Include documentation that justifies HCVF			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Comment: The first objective indicator targets SFM on 698,746 ha. From project team, we understand this is forest area in the five target districts. Using Annex 2 of ProDoc, we subtract out the part of the project's 4 target PAs that are within the 5 districts, so						

as to avoid double counting of targets. That leaves 297,288 ha. Assuming this is forest area as indicated by project team, it is still unclear whether this is production area forest, PA forest, or a mixture of the two. For now, we will insert that unaccounted for part of the original first objective indicator target into the HCVF target here, but the issue needs to be revisited by the Project Team and IP to confirm what type of area the 297,288 ha is and determine then for core indicators whether it should be included (i) here (HCVF), (ii) under production area forest, or (iii) under existing PAs. It is noted that the original Prodoc had an HCVF target of 193,684 ha, but this may have overlapped with other targets. Further, the project team has indicated the HCVF targeted should be 25,104 ha and that it has been met and consists of Kouang wetland with Siamese crocodile of 174 ha and Padong dry forest of 24,930 ha.			297,288 (further discussion needed)	0	
Core Indicator 6	Greenhouse gas emission mitigated				(Metric tons of CO₂e)
		Expected metric tons of CO ₂ e (6.1+6.2)			
		PIF stage	Endorsement	MTR	TE
	Expected CO ₂ e (direct) <i>Comment: There is a need to recalculate these based on the true achievements of the project, which are (a) Improved management over 130,745 ha in Ong Mang, of which planting has been carried out on 676 ha. The original tracking tool provides some "tons per ha" benchmarks but does not clearly explain the time period to achieve these benchmarks or the criteria of improvement. The tracking tool indicates 119.72 tons CO₂/ha mitigated, 283.93 tons per ha sequestered due to above ground biomass and 73.09 tons per ha sequestered due to soil carbon. This totals as much as 476.74 per ha, but there is a need to understand in what cases these numbers apply and over what time period.</i>		TBD	TBD (see comment)	
	Expected CO ₂ e (indirect) <i>Comment: At this point, the MTR team did not detect potential indirect emission reduction or sequestration benefits from the project. Perhaps at project close these will be more obvious.</i>		TBD	0	
Indicator 6.1	Carbon sequestered or emissions avoided in the AFOLU sector				
		Expected metric tons of CO ₂ e			
		PIF stage	Endorsement	MTR	TE
	Expected CO ₂ e (direct) (please see comment in above section)		TBD	TBD	
	Expected CO ₂ e (indirect) (please see comment in above section)		TBD	0	
	Anticipated start year of accounting		2016	2016	2016
	Duration of accounting		0	3	6
Core Indicator 11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment				(Number)
		Number			
		PIF stage	Expected Endorsement	Achieved MTR	TE
	Female		TBD	TBD	
	Male		TBD	TBD	
	Total		TBD	TBD	
	<i>Comment: MTR Team suggests that beneficiaries be recalculated with realistic totals for persons benefitting to date with more elaboration on justification of number of each beneficiary type indicated. Initial figure provided by project team was 4,503 persons including 1,115 persons benefitting from livelihoods work. The number of livelihoods work beneficiaries (which would compute to 70 persons per village for the 16 villages) seems unlikely based on MTR field interviews that 70 persons per village are already benefiting. Instead, it might be more like 20</i>				

		<p>persons per village that have benefited to date, unless family members of beneficiaries are also counted. The project team estimate also includes 2,946 benefiting from reforestation work. With 25 villages involved, that would be 118 persons per village, which is possible based on findings, though on the high end of what the MTR team would estimate based on consultations. Unfortunately, findings suggest that, at least at the time of the MTR, villagers had done reforestation work but not been compensated yet. The project team figures further include 328 persons benefiting from ecotourism, though as of yet, few if any villagers have benefited from project work on ecotourism. Yet, this project team supplied figure may refer to ecotourism training. The MTR team is not clear on number of persons trained in this. The last component of the project teams' figure is 104 rangers, which is somewhat less than the MTR team might guess based on some of the 16 involved villages having two teams of 6 villagers instead of one. Also, beneficiaries at district, provincial, and national levels were not included, though these may have benefited from trainings at workshops, etc.</p>				
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Annex 10. Estimates of Benchmark Costs

This annex provides background on some of our rough estimates of benchmark costs for cost effective implementation of typical project activities, such as workshops and training/ consultations in the villages. These benchmark estimates, along with our experience on other projects, inform some of our conclusions in Exhibit 12, particularly those in which we indicate that “costs are too high” or “costs seem high,” with regard to specific activities.

Exhibit 10-1 shows benchmark costs for a 50 person workshop in the provincial capital or one of the district seats attended mainly by people from within the province. SAFE project costs for the ISP workshop, for example, are indicated to be USD 61,543. Yet USD 1,452 or USD 2,848 (if attendees are paid per diems) are the amount we come up with for a one-day workshop with 50 attendees from within the province. Exhibit 10-2 shows what the calculations would yield in the case of a smaller meeting (25 attendees) or a larger one (75 attendees), both with and without per diems paid to attendees.

Exhibit 10-1. Benchmark Costs for “Thrifty” One-Day Workshop with 50 Persons, Mainly Participants from within SVK, with and without per diem

Item	Number	Unit	Unit Price in Kip (USD)	Total in Kip (USD)
Meeting room (government meeting room for 50 persons)	1	day	2,500,000 (\$279)	2,500,000 (\$279)
coffee break (morning)	50	Person	20,000 (\$2.23)	1,000,000 (\$112)
coffee break (afternoon)	50	Person	20,000 (\$2.23)	1,000,000 (\$112)
Transport (normally based on travel distance, for those who travel from different districts, we use average amount for 45 persons, assuming the other 5 are already in district in which workshop is organized)	45	1 round trip	100,000 (\$11.17)	4,500,000 (\$503)
Lunch	50	Person	50,000	2,500,000 (\$279)
Stationery/ Printing	50	Person	20,000 (\$2.23)	1,000,000 (\$112)
Banner	1	banner	500,000 (\$55.84)	500,000 (\$56)
Estimated one day workshop cost - without DSA				13,000,000 (\$1,452)
DSA (We use higher rate provincial rate of 250,000 kip for all, even though district staff rate is 120,000 kip.)	50		250,000 (\$27.92)	12,500,000 (\$1,396)
Estimated one day workshop cost - with DSA				25,500,000 (\$2,848)

Exhibit 10-2. Benchmark Costs (in USD) for One-Day Workshop with Parameters above, for: 25 Persons, 50 Persons, and 75 Persons, with and without DSA* (in USD)

Number of Persons Attending→	25 persons	50 persons	75 persons
Workshop costs without DSA	\$1,032	\$1,625	\$2,344
Workshop costs with DSA	\$1,813	\$3,188	\$4,688

*DSA, when used, is provincial level DSA of \$28.

Exhibit 10-3 shows benchmark costs for field work and village consultations, in this case applied to the field work associated with the village management plans (Activities 2.5.1 and 2.5.3). It is estimated that the work on developing these plans and then promoting them entailed a total of 10 days of work in each of the 16 villages and that a team of five from outside the villages was involved, though we suggest teams of two would be more economical. The total expenditures, assuming that the five persons are each paid, on average, a provincial level per diem (USD 28) for each of 160 days in the field and that there are two large workshops in each village with two snacks per workshop provided, are estimated at \$33,099. The total expenditures in reality for Activities 2.5.1 and 2.5.3 were \$242,045. If we look at the subtotal for only travel and workshops for these two activities, the amount is \$189,607. This is 5.7 times our estimate. If all activities in our estimate are scaled up 5.7 times, then we would estimate time in the field to be 912 days x 5 people and about 11.5 workshops per village for 50 people each time, with two snacks per person each time. This scale of time in the villages (57 days per village with 5 outsiders there the full time) and amount of full day workshops (11.5 per village) to prepare and promote the village forest management plans seems excessive and unlikely to have occurred.

Exhibit 10-3. Benchmark Costs for Field Work and Meetings in 16 Villages for Village Forest Management Plans

Item	Unit	Number	Unit Price in Kip (USD)	Total in USD
Transport	months	7.5 months	4,250,000 (\$475)	\$3,563
Per Diem	Person-days	160 days x 5 persons	250,000 (\$28)	\$22,400
Sub-total for costs of team visiting villages				\$25,963
Morning snack	Persons	50x2x16	20,000 (\$2.23)	\$3,568
Afternoon snack	Persons	50x2x16	20,000 (\$2.23)	\$3,568
Sub-total for two formal one-day meetings per village				\$7,136
Estimated total village management plan related work in villages				\$33,099

Exhibit 10-4 shows our estimate on the cost of field work per round of visits to all 16 villages to carry out education on regulations as in Activity 2.6.1. Assuming two people per visit paid DSAs at the provincial DSA level, the cost per round of all 16 villages visited (over 20 days) is USD 2,486. This compare to total expenditures of Activity 2.6.1 of USD 81,493, or travel and workshop expenditures under Activity 2.6.1 of USD 70,687.

Exhibit 10-4. Estimated Cost per Round of Visits to Villages to Educate on Regulations

Item	Unit	Number	Unit Price in Kip (USD)	Amount in Kip	Amount in USD
Transportation	Month	1	4,250,000 (\$531)	4,250,000	\$474
Material		16	500,000 (\$56)	8,000,000	\$892
Without DSA					\$1,366
DSA for 2 people*	days	20	250,000x2 (\$56)	5,000,000	\$1,120
With DSA					\$2,486

*This is DSA for provincial level, though depending on who visits the village, district level DSA of one-half the amount or 125,000 Kip might be used.