

Mid-term Review, Integrated Community-based Forest and Catchment Management through an Ecosystem Service Approach Project

**PIMS 4033
GEF**

September – December 2015

Final Report

Region	Asia-Pacific
Country	Thailand
Implementing Partner	Ministry of Natural Resources and Environment
GEF Operational Focal Area / Strategic Programme	Biodiversity <i>and</i> Climate Change / BD SP4 Sustainable Forest Management <i>and</i> CC SP6 Management of the LULUCF as a Means to Protect Carbon Stocks and Reduce GHG Emissions

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Acronyms and Abbreviations

AWP	Annual Work Plan
CAS	Capacity Assessment Scorecard
CBFCM	Community-based Forest and Catchment Management
CO	Country Office (of UNDP)
CP	Country Programme
CPAP	Country Programme Action Plan
CSO	Civil Society Organization
DIM	Direct Implementation
DMCR	Department of Marine and Coastal Resources, MONRE
DNP	Department of National Parks, Wildlife and Plants Conservation
DWR	Department of Water Resources
FAO	Food and Agriculture Organization
GEF	Global Environmental Facility
GHG	Green House Gas
MDG	Millennium Development Goals
M&E	Monitoring & Evaluation
MONRE	Ministry of Natural Resources and Environment
MTR	Mid-term Review
NEB	National Environment Board
NESDP	National Economic and Social Development Plan
NFP	National Forest Policy
NGO	Non-governmental organization
NIM	National Implementation
NTFP	Non-Timber Forest Product
OPS	Office of the Permanent Secretary
ONEP	Office of Natural Resources and Environmental Policy and Planning, MONRE
PAO	Provincial Administrative Organization
PES	Payment for Ecosystem Services
PB	Project Board
PCD	Pollution Control Department
PIMS	Project Information Management System (of UNDP-GEF)
PIR	Project Implementation Review
PONRE	Provincial Office for Natural Resources and Environment
PPG	Project Preparation Grant
PMU	Project Management Unit
QPR	Quarterly Progress Reports
RECOFT	Regional Community Forestry Training Center for Asia and the Pacific
REO	Regional Environment Office
RCU	Regional Coordination Unit (of UNDP-GEF)
RID	Royal Irrigation Department
RTA	Regional Technical Advisor (of UNDP-GEF)
RTG	Royal Thai Government
SRF	Strategic Results Framework
TAO	Administrative Organization
Thb	Thai Baht
TGO	Thailand Greenhouse Gas Management Organisation
TOR	Terms of Reference

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TT	Tracking Tool
UNDP	United Nations Development Programme
WCMO	Watershed Conservation Management Office

Executive Summary

Project information table

Project Title	Integrated Community-based Forest and Catchment Management through an Ecosystem Service Approach Project			
GEF Project ID			At endorsement (million US\$)	At completion (million US\$)
UNDP Project ID	4033	GEF financing	1.758182	
Country	Thailand	IA/EA own	0.35	
Region	Asia-Pacific	Government	12.21	
Focal Area	Biodiversity <i>and</i> Climate Change	Other		
FA Objectives (GEF 4)	BD SP4 Sustainable Forest Management <i>and</i> CC SP6 Management of the LULUCF as a Means to Protect Carbon Stocks and Reduce GHG Emissions	Total Co-financing	12.56	
Executing Agency	Ministry of Natural Resources and Environment	Total Project Cost	14.318182	
Other Partners Involved		ProDoc Signature (date project began)		27/02/2012
		Operational Closing Date	Proposed: 31/03/2017 (revised due to 9 month delay starting)	Actual:

Project description

1. The project objective is to create an enabling policy and institutional environment for scaling-up integrated Community Based Forestry and Catchment Management (CBFCM) practices through innovative financing mechanisms. To achieve this the project will strengthen systemic capacities in sustainable forest and catchment management at the local, regional, and national levels (Outcome 1), and support the expansion of CBFCM coverage throughout the country through pilot testing of defined Payment for Environmental Services (PES) and bio-carbon financing mechanisms (Outcome 2).
2. The project would build capacities of Ministry of Natural Resources and Environment (MONRE) to harmonize policies, plans, and legal instruments to support CBFCM and PES and bio-carbon schemes. It would also support the establishment of a multi-sectoral mechanism for CBFCM, with active participation of all Regional CBFCM Networks, Regional Environmental Offices (REOs), Office of Natural Resources and Environmental Policy and Planning (ONEP) and RFD. This would act as an effective policy feedback, knowledge sharing and capacity development mechanism. The project would also strengthen national capacities to promote PES (including and bio-carbon) in order to strengthen community incentives for effective forest and catchment management.
3. The project would support scaling up of CBFCM best practices using PES and bio-carbon financing mechanisms at four sites, led by four Regional Environment Offices (REOs). These sites include Mae Sa Catchment (North), Tha Chin Catchment (Central), Lam Sebai Catchment (Northeast), and Pa-Ngan Catchment (South). The project would strengthen capacities of local authorities,

landholders and the private sector to ensure that innovative financing mechanisms (PES) are used for improving livelihoods, global biodiversity conservation benefits, and GHG emission reduction from land use and land use changes. In order to do this, the project would support catchment level ecosystem services valuation (including bio-carbon) and assessment of benefits, trade-offs and various opportunity costs of land-use options taking into full account the ecosystem services. Biodiversity friendly PES and bio-carbon financing strategies would be implemented, with institutionalization of payment distribution structures that fully consider gender and other social equity aspects.

Project progress summary

4. The project design was complicated, it:
 - Introduced new and innovative concepts to Thailand.
 - Overestimated the capacities at different levels
 - Over-estimated the strength of CBFCM in Thailand
5. Site selection compounded these challenges and the logistical challenges to the project are considerable.
6. The inception phase was weak and an opportunity to address weaknesses in the project's design was missed.
7. Progress and performance has been affected by a number of external and internal events (e.g. institutional changes, etc.).
8. Execution has been slow but has begun to improve.
9. The project has not used the technical assistance effectively and there is still considerable confusion surrounding PES. There has been valuation of the ecosystem provisioning services (except water). There needs to be some evaluation of the willingness to pay (or other methodologies) for tourism, water and other services to determine prices. Bio-carbon financing has proven to be too expensive in terms of entry into the system. The project has lacked the capacities to effectively strengthen community management of natural resources. However, these (economic and working with communities) skills are being built at the REO level and within the community but gaps still remain. It has successfully introduced the idea of economics in natural resource management.
10. There are considerable weaknesses in the project's log frame and although the project has made a number of notable achievements these will not be reflected by the indicators and the targets.
11. There is broad support for the objectives of the project and it has the potential to achieve some fundamental changes in the way natural resources/ecosystem services are valued at the local and national level.
12. At the site level the project is supporting a process of community empowerment to manage and benefit from natural resources/ecosystem services.
13. With a planned closing date of February 2016 it will not have achieved its objective.

MTR Ratings and Achievement Summary Table

Measure	MTR Rating	Achievement Description
Project Strategy	N/A	It is hard to determine whether the project is achieving the strategy or not because so much of the proposed activities are still to be completed. The strategy could be paraphrased as creating an enabling environment for both CBFCM and PES while operationalising PES schemes based on the management of community forests. The financial payments from downstream beneficiaries of these services would provide the motivation for communities to manage a common property to provide a continued flow of ecosystem services. However, the enabling environment is

		<p>still patchy and what parts are in place will need time to support both CBFCM systems and Pes schemes. At the pilot sites there are no operational PES schemes.</p> <p>On the whole the strategy was a reasonable one except that it overlooked the temporal scales needed to strengthen CBFCM and to develop PES schemes as well as the necessary sequencing of components of the overall intervention (i.e. some components would need to wait until other parts of the strategy were in place). Therefore the MTR, which is frighteningly close to the Terminal Evaluation concludes that the strategy has not been achieved to any great effect but that is not to say that the strategy will not work in time.</p>
Progress Towards Results	Objective Achievement Rating: N/A	Not applicable – no indicators were provided in the Project Document SRF
	Outcome 1 Achievement Rating: Moderately satisfactory	<p>Progress has been initially slow but has increased in pace and most key elements are in place. However, there is still no functional model to base the policy formulation on. Considerable confusion exists (mostly at the REO level) about PES and the schemes proposed, while having some elements that could work, still need considerable work to make them operational, including a clear working definition of PES and a defined community forest or a <i>unit of management</i> or a <i>unit of management</i> which broadly equates to community management and is functionally efficient at a scale which represents existing social (community) arrangements and discrete ecosystems. With a project closure date of February 2016 there is a likelihood that PES is included in key national policies before the end of the project but formulation of legal framework will require much more time, which will be beyond the project's timeline. However, the project is heading in the right direction and needs more time. The Multi-Sectoral Group should be established with clear ToR, mandate, and responsibility to drive policy reform in both PES and CBFCM areas to do this.</p> <p>It is unlikely that the project will achieve the outcome in the remaining time. However, the experience which is being built is of very good quality, some of it theoretical but much of it due to solving non-rule based problems itself. This is very important as it is this experience which will eventually lead to Thailand developing functionally efficient CBFCM but the project's achievement would benefit from one or two well-thought through and clearly understandable PES schemes (not necessarily operational by the end of the project) demonstrating clearly the links between the conservation managements (including management and opportunity costs and means to equitably distribute benefits) and the downstream beneficiaries (including the cost savings from improved ecosystem services such as clean and secure water and the willingness to pay for these services through some form of agreed pricing mechanism).</p>
	Outcome 2 Achievement Rating: Moderately Satisfactory	<p>The project is developing a very sound basis to build future PES schemes some of which might be directed specifically at CBFCM. However, the MTR considers that this was never achievable within the space of a four-year project starting from the project's baseline. As it stands the payments to the communities to carry out works of a broadly conservation nature are mostly in the form of Corporate Social Responsibility (CSR) payments. While these don't amount to</p>

		<p>PES <i>per se</i> <u>it is likely</u> these will migrate into PES schemes in the future but at the moment they are not linked to a continued supply of ecosystem goods and services <i>per se</i>. REO 14 is not focusing on forests but has judiciously used the concern about ecosystem status of a coral reefs to engage with stakeholders and the local community.</p> <p>However, the Tracking Tools shows that there are 14,833.56 hectares directly covered by the project encompassing the four pilot sites. This includes Mae Sa Catchment (8,381.35 ha), Tha Chin Catchment (2,385.43 ha), Lum Sabai Catchment (207.2 ha) and Koh Phangan Catchment (3,859.58 ha). Therefore it is likely that the remaining area will be included in the final tally or if not 14,833.56 hectares is close enough. A 10% increase in carbon stock was never likely as the issue of time is involved but carbon stock assessments are nearly completed. As the CBNRM and the PES schemes would, with the best will in the world, need at least two to three years to put in place this would provide only one to two years to demonstrate a 10% increase in carbon sequestration equivalent of the existing carbon stock. Equally, the price of carbon has been disappointing to the extent that it is broadly accepted that the benefits of bio-carbon financing currently are less than the costs (of monitoring, compliance, etc.). Only one forum has happened thus far. The project (PMU to REO) is very honest about the challenges they have faced and this is very important that these lessons, these “mistakes”, are not swept aside.</p>
Project Implementation & Adaptive Management	Moderately Unsatisfactory	<p>The project assurance and the execution appear to have worked well together and recognised many of the shortcomings in the project design and the (initially) underestimated challenges and taken action to address them. However, the PMU, embedded in the PCD is often slow to react and this could threaten the final outcomes of the project unless action is taken to increase the speed of delivery. Budget execution is approximately forty-one per cent with just seven months remaining. The project has not used the technical assistance effectively. The project has lacked the capacities to effectively strengthen community management of natural resources. However, these (economic and working with communities) skills <u>are</u> being built at the REO level and within the community but gaps still remain. It has successfully introduced the idea of economics in natural resource management.</p>
Sustainability	Moderately Likely	<p>The project has introduced the idea that resource economics need to be an integral component of any planning process and the concept that the management of ecosystem services need to be paid for is gaining strength amongst stakeholders. There is clear interest and support for the idea amongst a range of stakeholders which will likely carry the process after the close of the project. The project is developing skills at the REO level to address the numerous challenges of CBFCM and this participation is unlikely to end with the close of the project.</p> <p>The MTR is cautiously optimistic that finances will still continue to flow to some components of the project after the closure of the GEF-funded project. This is because there are real and practical applications in some of the pilots which are immediately obvious to</p>

		stakeholders (e.g. diminishing water quality and quantity in REO 1, coastal protection for shrimp farms in REO 5 and possible tourism and recreational revenues in REO 12). While these funds are likely to be limited there is sufficient motivation to try and make this work. As long as the enabling environment is supportive (outcome 1) and not obstructive as it might have been previous to this project, this should be sufficient to drive the process forwards.
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Concise summary of conclusions

14. The MTR summarises that the CBFCM project was overly complicated in its design and over-optimistic about what could be achieved in just four years.
15. A number of critical assumptions about national capacities and the ease with which new and innovate approaches could be mainstreamed into forest management as well as the effectiveness of community base forest management in Thailand *per se* were made during the design phase which overestimated the existing knowledge and experience of PES, the need to have in place environmental economics experience at various levels within the project including the REO-levels, and the effectiveness of CBFCM in Thailand.
16. As the project began these weaknesses coupled with external events (such as the recent national crisis and disruption to government in 2012) have had a profound effect on the projects performance causing it underperform and creating confusion as the assumptions in the Project Document met the realities on the ground.
17. However, the project assurance and the execution appear to have worked well together and recognised these shortcomings and challenges and taken action to address them. However, the PMU, embedded in the PCD is often slow to react and this could threaten the final ratings of the project unless action is taken to increase the speed of delivery.
18. Furthermore, the project has a very broad and considerable support amongst stakeholders. This is evident in the desire to see the project achieve its objectives despite the very real challenges it has faced.
19. It has also made some considerable gains in the last year and the evidence for this is seen at the national policy level and in particular on the ground in the work by the REOs and the participation of selected local communities.
20. If the project ends on schedule (February 2016) many of these achievements will likely be lost due to their incompleteness.
21. However, if the project is extended (approximately 60% of the budget is unspent) and the projects strategy is adjusted (along with the means of measuring impact) it could significantly contribute to improved ecosystem sustainability and resilience in Thailand.

Recommendations summary table

Rec #	Recommendation	Entity responsible
	General	
	The project requests an extension past the scheduled closing date of February 2016.	Project Board to agree Project Director and UNDP CO to propose process and action.
	Greater delegation of decision-making to the PMU, specifically the Project Manager and streamlining the decision-making process so that decisions become actions.	Project Director and PMU.
	Engage a substantive Chief Technical Adviser.	Project Board to decide. Project Director and Project Manager to draft TOR, UNDP to assist in drafting TOR and procuring suitable candidates.
	Improved internal and external Communications.	PMU, given the short time available to the project an outside service provider might be engaged to drive this process.
	Improved strategic use of technical consultants. Linkages between technical inputs should be improved and the TOR of consultants should reflect a more process-oriented approach. As in the case of RECOFT their TOR should reflect the role of the Consultant as a multiplier and service provider as well as conducting studies or training.	PMU, UNDP to assist with drafting TOR.
A	Outcome 1: Strengthened policy environment and systemic capacities to promote sustainable community-based forest and catchment management through PES and bio-carbon financing mechanisms	
A.1	Operationalise the multi-sectoral platform and the Implementing Partner (which is now the Office of Permanent Secretary of MONRE) could help guide the process so that least one PES policy document is endorsed by Government.	Project Board
B	Outcome 2: Expanded CBFCM coverage through pilot testing and up-scaling of best practice using PES and bio-carbon financing schemes and mechanisms	
B.1	The role and expertise of RECOFT in working with communities on project coordination forest and catchment management should be fully utilised to support implementation.	PMU, UNDP, and RECOFT to assist in drawing up a plan to better utilise RECOFTs capacities through a participatory approach.
B.2	Continue to use the existing SRF/LFM. Changing indicators with four months remaining will be too disruptive.	

1 Introduction

1.1 Purpose of the Mid-term Review (MTR) and objectives

22. The GEF recognises that all GEF projects by their very nature are addressing complex systems and issues. As a result there is a high level of uncertainty when it comes to predicting the outcomes of interventions. Therefore the GEF works through a process of adaptive management on the understanding that project's designs and planning processes are invariably based upon a number of assumptions which may, or may not, hold true. Therefore the Mid-term Review (MTR), as part of the overall monitoring and evaluation process, is tasked with elements of audit and adaptive management and will necessarily consider:
- The performance of the project – is it doing what it said it would do?
 - The effectiveness of the interventions – having done what it set out to do, is it working, will it work?
 - The impact of the project – what are the outcomes now at the midterm, predicted at the end of the project, and in the future, of the project's intervention.
23. Through this process the MTR will identify the strengths and weaknesses of the project, identify critical issues, and propose any remedial actions or changes in the strategy where necessary and in order to ensure that outcomes are sustainable. As already stated, the MTR is an integral component of the GEF project cycle management and as such is intended not simply to audit the performance but importantly to ensure the project outcomes remain adaptive and experience and lessons shape future project interventions both within the participating countries and within the global portfolio.

1.2 Scope and methodology of the MTR

1.2.1 Scope of the MTR

24. The MTR has a wide-ranging scope and is mandated through its Terms of Reference¹ (ToR) to review the following:
- **Project design:** the problem the project is intended to “fix” and the underlying assumptions, its relevance and feasibility, whether it is addressing national priorities, and to what extent the project's objectives are grounded in reality and a broad national and local support.
 - **Progress towards results:** a large part of this will be assessing the progress to date and the likely impacts by examining the project's strategic results framework (SRF). The MTR will determine the degree to which it has successfully strengthened the policy environment and systematic capacities to promote sustainable CBFCM through payment for ecosystem services (PES) and bio-carbon financing mechanism, and; expanded CBFCM coverage through pilot testing and up-scaling of best practices using PES and bio-carbon schemes and mechanisms. As part of this process the MTR will also:
 - Compare and analyse the GEF Tracking Tool at the Baseline with the one completed before the Midterm Review.
 - Identify remaining barriers to achieving the project objective in the remainder of the project.
 - Reviewing the aspects of the project that have already been successful and identifying ways in which the project can further expand these benefits.
 - **Project implementation and adaptive management:** critically assess the suitability of the management arrangements described in the Project Document and the actual arrangements following the project's inception and consider the quality of project execution and support from the GEF Partner Agency (UNDP). In particular the MTR will look at the:

¹ For a full account of the MTR's scope see Annex 1 Terms of Reference

- **Management arrangements:** identify the causes of any delays, assess the quality of work planning and the use of the project's SRF as a management tool.
 - **Finance and co-finance:** review the financial management, its cost-effectiveness, and any budget revisions and determine whether the project has appropriate financial controls and there is a transparent decision-making process taking place. The MTR will also assess the delivery of any co-financing commitments.
 - **Project-level Monitoring and Evaluation Systems:** review the project's monitoring tools and systems including the project's performance, impact, and financial aspects as well as checking that there is a broad and transparent participation in the monitoring process.
 - **Stakeholder Engagement:** assessing the level and effectiveness of stakeholder engagement at all levels (national government, institutional, local government, local community, private sector, etc.).
 - **Reporting:** assess the quality and timeliness of reporting including the use of appropriate reporting to inform decision-making and ensure transparency and accountability, whether reporting is informing decision-making or hindering it.
 - **Communications:** the MTR will assess whether the project is communicating internally (with project stakeholders) and externally with a wider audience. The MTR will provide a paragraph summarizing the project's progress towards results to be used by the project.
 - **Sustainability:** the MTR will validate the risks identified in the Project Document and other project reports (e.g. PIR, ATLAS Log) to assess the appropriateness and will if necessary identify any additional risks to the project. The MTR will also assess the following risks to the sustainability of the project's outcomes:
 - **Financial risks to sustainability:** what is the likelihood of financial and economic resources not being available once the GEF assistance ends?
 - **Socio-economic risks to sustainability:** what are the political risks, is there sufficient "ownership" of the project outcomes to ensure their continuity, will benefits continue to flow to targeted groups after the close of the GEF-funded project, is there sufficient stakeholder support for the project, etc.
 - **Institutional Framework and Governance risks to sustainability:** is the project creating a robust enabling environment to ensure the continuity of project outcomes after the close of the GEF-funded project, is there sufficient technical capabilities, a supportive policy and regulatory framework, etc.
 - **Environmental risks to sustainability:** the MTR will identify any environmental risk that might jeopardize the project's outcomes.
25. The MTR is tasked to make recommendations on all areas of the project where necessary in order to increase the efficiency and effectiveness of the implementation and the likelihood of achieving the outcomes and objective within the project's lifetime and beyond.
26. The MTR will analyse the findings and assess the project's overall performance and impact. The findings of the MTR are set out in this Final Report following the recommended structure of the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects*. The report includes a section setting out the MTR's evidence-based conclusions, in light of its findings.

1.2.2 Methodology

27. The MTR was carried out by a two-person team consisting of an international and a national Consultant². In total it consisted of fifty person days of which twenty-four (2nd – 14th September 2015) saw both Consultants in-country to carry out field work and interviews.

² See Annex 9 for a brief resume of the MTR team

28. Data collection was carried out through examining the project's documentation, the reports, agreements, minutes of meetings, and financial information, etc., provided to the MTR³ as well as background literature and, through interviews with individuals and representatives of agencies and institutions involved in the implementation of the project and where possible the current users of the resulting services and beneficiaries of the project's outcomes.
29. The in-country mission consisted of focused meetings and discussions (in person and by electronic communications) with UNDP CO in Bangkok, MONRE, the PCD, the PMU, and regionally with the REOs, and the UNDP/GEF Regional Coordinator, and other stakeholders (including local governments and local community groups engaged in the project activities) starting with a briefing of the purpose and the *process* of GEF monitoring and evaluation. The subject of these meetings focused on (but was not limited to) determining a number of key questions⁴, based on the project's intended outcomes, which were expanded by the consultants as deemed appropriate. These included:
- Assessing overall performance against the project objective and outcomes as set out in the Project Document, project's Strategic Results Framework (SRF⁵) and GEF increment, and other related documents;
 - Assessing the effectiveness and efficiency of the project;
 - Analysing critically the implementation and management arrangements of the project;
 - Assessing the progress to date and achievement of the outcomes;
 - Reviewing how appropriate the planned strategies and plans for achieving the overall objective of the project within the timeframe are;
 - Assessing the sustainability (financially, socio-economically, institutionally and environmentally) of the project's interventions;
 - Assessing the project relevance to national priorities of both the Government of Thailand and the UNDP (including achieving gender equality and human rights goals);
 - Listing and documenting initial lessons concerning project design, implementation and management;
 - Providing recommendations to strengthen the outcomes, ensure sustainability, and provide lessons learned from the process of implementing the project.
30. GEF projects require the Reviewers to provide ratings for the key components of the project on a six-point rating scale ranging from Highly Satisfactory to Highly Unsatisfactory and the likelihood of the project outcomes being sustainable post GEF funding on a similar rating scale ranging from Highly Likely to Highly Unlikely⁶. The components to be rated are:
- The progress towards results (one rating for each outcome and for the objective);
 - The project implementation and adaptive management (one overall rating), and;
 - Sustainability (one overall rating).
31. The list of key individuals to be interviewed was initially supplied by the PMU and UNDP Country Office (CO). The MTR examined the list and found it to be both representative and comprehensive and, based upon the initial study of the project's documentation a reasonable agenda and profile representing the project participants. However, the MTR continued to review this list as an iterative process as the review progressed and requested to interview additional individuals and visit other agencies and institutions where these were found to be relevant to understanding the projects progress and impact. The MTR followed as much as practicable a gender-balance policy, especially at the community level where women and men were, as much as practicable, engaged in the interviews on an equal basis in terms of number and role. To ensure adequate

³ For a comprehensive list of documents reviewed see Annex 12

⁴ See Annex 1 ToR

⁵ Referred to as the log frame matrix (LFM) in the Project Document

⁶ For a more comprehensive description of the ratings see Annex 10

representation in the outcomes of the MTR all interviewees were treated equally and their views respected according to the United Nations Evaluation Group (UNEG) Code of Conduct for Evaluation in the UN System (2008)⁷.

32. All persons interviewed were informed that, should they wish to speak off the record to the MTR any information provided would be treated in the strictest confidence and only included in the report if the MTR could validate such information by other means.

1.2.3 Limitations of the MTR

33. The CBFCM project, its design and intervention strategy, is a complex project introducing a number of sophisticated approaches (e.g. PES and bio-carbon financing schemes). It is also working with sustainable use and community-based approaches to natural resource management, therefore it is working in the sphere of property regimes and natural resources governance. Further, this can be overlaid with the logistical challenges to the project which has to establish a national framework as well as stepping this down to four separate pilot sites.
34. This imposes some limitations on the MTR team given that there is only twenty-four person-days in country to interact with the various stakeholders within the project. Ideally the Reviewers would spend more time with stakeholders in each pilot area to build their understanding of the issues. Unfortunately this is not the case. Therefore there may be limitations on the depth of information which can be gained during these interviews which could affect the conclusions of the MTR.
35. To reduce the chances of this occurring the MTR agenda was prepared in order to maximise the time available with the numerous stakeholders during the field work, both Reviewers are experienced in interviewing (communities, institutional and agency personnel, etc.) and the Review team included a national and international Consultant to ensure that national, cultural and language nuances, which may have been contained in answers, are fully understood. Furthermore the MTR team was accompanied by a professional interpreter at all times in order that technical expertise of both Consultants was focused on the interviews.
36. The time available also imposes limitations on the MTR's requirement to suggest alternative indicators and targets for the project's log frame matrix. This is particularly relevant for those indicators related to community based management which require considerable more thought and discussion than can be applied during a MTR.
37. The MTR is taking place in what is effectively the project's fourth and final year. While this allows the MTR to take a much broader view of the project's progress and performance it also imposes limitations on the type of remedial actions which can be recommended.

1.3 Structure of the MTR report

38. This report is structured in three parts:
- **Section 2** provides a description of the project including contextual information which is necessary to understand the key events which have unfolded and have to a large degree shaped the project, its performance and progress and might still effect the overall impact of the project.
 - **Section 3** consists of three sub-sections. **Section 3.1** provides the main findings of the evaluation and largely addresses the architecture of the project; its design, current operational status and management arrangements, etc. **Section 3.2** considers the projects performance, that is, how well it has been implemented and executed thus far, in short, whether it is doing what it said it would do in an efficient manner. **Section 3.3** considers whether the project is having an impact, that is, if it is doing what it said it would.....is it working?

⁷ Available at: <http://www.uneval.org/document/detail/100>

- **Section 4** provides the main conclusions of the review based upon the evidence, reasonable argument and the professional opinion of the Reviewers. This section identifies the strengths and weaknesses of the project against attaining the project's stated outcomes and objective and proposes remedial actions where necessary to strengthen the project during the second-half of its implementation.

2 Project description and background context

2.1 Development context

39. Thailand is located at the centre of the Indochina Peninsula sharing borders with the Lao People's Democratic Republic, Cambodia, Malaysia, and the Union of Myanmar. The total land area is 513,000km² with a population of over sixty-seven million (2010) and an annual population growth rate of 0.34⁸. There has been a rapid rise in urbanisation in recent years⁹ from thirteen per cent of the population living in urban areas in 1965 to fifty-four per cent in 2000¹⁰. While Thailand has made significant progress as measured by the Human Development Index (HDI) rating (0.778¹¹) and is on track to meet most of its Millennium Development Goals (MDGs) by 2015¹². However, certain groups and geographical regions still face considerable development challenges including unsustainable natural resource use and poverty is still a widespread and genuine concern in rural northeast, the far north, and far south of the country¹³.
40. Thailand is situated within two major biogeographical regions (Indochinese region in the north and Sundaic region in the south). As a result it is one of the richest countries in Southeast Asia. A precise figure of Thailand's forest cover is difficult to obtain because of discrepancies in forest category definitions, assessment methods and types of maps used. The Food and Agriculture Organisation (FAO) data shows that around thirty-seven per cent (18,972,000 ha) of the country is covered by forest¹⁴. Of this total, twenty-one per cent (approximately 3,986,000 ha) is classified as primary forest, which is the most biologically diverse and carbon dense type of forests. Thailand also has some 3,986,000 of planted forest¹⁵. According to recent figures, the total area reforested between 1906 and 2004 lies somewhere between 1.05 million ha (FAO data) and 1.09 million ha (RFD, 1998; 2004; Green World Foundation, 1999).
41. Thailand's forests are also important global repositories of carbon. Thailand's Second (2010) National Communication to the United Nations Fund for Climate Change (UNFCCC) states that the country's main options to reduce greenhouse gas (GHG) emissions include land use change and the forest sector. The forest sector became a net sink of CO₂ in 2000 and government estimates of carbon stocks in living biomass are 881 million metric tonnes. Therefore, carbon sequestration through sustainable forest management in Thailand has the potential to play a significant role in ameliorating global environmental problems.
42. Community management of natural resources has existed throughout the history of village settlements in Thailand. However, the recent development of a Community Forests (CF) concept was introduced to Thailand in the mid-1970s. In 2002 a Bill was passed by the House of Representatives that recognises the legal status of communities living in and around Thailand's National Forest Reserves to manage forest areas in collaboration with the Royal Forest

⁸ <https://www.cia.gov/library/publications/the-world-factbook/geos/th.html>

⁹ World Bank, 2000. Thailand Environmental Monitor

¹⁰ *Ibid*

¹¹ UNDP, HDI Report, 2010

¹² *Ibid*

¹³ <http://www.un.or.th/services/socio-economic-situation/>

¹⁴ FAO, 2009

¹⁵ FAO, 2010

Department but the Senate rejected key provisions and proposed amendments¹⁶ which meant that the Bill falls short of inferring what might be regarded as any form of ownership on these communities. The 2007 Constitution of the Kingdom of Thailand provides a basis for the community entitlement to co-manage the natural resources and environment in their areas.

2.2 Project description and strategy

43. The Project Document states that the objective is to create an enabling policy and institutional environment for scaling-up integrated Community Based Forestry and Catchment Management (CBFCM) practices through innovative financing mechanisms. To achieve this the project will strengthen systemic capacities in sustainable forest and catchment management at the local, regional, and national levels (Outcome 1), and support the expansion of CBFCM coverage throughout the country through pilot testing of defined Payment for Environmental Services (PES) and bio-carbon financing mechanisms (Outcome 2).
44. Therefore the project would build capacities of Ministry of Natural Resources and Environment (MONRE) to harmonize policies, plans and legal instruments to support CBFCM and PES and bio-carbon schemes. It would also support the establishment of a multi-sectoral mechanism for CBFCM, with active participation of all Regional CBFCM Networks, Regional Environmental Offices (REOs), Office of Natural Resources and Environmental Policy and Planning (ONEP) and RFD. This would act as an effective policy feedback, knowledge sharing and capacity development mechanism. The project would also strengthen national capacities to promote PES (including and bio-carbon) in order to strengthen community incentives for effective forest and catchment management.
45. The project would support scaling up of CBFCM best practices using PES and bio-carbon financing mechanisms at four sites, led by four Regional Environment Offices (REOs). These sites include Mae Sa Catchment (North), Tha Chin Catchment (Central), Lam Sebai Catchment (Northeast), and Pa-Ngan Catchment (South). The project would strengthen capacities of local authorities, landholders and the private sector to ensure that innovative financing mechanisms (PES) are used for improving livelihoods, global biodiversity conservation benefits, and GHG emission reduction from land use and land use changes. In order to do this, the project would support catchment level ecosystem services valuation (including bio-carbon) and assessment of benefits, trade-offs and various opportunity costs of land-use options taking into full account the ecosystem services. Biodiversity friendly PES and bio-carbon financing strategies would be implemented, with institutionalization of payment distribution structures that fully consider gender and other social equity aspects.
46. In summary the project, as described in the Project Document was taking on a very large challenge, both of a technical and an adaptive nature. Many aspects of the strategy required capacities and skills (institutional and individual) to be put in place by the project before solutions could be developed and as the project was working in the field of community management there was an important temporal element which was overlooked; working with communities is time consuming (see Box 4, section 3.2.1). Leaving aside any merits of the strategy, a four year timeframe was overambitious.

2.3 Project implementation arrangements

47. The project is executed through UNDP's National Implementation Modality (NIM) with the MONRE as the Implementing Partner (IP). Originally at the central level, the Office of Monitoring and Evaluation under MONRE's Office of Permanent Secretary (OPS) was to serve as the focal point of the project and the project management unit (PMU). At the site level, Regional

¹⁶ Salaam, MD, Abdus T Noguchi and Pothitan, R (2006) Community forest management in Thailand. Current situation and dynamics in the context of sustainable development. *New Forest* 31: 273-291.

Environmental Offices (REO) are the focal points in each pilot site. REO 1 (Chiang Mai), leads the Northern cluster; REO 12 (Ubon Ratchathani) leads the North-eastern cluster; REO 5 (Nakhon Pathom), leads the Central cluster, and; REO 14 (Suratthani) leads the Southern cluster.

However, following the Project Preparation Grant (PPG) phase and drafting of the Project Document there were significant government institutional changes to the project implementation arrangements. The MONRE's Permanent Secretary authorized the Director General of Pollution Control Department (PCD) to act officially as a commander for the Regional Environment Office (REO) 1-16¹⁷ and to be the Project Executive Board's chairman instead of the Deputy Permanent Secretary of MONRE¹⁸. The Planning Analysis and Evaluation Division was assigned to take charge of the CBFCM Project Office¹⁹ and the REO1, REO5, REO12 and REO14 were responsible for being the CBFCM Project Regional Offices of four catchments; Mae Sa (Chiang Mai), Tha Chin (Nakhon Pathom), Lamsaebai (Ubon Ratchathani), and Koh Pha Ngan (Suratthani)²⁰. This change was made because the REOs were transferred under the PCD rather than the OPS.

2.4 Project timing and milestones

48. The project is a four-year project. Harmonising the policy and planning framework were to take place in tandem with developing working PES schemes at the CBFCM-level. With both of these in place PES and CBFCM could be scaled up.
49. The project preparation grant (PPG) took place in 2010 and the Project Document was signed in 2012. The project started in October 2012 with an Inception Phase lasting until May 2013. In June 2013 the Project Manager (PM) resigned and a new PM was appointed in September 2014. The MTR has been delayed approximately eighteen months taking place approximately when the Terminal Evaluation should have been and the project has an anticipated closure date of February 2016.

2.5 Main stakeholders

50. On the surface the Project Document has a fairly comprehensive stakeholder assessment. This account is provided in its entirety in Annex 2 because it is too long within the limitations of this report to reproduce here. They are abridged and recorded here as:
 - Households and communities (service providers)*
 - Intermediaries: Agencies contributing to promoting, establishing, or strengthening the link between Services Providers and Buyers
 - Technical Back stoppers
 - Public sector agencies
 - Public agencies that have management authority over the ecosystems of the PES sites:
 - Public agencies that have functional responsibilities related to natural resources such as:
 - Public sector financial institutions (Bank of Agriculture and Agricultural Cooperatives; the Krung Thai Bank).
 - International agencies.
 - NGOs
 - Buyers of ecosystem services

¹⁷ Ministerial Decree No.474 on 18 July 2012 by the Office of Permanent Secretary of Natural Resources and Environment, the Ministry of Natural Resources and Environment

¹⁸ Ministerial Decree No.496 on 30 October 2012 by the Ministry of Natural Resources and Environment

¹⁹ The CBFCM Project Office is located at The Planning Analysis and Evaluation Division, the PCD building under the MONRE headquarter.

²⁰ Ministerial Decree No.327 on 26 July 2012 by the Ministry of Natural Resources and Environment ,and Ministerial Decree No.497 on 30 October 2012 by the Ministry of Natural Resources and Environment

- Private Sector businesses who benefit directly from ecosystems services
 - Private Sector businesses interested in being involved as part of the CSR activities
 - General public (both international and domestic) who sees the importance of ecosystems service and willing to make private contributions
51. There are a number of striking aspects to this analysis which are expanded in sections 3.3.5 of this report. The stakeholder analysis defined stakeholders in terms of: **households and communities** (service providers), presumably what later seems to have become the “*sellers*” of ecosystem services; **intermediaries**, of which there are more than twelve (considerably more if the sub-groups are “unpacked”) and, **buyers of ecosystem services**, of which there are three subdivisions.
52. What is striking about the stakeholder analysis is that it lumped all communities into one ill-defined group who were to have very specific contractual arrangements and obligations (if PES and bio-carbon financing was to work) whereas it subdivided, in considerable detail, the intermediaries and the “buyers”. Given that the Project Document stated that “*based on the institutional context and the policy entry points mentioned above, the adoption and implementation of PES and bio-carbon mechanism will require engagement of the following stakeholders*” there were more than twelve intermediaries (more if one subdivides the different donors, etc.) between the “*sellers*” and the “*buyers*”. Even in this section which is essentially documenting the project design it merits some mention that a project designed upon economic principals might have raised a “red flag” with so many intermediaries between “*sellers*” and “*buyers*” and that “*households and communities*” would not provide a sufficiently robust entity to “*enter into contractual agreement which specifies the activities (services) they are required to perform in return for compensation or reward*”²¹.

3 Findings of the MTR

3.1 Project strategy

53. To understand the project’s strategy it is necessary to understand the Project Document, the principle strategy document for a UNDP-GEF project intervention. This will be critically examined in section 3.1.1. However, it is important to note that these documents are invariably produced in a febrile atmosphere due to time and resources constraints. As they are intended to address problems affecting complex and highly unpredictable socio-ecosystems they will contain numerous assumptions about how a system is operating and they will almost certainly include a number of compromises in order to include a wide and sometimes divided number of stakeholders. Therefore any criticism contained within section 3.1 is directed at the process of developing a UNDP-GEF Project Document *per se* and are not necessarily a reflection on the individuals involved in it.
54. The project strategy was complicated (the complication will be described in section 3.1.1) necessitating the strengthening systemic capacities in sustainable forest and catchment management at the local, regional and national levels (Outcome 1), and by supporting the expansion of CBFCM coverage throughout the country through pilot testing of defined PES and bio-carbon financing mechanisms (Outcome 2).
55. The Project Document identified two barriers which impeded the development of innovative financing mechanism for ecosystem management and CBFCM. These were:
- A weak policy environment and systemic capacities to support community involvement in the conservation and management of forests and catchments, and;
 - Limited capacities and incentives for the sustainable management of forests and catchments.

²¹ Project Document p. 25

3.1.1 Project design

56. Arguably the project design was the amalgamation of two projects; one to develop innovative financing mechanisms for ecosystem goods and services and a second project to develop community-based natural resource management (CBNRM or community-based forest and catchment management). These are both two very complex issues requiring quite specific technical expertise. Generally these systems are found in countries at varying levels of efficiency and have “evolved” with institutions, communities, and private sector growing their capacity and the enabling environment organically over time²².
57. While there already is some experience of community-based forest management in Thailand²³, the Project Document both over estimates the effectiveness of this²⁴ while also recognising the inefficiencies in the community-based approach in Thailand as significant barriers²⁵. These barriers were, based on approaches and relative success from other countries in developing community-based natural resource approaches, quite considerable obstacles.
58. As “communities” were expected to “*enter into contractual agreement which specifies the activities (services) they are required to perform in return for compensation or reward*”²⁶ then an important aspect of this would be a robust definition of “community” which reflected the existing social arrangements, was geographically delineated, with a defined membership (see Box 1²⁷). While a national inventory conducted by the RFD in 1992²⁸ documented twelve thousand rural groups protecting forest patches, ranging in size from one to four thousand hectares, the MTR argues that it would need a definition which would identify the “community” as a *body corporate*. Such a definition might exist in the Community Forest Management Bill.
59. However, in 2000, the Thai parliament passed the first reading of the draft Community Forest Management Bill. In 2002, the House of Representatives passed a version of the bill that recognises the legal status of communities living in and around Thailand’s National Forests Reserves, and proposed the establishment of community forests by rural communities to manage forest areas in cooperation with the RFD. However the Senate rejected key provisions and proposed amendments that would prevent local people in having a greater role in Thailand’s forests. Although a specific Community Forest Management Act [Bill] is still pending in Thailand, the Tambon²⁹ Administration Organization (TAO) Act (1994) does call for the role of village governments in forest use, planning, and decision making³⁰. The implications to the successful outcomes of the project, or at least the means used to measure project successes will be examined further in section 4.
60. In addition to this, the project is introducing “innovative mechanisms” for financing ecosystem management, in particular PES and bio-carbon financing mechanisms.

²² For instance in Zimbabwe the CAMPFIRE programme which devolved the rights to use and benefit from wildlife resources on communal lands to the lowest administrative level was designed to provide the same rights and benefits to local communities as those enjoyed by private land owners and grew out of an earlier programme called WINDFALL which failed in its objectives. It took a critical review of the reasons for WINDFALL’s failure and at least fifteen years to establish the first Appropriate Authority (the devolution of the authority to manage and benefit from wildlife resources) status for a community.

²³ The Project Document provides a lengthy description of this.

²⁴ Project Document p. 12

²⁵ Project Document p. 21

²⁶ Project Document p. 25

²⁷ Principles for developing a sustainable use system (adapted from Murphree, M. J., Wildlife Division Support Project, CREMA Review Report No. 56. Wildlife Division of the Forestry Commission, Ghana and IUCN. October 2005)

²⁸ Asia Forest Network, Community Forests in Thailand: <http://www.asiaforestnetwork.org/tha.htm>

²⁹ The term *Tambon* and *Municipality* are at times interchangeable

³⁰ Source: Project Document, p. 12

61. Critically the project's design appears to have overestimated the national capacities to cost account for ecosystem goods and services, develop innovative financing mechanisms for the ecosystem, and develop community-based natural resource management systems³¹.
62. This has been compounded by the way in which the PMU was set up in the Project Document. The technical assistance to the PMU was composed of external consultants and covering the resource economics and the policy aspect but without any specific community resource management expertise. This was further exacerbated by having the technical assistance component outsourced to consultants rather than having these key resources as part of the core PMU team. Therefore the experience that was brought to bear on these issues and any acquired knowledge was not effectively contributing to adapting what was already a weak strategy into a coherent approach.
63. Furthermore the MTR argues that the project's innovative nature and the complexity of the two issues (natural resource economics and community-based management) warranted a Chief Technical Adviser (CTA) in addition to the Project Manager (PM) and that it would have almost certainly been necessary to have an international candidate who had worked on both of these issues (community-based natural resource management and natural resource economics) to fill that post³². This argument is not a reflection on the abilities of the individuals involved in the project but a tacit recognition that in most instances institutional change and the integration of novel concepts can be more effective if there is an external catalyst in the form of a CTA³³.
64. The Project Document, lacks the critical analysis of the approaches that it is introducing. While it is important to stress that the MTR is broadly in agreement that both CBFCM and resource economics will play a critical role in building ecosystem resilience in Thailand, it is important that the preconditions and limitations of each are clearly understood.
65. In this instance Community Forests are a very positive step in ecosystem management but, as they currently stand, have a number of characteristics which restrict their functional efficiency as a unit of ecosystem management in Thailand.
66. PES can be very broad including ecosystems provisioning goods (e.g. timber, meat, fibre, etc.) as well as services, or can be directed at just the services (e.g. water quality and quantity, pollination, carbon sequestration, etc.), but the Project Document lacks a substantive definition of both community based forest (and catchment) management (not to be confused with the Community Forest as defined under the Community Forest Management Bill (2002)) and PES which has probably accounted for much of the confusion that has surrounded the project's implementation, at least at the REO/pilot level.
67. Therefore when it came to the site selection, by focusing on community forests without a full understanding of the natural resource economics implications, it would seem that sites were chosen without any suitable criteria; and it is likely that a more critical site selection would have certainly made the project's task easier. In the event the pilot sites lack the functional efficiency (see Box 1) to develop the schemes for the larger ecosystem services (e.g. water) and in all but one case (REO 12) lack the legitimacy of Community Forest status under the 2002 Bill. This last

³¹ Annex B of the Project Document provides an interesting and very accurate Capacity Assessment Scorecard which does identify the weaknesses in the REO capacity to interact with communities but this does not seem to have influenced to any great extent the expectations of the Project Document. Perhaps there is also an element of community participation in development *per se* which is a well-understood process and has numerous tools and trainers and the development of community-based natural resource management which requires many additional skills such as understanding common property and other property regimes, resource management, ecosystem responses, economics, politics and community dynamics to name but a few.

³² The MTR notes that there is considerable resistance to employing international technical advisers, not without justification in some instances but in this case any risks would have been outweighed by the benefits of having someone who had prior experience of developing community-based systems and a the economic principles at play.

³³ A Capacity Assessment Scorecard was completed for the four REOs (but not the MONRE) during the PPG.

point was critical when one considers that the stakeholder analysis stated that “households and communities (service providers)” would “enter into contractual agreement which specifies the activities (services) they are required to perform in return for compensation or reward”³⁴.

68. Further, the selection of four sites rather than just one or two suggests that the enormity of what the project was taking on and the opportunity for things to not work as anticipated was either being overlooked or underestimated. The realisation of the objectives of the project, at least with the benefit of hindsight, would have been better served if there had been a concerted effort on just one catchment and one ecosystem service rather than spreading its resources across four different areas.
69. While there are convincing arguments to support the development of a “home-grown” natural resource economics approach to drive sustainable ecosystem management in Thailand and there were a number of imperatives that have been identified in other countries (see box 2)³⁵ to move towards devolved community-based natural resource management which justified the fundamental strategy proposed by the Project Document; still the project was introducing a number of new and to some extent untested approaches (perhaps tested in other countries but never in Thailand) and the development of community forests management was, and remains, “a work in progress”.
70. One particular market which the PES schemes were to utilise, according to the Project Document, was the voluntary Carbon market, in particular bio-carbon. The inclusion of bio-carbon was to involve the baseline measurements for Carbon stocks and facilitating the access of voluntary Carbon markets by community forests. However, as will be discussed in section 3.2, the price of bio-carbon, and the cost of entry as well as compliance have proved too little and too much in that order. To be fair to the project designers the first wave of projects accessing bio-carbon finance were being analysed at the same time this project was being designed and some of the constraints were only being disseminated at that time (e.g. World Bank Carbon Finance Unit, 2011³⁶) including reporting the fact that the first wave of projects had experienced difficulties in entering the market and the costs of compliance were prohibitive in many instances. Nonetheless, bio-carbon was expected to be a significant revenue stream and provide the motivation for the development of effective CBFCM areas.
71. The **objective** of the project was therefore to: To create an enabling policy and institutional environment for scaling-up of integrated community-based forest and catchment management (CBFCM) practices through harnessing of innovative financing mechanisms in Thailand
72. The Project Document sets out a strategy based on two components or outcomes. The **first component (outcome 1)** is addressing the national regulatory framework in order to develop an enabling environment supportive of both community-based forest and catchment management and the use of innovative market-based financing mechanisms such as PES and bio-carbon; ***Strengthened policy environment and systemic capacities to promote sustainable community-based forest and catchment management through PES and bio-carbon financing mechanisms..***
73. The **second component (outcome 2)** is intended to use the revenues from these innovative financing mechanism to provide the motivation for developing CBFCM at four pilot sites; ***Expanded CBFCM coverage through pilot testing and up-scaling of best practice using PES and bio-carbon financing schemes and mechanisms.***

³⁴ *Ibid*

³⁵ Stiener, A and Rihoy, E. (1995). The Commons Without Tragedy? Strategies for Community Based Natural Resources Management in Southern Africa. Background Paper. SADC Wildlife Technical Co-ordination Unit, Malawi/USAID – Regional NRMP & Literature Review of Wildlife Policy and Legislation, Rudge, J, F. Hurst, and N. Hunter, Natural Resources Institute, University of Greenwich, 1997

³⁶ Biocarbon Fund Experience. Insights from Afforestation and Reforestation Clean Development mechanism Projects. World Bank Carbon Finance Unit, Washington, DC, December 2011.

74. Both the enabling environment and the development of operational (and PES or bio-carbon financed) CBFCM was to be supported by technical advice and capacity building.
75. The barriers to developing this were identified as: ***a weak policy environment and systemic capacities to support community involvement in conservation and management of forests and catchments*** and ***the limited capacities and incentives for the sustainable management of forests and catchments***.

Box 1: Functional Efficiency

The unit of proprietorship should be the unit of production, management, and benefit. This means that the unit of decision-making must also be the same as the unit that manages and benefits. This component is fundamental to any sustainable resource management regime. However, it is recognised that due to issues of scale and the mobile nature and temporal and spatial boundaries of wildlife and other natural resources, mechanisms that allow for collective management decisions need to be used. These mechanisms generally exist within the community and need to be identified.

The unit for collective management should be as small as practicable and functionally efficient within ecological and socio-political constraints. From a social dynamics perspective scale is an important consideration; large-scale externally imposed structures tend to be ineffective, increasing the potential for corruption, evasion of responsibility and lethargy in respect of broad participation. Where collective management structures are based on existing collective management structures and are at a scale that ensures regular contact of the members, it becomes possible to enforce conformity to rules through peer pressure and control individual actions through collective sanction.

Box 2: Natural resource management reform imperatives

Globally the shaping of new and liberal approaches to natural resource policy has been an evolutionary process which has been pioneered in a few countries. Trial and error and adaptive management have been key instruments in this process. However, the underlying climate of environmental, social, economic, and political change has provided the impetus and made the process more palatable. The imperatives for this change can be broadly identified as:

- The need to address the drastic loss of natural resources (particularly outside the protected areas system).
- Recognition of the rights of indigenous peoples to utilise natural resources for their economic and cultural wellbeing.
- Recognition that the basic human need for development in rural areas has resulted in natural resources being linked to social and economic development.
- Recognition that the inequity in land tenure has resulted in changes in ownership of land and the concomitant need to address the issue of communal rights of access to public and communally owned lands and resources.
- The need to reduce government expenditure to cover management costs of the wildlife and natural resources estate and the need to better capitalise on the economic potential of the natural resource. This need has often occurred as a result of a country's implementation of structural adjustment programmes.

3.1.2 Strategic Results Framework (Logframe)

76. The SRF is the central monitoring and evaluation tool in any GEF-funded project. An important aspect of this is that it serves two functions. The first function is to set out a coherent strategy for a project intervention and a means to monitor the progress and compare the predicted course of the project with what happens once implementation begins in order to ensure that the project remains on track; but also to determine whether assumptions made during the project's design, are in light of experience, correct. This is the *adaptive management function* of the SRF and if a specific intervention is not having the predicted effect it is necessary to re-examine the project's strategy and adjust the intervention. This might also include challenging the means of monitoring and measuring success.
77. The second function of the SRF is essentially a contractual purpose. It sets out the outputs and outcomes expected of a project in exchange for the GEF grant so that Reviewers and Evaluators can check whether a project is doing what it said it would do. This essentially an audit function.
78. Given the inevitable complexity of the socio-ecosystems which GEF projects operate in these two functions are very often conflicting and it is generally the contractual function which overrides and constrains the ability of the project to practice adaptive management.
79. The CBFCM project SRF has a number of weaknesses³⁷ some of which are related to the phrasing and statement of indicators and targets and some which are related to the project's design *per se* in as much as the design was extremely overambitious in what it was attempting to accomplish in

³⁷ Indicator 2.4 was removed during the Inception Workshop and in the Inception Report but was subsequently reported on in the first (June 2013) PIR. For the sake of clarity it is included in the MTR.

four years and this is reflected in the choice of indicators but more importantly the setting of targets.

80. To be clear these inefficiencies relate mostly to outcome 2. Outcome 1 indicators are reasonable within a four-year timeframe as they are almost entirely relating to the national policy level. However, the development of this national policy and planning framework is to a large extent (at least going by other countries which have successfully taken this route) heavily dependent upon the successful demonstration of PES, bio-carbon financing and CBFCM in outcome 2 in order to inform policy makers and planners.
81. However, it is not unreasonable to expect the policy framework to advance at the same time as these approaches are being rolled out and tested in the field, indeed it might be argued that it is necessary for the policy to be innovative and lead the way; on the understanding that this should be an iterative and adaptive process. Therefore outcome 1 in the SRF presents a reasonable framework and means to measure both performance and effectiveness of the project's efforts.
82. Outcome 2 however, has presented a challenge to the project because outcome 2 might be considered either over ambitious or unrealistic in its expectations. The MTR will argue later that this is the result of a confused design and failure to coherently decide what the project is trying to do at this level; therefore it is unsurprising that the SRF reflects this confusion and lack of coherence. These weaknesses and inefficiencies in the SRF have been categorised here as:
 - **Poor fit between the project's expectations and the reasonable expectations of a project of this size and duration:** The indicators selected and the targets (for outcome 2) suggest that the project design did not clearly understand the complexity and the scale of this outcome. Alternatively, it may have understood the challenge but when it came to developing the SRF the indicators and targets should then have been more modest to demonstrate waypoints along a much lengthier process which would continue beyond the closure of the GEF-funded project, this was not the case and the SRF for outcome 2 is unlikely to accurately (and fairly) reflect the achievements of the REOs and the project *per se* at the pilot site level.
 - **A lack of any coherent definition of CBFCM:** The outcome describes the expansion of CBFCM (to be driven by PES and bio-carbon financing) however, it does not set out in detail what CBFCM is. The Project Document identifies the lack of a clear policy framework for CBFCM as a barrier and notes that the Community Forest Management Bill was rejected by Parliament in 2002 and therefore the legitimacy of CBFCM relies mainly on the Tambon Administration Organization (TAO) Act (1994) which calls for the role of village governments in forest use, planning and decision making but this is still less than adequate for community-based natural resource management on the scale where PES and bio-carbon financing revenues can be effectively channelled through a contractual agreement (indicator 2.1 and 2.2 and with implications for 2.3, 2.4, 2.5 and 2.6)³⁸. UNDP in a response to the first draft suggested that while the community forest bill was pending, local communities can still have the rights to management of their own natural resources according to the Constitution therefore the project takes this as an entry point. "Local community" can be any group which is registered as a legal entity, or it can also be local government³⁹. While the MTR has some sympathy with this view particularly as an entry point but considers that there should have been a clearer definition of "community" and local government and "community" especially where it relates to a common property resource would require significantly different approaches and this should have been very clearly articulated.

³⁸ There are a number of initiatives to develop indicators for monitoring and evaluating BBFCM or the more commonly used community-based natural resource management (CBNRM), see Annex 6.

³⁹ UNDP response to first draft MTR

- **The use of biological indicators in a project:** The measurement of change in biological indicators is unlikely to be detectable in a project timeframe and even if change takes place would be spurious to correlate this with a project intervention. It is more reasonable to develop proxy indicators to measure a project's impact. The Threat Reduction Assessment tool⁴⁰ (TRA) which measures the reduction of threats to biodiversity (or natural values and processes) as *proxy* indicators and provides an *index* figure which can be contrasted over time is a useful and adaptable tool for this purpose.
- **A lack of any measure of the quality and effectiveness of CBFCM:** There is little in the way of *process* indicators included in the SRF which either describe a successful community-based management system or measure the effectiveness and functional efficiency of such a system. To be fair to the project and its designers this has been an area where there has been significant activity and an equal amount of disagreement but it would still be reasonable to expect a project so heavily reliant on developing CBFCM systems to have developed some qualitative and process-oriented indicators rather than the single and somewhat blunt instrument of a livelihood quality index. To be fair the indicator includes an assumption that *"there will be transparent and reliable correlation that can be drawn between livelihood quality and PES/bio-carbon schemes per project site"*. Arguably this was less of an assumption and more of a leap of faith. The inclusion of the statement in the baseline for this indicator that *"for the four selected pilot sites, data collection must be designed specifically for the purpose of measuring livelihood changes resulting from the project"* constitutes more of an instruction than a measurable baseline and makes the MTR question whether, in the febrile atmosphere of project development the SRF, at least as it relates to outcome 2, was more of an afterthought than a coherent component of the project's strategy.
- **The wording of some indicators is confusing:** Clarity in phrasing an indicator is critical to its utility as both a measure of effectiveness and a means to judge performance. For instance indicator 2.1 states *"the Number and Type⁴¹ of PES and bio-carbon financing schemes developed..."*. The target for the same indicator reads *"at least four PES and bio-carbon financing schemes (one for each REO sit)..."*. While the MTR may be *arguing over the number of angels dancing on the head of a pin⁴²* the indicator lacks clarity because bio-carbon is effectively a PES, there is little attempt to differentiate between different types of PESs or at least different ecosystems (see box 3). It is not clear whether this means four schemes (one for each REO), eight schemes (PES and bio-carbon in each REO), different types of PES schemes, and a bio-carbon scheme in each REO, etc. Similarly indicator 2.2 includes both the area under CBFCM and PES schemes but only provides a target for CBFCM (15,000 ha).
- **There are differences between the English and the Thai versions of the SRF:** Indicator 2.2 has a target of 15,000 ha *"under community management"* which appears to have been interpreted as an increase or addition of 15,000 ha of new forest (i.e. new afforestation) in the Thai translation, which is not how it reads in the English version but one might understand the confusion because the indicator is ambiguous. While this was corrected in the Inception Report⁴³ it does not appear to have been well-understood and was repeatedly raised during the MTR.

⁴⁰ *Is Our Project Succeeding? A Guide to Threat Reduction Assessment for Conservation*. Richard Margoluis and Nick Salafsky, Biodiversity Support Programme, Washington DC

⁴¹ Capitalisation is in the Project Document SRF.

⁴² The term is an English metaphor to denote an argument of little importance, or wasting time debating topics of no practical value, or questions whose answers hold no intellectual consequence.

⁴³ CBFCM Inception Report sec. 2.4, p. 5

- **A number of the indicators, and in particular the targets are unattainable within a four-year project period:** The selection of indicators and in particular the targets are extremely ambitious and present specific problems in data collection and correlating any change detected with the project intervention, particularly over such a short timescale (see Annex 4).
83. The SRF should, in theory, provide a window into the project providing a logical hierarchy of activities leading to outputs, outputs to outcomes and subsequently these outcomes achieving an objective, or bringing about a significant change in the circumstances leading to, in this case, improved ecosystem management and resilience of both local communities and the ecosystem goods and services which society *per se* depends upon.
84. However, it does not do that but rather presents a picture of two components of a project and number of components of a strategy which are not holding together; the enabling environment, the introduction of innovative mechanism to motivate wise management of ecosystems and community-based management of these goods, services and processes.
85. All this leads to some sort of recommendation as to what to do with the outcome 2 section of the SRF which will be elaborated in section 4.2 of this report but is mentioned here briefly. With such a short time remaining in the project (the closure date is February 2016) it would be unwise to drastically alter the SRF, even if there were to be an extension it would still be too disruptive. Therefore a few changes in the way the indicators are expressed or at least interpreted and the expression of the targets, not necessarily the targets themselves, will provide a better measure of the project's achievements without diminishing the responsibility of the project partners and avoiding "mission creep"⁴⁴.

Box 3: Types of ecosystem services:

Provisioning services supply the goods themselves, such as food, water, timber, and fibre.

Regulating services govern climate and rainfall, water (e.g. flooding), waste, and the spread of disease.

Cultural services cover the beauty, inspiration, and recreation that contribute to our spiritual welfare.

Supporting services include soil formation, photosynthesis, and nutrient which underpin growth and production.

3.2 Progress towards results

86. Progress towards the stated project results have been slow. Part of this has been directly related to the weaknesses in the project's design, due to underestimating the challenge of introducing PES, bio-carbon financing and particularly engaging with CBNRM which have been discussed in section 3.1. However, these delays have also, in part, been due to the management arrangements which will be discussed in greater detail in section 3.3.1. Additionally there have been a number of external factors, most notably the political disruption in 2014, which have also impacted the project but are largely beyond the control of the project partners.

3.2.1 Progress towards outcome analysis

87. The difficulties in assessing the progress towards outcomes has been discussed at some length in section 3.1.2 as it relates to the inefficiencies in the project's SRF. Furthermore, the Project Document made some very broad, and unsupported assumptions, about the status of CBFCM in

⁴⁴ The expansion of a project beyond its original goals and not necessarily related to the original objective.

Thailand and the institutional capacities necessary to both drive community-based natural resource management and design and establish working PES systems.

88. The difficulties experienced by the project due to the institutional changes and a change in Project Manager have also contributed to the slow delivery rate. In the fourth and final year the project's progress in outcome 1 and 2 has increased but it is reasonable to state that, with a closure date of February 2016, the impact of the project will be limited. An extension would improve the chances of consolidating the gains made by the project but it is still unlikely to achieve the outcomes. However, this raises the question of whether it was ever realistic to achieve these outcomes within the time frame of the project and the technical and material resources available. The MTR therefore places more emphasis on the direction the project is taking on the understanding that the outcomes could result in the future but after the closure of the project. On this basis the MTR argues that the project has made some significant achievements, and these will very likely result in the intended outcomes at some point in the future.
89. However, the MTR is cautious in predicating the sustainability of these outcomes once the project has closed. There are a number of factors which could influence this positively and continue to drive the process further following the close of the project. The positive "drivers" would include the current diminishing quality and quantity of water supply in REO which is focusing minds on the ability of the ecosystem to continue to supply ecosystem services. If a strong case can be demonstrated in terms of cost savings and reduced investment needs combined with a calculation of the willingness to pay for these services (principally water) and a unit price for the service then there is a strong possibility that the utilities may continue to pursue this as a viable option. Similarly in REO 5 it is likely that the benefits from coastal protection to the private sector (and local infrastructure) will provide sufficient incentive for stakeholders to pursue a workable model of PES, indeed, REO 5 probably offers the most promising opportunity, albeit not on community forest land but public land.
90. This must be weighed against the likelihood of the CBFCM progress continuing without the impetus of the project. It is clear that, at least in some cases (e.g. REO 1 and 12) the community forests Committees are very motivated. In REO 5 the community is not necessarily part of a community forest but has considerable livelihood assets which would benefit from increased coastal protection. These are likely to provide continuing support to the process of developing PES schemes but it should be noted that the establishment of community-based natural resource management systems normally requires extended periods of external support.
91. **Outcome 1: Strengthened policy environment and systemic capacities to promote sustainable community-based forest and catchment management through PES and bio-carbon financing mechanisms:** Progress has been initially slow but has increased in pace and most key elements (listed in the PIR 2015) are in place. However, there is still no functional model to base the policy formulation on. Considerable confusion exists (mostly at the REO level) about PES and the schemes proposed, while having elements that could work, still need considerable work to make them operational, including a clear working definition of PES and a defined community forest or a *unit of management* or a *unit of management* which broadly equates to community management and is functionally efficient at a scale which represents existing social (community) arrangements and discrete ecosystems.
92. With a project closure date of February 2016 There is a likelihood that PES is included in key national policies before the end of the project but formulation of legal framework will require much more time, which will be beyond the project's timeline. However, the project is heading in the right direction and needs more time (see recommendation 1).

Output 1.1 Harmonized policies, plans, and legal instruments to support CBFCM and PES and bio-carbon schemes:

93. Elements of the enabling environment are almost in place. Key policy and legal frameworks related to PES schemes and bio-carbon were reviewed and recommendations draft on the priority entry points, including the Environmental Quality Promotion Action Plan (2017-2021). Options to establish multi-functional/multi-sectoral working group on CBFCM and PES at the national level have been identified. Yet it still lacks a convincing national PES example, it all remains somewhat theoretical, lacking the practical example necessary to really influence decision-making at a high political level. The Working Group urgently needs to be formally established with a clear TOR and mandate to drive policy reform and assist the REOs at the implementation level.

Output 1.2 Functional multi-sectoral mechanism for CBFCM (with participation of all Regional CBFCM Networks, REOs, ONEP, and RFD) that facilitates effective policy feedback, knowledge sharing, self-capacity development, and access to PES and bio-carbon:

94. An ad-hoc Working Group has not yet been established under the National Environment Board on Economic Instrument for Forest and Catchment Management. However, an informal network of exchanges among seven agencies working on PES and bio-carbon under the Ministry of Natural Resources and Environment (MONRE), consisting of the seven key agencies participating in the policy dialogue has been established. There are currently to options being considered in forming a multi-sectoral mechanism for PES management: (1) it could be part of the newly-established Sub-committee on the Economics of Ecosystems and Biodiversity (TEEB), coordinated by the Office of Natural Resources and Environmental Policy and Planning (ONEP), and reporting to the National Biodiversity Committee and the National Environment Board, or; (2) it could be under the Bureau of Natural Resources and Environmental Strategy, under the Office of the Permanent Secretary of MONRE. The MTR was also informed by the Policy Advisor during the interview that in addition to the Core Multi-Sectoral Mechanism, each concerned agency/department will have its own PES Unit to (i) develop PES mechanism and its inclusion in the departmental plan, and; (ii) promote public awareness and participation in PES process. However, it remains that the Multi-Sectoral Group needs to be established with clear ToR, a mandate and responsibility to drive policy reform in both PES and CBFCM areas (see recommendation 9).

Output 1.3 National capacities enhanced to promote incentive based CBFCM:

95. The REOs as well as the local governments, CSOs, private sectors and local communities in four pilot sites have gained considerable practical experience working with the project but they need greater guidance in developing a community-based natural resource system to speed up the process. While they are very capable and will be able to address many of the challenges and barriers to establishing such a system, some of the pain can be taken out of this using experience from other countries and regions rather than “finding out the hard way” and then solving the problems.
96. **Outcome 2:** Expanded CBFCM coverage through pilot testing and up -scaling of best practice using PES and bio-carbon financing schemes and mechanisms:
97. In common with outcome 1 this outcome lacks a single, concise example of a working PES scheme (beneficiary, provider or “owner”, ecosystem service, willingness to pay and price per unit, costs avoided by beneficiary, means of equitable distribution of payments, etc.), or even the description of how one could be operationalised. However, this is not “as easy as it seems” because there are still many inconsistencies in the CBFCM system which would need to be overcome, and the PES needs to be based on CBFCM, in this instance. However, a well-worked through scheme would clearly indicate where the weaknesses lie and this could inform decision-makers (through the Working Group) what the necessary policy reforms should be. To be clear, and to be fair to the project implementers, such an undertaking is arguably a GEF project in itself rather than a single output (2.3) in much larger and diffuse project.

98. The gains made in this outcome include bringing together the various players (municipality, government agencies, private sector, local communities, in whatever form, etc.) to address what is a common challenge but it is likely that they will encounter increasing obstacles as they try to get this system to work. These obstacles could be avoided. Without a functionally efficient system of community-based forest management it cannot be expanded and it will present very real problems in receiving payments for ecosystem services which amount to anything more than CSR donations and it will prove problematic in linking PES and bio-carbon payments to wise management.
99. Outcome 2 has three outputs:

Output 2.1 Capacities of local authorities, landholders, and the private sector enhanced to ensure market-based payments and harness innovative financing for improved livelihoods:

100. The project is picking its way through the maze of issues and challenges involved in setting up a PES scheme which were either overlooked or underplayed in the project's design. It is close to identifying a number of plausible and clear examples (water provisioning in the Mae Sa catchment, coastal protection by mangrove forests in Tha Chin catchment and recreational, spiritual and cultural values in the Lam Sebai catchment). This process has involved a broad range of local stakeholders (Municipalities, large and small private sector operators, different agencies, CSOs, local communities on several levels, monks, etc.) all of which have increased their capacity to work together and through this process there is a growing awareness of the linkages between ecosystem health and sustainable livelihoods. The result of this will likely be improved and more empowered and resilient community-based ecosystem management which can be financed through PES and bio-carbon financing schemes. But this is very far in the future and the project has made the first tentative steps in the right direction.

Output 2.2 Catchment level ecosystem services valuation (including bio-carbon) and assessment of benefits, trade-offs and opportunity costs of land-use options.

101. It has not been possible to demonstrate bio-carbon and this is beyond the control of the project. The carbon assessments have been made and this has established both a capacity to do so and an understanding of why and how this can be used in the future, but at this point in time it is uneconomical to establish such a scheme.
102. Other ecosystem goods and services valuations have taken place but the results were not available during the MTR and the focus and scope of these valuations appears to have been largely directed at specific community forests and not the catchments *per se*. The process of carrying out these evaluations appears to have had a positive effect on those involved (REOs, local communities, municipalities, etc.) in linking the ecosystem to livelihoods and the economic values.
103. However, the MTR did not see any catchment wide valuation of the magnitude and scale which would provide the sort of arguments necessary to influence political decision-makers, for instance calculating a "price" for sea defences in REO 5 against the loss of shrimp farms, salt water intrusion, flooding, loss of fishery nurseries, etc., or REO 1 which might quantify and qualify and economically value the water provisioning services.

Output 2.3 Land-use based and biodiversity friendly PES and bio-carbon financing strategies for CBFCM with result-based, equitable, transparent and unified payment distribution structure in place in 4 REO regions.

104. The expansion of CBFCM requires a better definition of CBFCM than currently exists. The process that is taking place at the REO level is beginning to encounter many of the obstacles which invariably stand in the way of effective community-based natural resource management (for instance; one of the "communities in the Mae Sa catchment consists of a "community forest"

which is actually inside the territory of a national park. While there is a community Committee established, there is also a second and ethnically different community which uses the forest as well as a private enterprise with roots in the community but nonetheless a private property which uses the forest for tourism activities). CBFCM requires the right conditions. While outcome 1 is working towards creating a national enabling environment, outcome 2 is essentially creating those conditions at an operational level and linking these to PES schemes to provide the motivation for wise management. In effect the REOs are sorting through the existing conditions and will eventually, providing there is policy reform support, arrive at the appropriate conditions, but this is some way in the future and in their current *construct* the forest communities appear to lack the functional efficiency to provide an effective unit of management for ecosystem management.

105. The MTR did not encounter any community which had sufficient capacities in place, the security of tenure and internal governance necessary to effectively manage the natural resources in a manner which would justify a sufficiently robust PES scheme
106. The experience gained by the REOs in following this process is building a sound basis for developing PES schemes in the future but completed working examples in the lifetime of this project, considering the baseline at the start, are too ambitious. A description of how each PES would work is lacking. There does not appear to be a unified understanding of PES (and indeed CBFCM) and this needs to be addressed urgently.
107. The GEF Tracking Tool (TT) SF/REDD-Plus Projects, was carried out during the PPG phase (July 2011) and was repeated before the MTR (March 2015), indeed it apparently contributed to the delays in carrying out the MTR.
108. The MTR disagrees that the indicator 1.2; *sector policy/regulation framework formally adopted by the Government but weak enforcement mechanisms* (TT score 4) in the TT and would substitute *sector policy/regulation framework have been formally proposed but not adopted* (TT score 3) and notes that the indicator 1.2 targets for carbon are only one tenth of those predicted in the PPG and although the carbon stock assessments are almost completed the information is not available and therefore not included in the TT at the MTR.
109. The MTR urges the PMU to work towards these targets and ensure the TT is completed in good time for the Terminal Evaluation as the GEF places considerable importance on the TT.

Box 4 Technical and adaptive challenges

Technical challenges:

- A technical challenge is a challenge that can be addressed with existing expertise, protocols, and operations.
- Implementing solutions to technical challenges often falls to someone with the authority to address them.
- Technical training (i.e. using a manual and new equipment) can resolve the problem.

Adaptive challenges:

- Encounter situations for which solutions lie outside the current way of operation, and possibly, thinking.
- Applying existing procedures and understanding does not provide the solution needed.
- Stakeholders must be involved in developing and implementing solutions.
- Solutions lie not in the application of expertise, but rather from a process of learning and adapting.
- Addressing adaptive challenges requires trying solutions that are new and maybe quite different.
- Inherent in addressing adaptive challenges are the need to become comfortable with not knowing what the next move might be, dealing with uncertainty.
- It is necessary to think (institutionally, individually, collectively...) what we should continue to do, what we should start to do and, critically, what we might need to stop doing...
- Addressing adaptive challenges may require the transfer of power (the ability to make decisions and to influence future events) from one party to another.
- Normally require expert thinking, which is the ability to solve non-rule-based problems.
- Addressing adaptive challenges requires solutions that are new and maybe quite different.
- Inherent in adaptive work is the need to become comfortable with not knowing what the next move might be.
- Adaptive challenges require time for adaptive solutions to have an effect and stakeholders cannot expect to react too quickly because of the discomfort that comes with not knowing.

Adapted from: Heifetz, Ronald A.; Leadership Without Easy Answers (Belknap/Harvard University Press, 1994)

3.2.2 Remaining barriers to achieving the project objective

110. To be clear the project is unlikely to achieve the objective in its fullest sense. However, this does not mean that the time and resources have been wasted and there are some very real achievements being made by the project, although these are difficult to measure given the weaknesses in the SRF and the indicators and targets.

111. The analysis of the outcomes progress towards results leads to the identification of a number of critical barriers, these are:

- **Project management:** the PMU is within the PCD. While the PMU is doing a diligent job it needs to be less cautious and increase the pace at which it is working. To be fair the PMU has faced a number of challenges including the institutional changes at the start of the project and the resignation of one Project Manager. However, now is not a time to be cautious and the PMU needs to increase the pace of the project in areas such as procurement of technical services and operationalising the Working Group.
- **Insufficient and appropriate technical assistance:** for whatever reasons the project design did not include sufficient technical advice. Furthermore, it provided only technical

advice which was nationally available despite the recognition that the project was introducing new and innovative approaches (PES and bio-carbon). While the REOs and those involved in outcome 1 have done well there are issues related to PES and particularly CBFCM which would benefit from specialist technical advice and will unlikely be addressed in the remaining time of the project without external technical advice.

- **PES is still not clearly understood at many levels within the project:** the project needs to pause, take a breath, and produce a briefing note on PES. At all levels, particularly the REO (because they are having to explain PES to stakeholders with differing levels of technical understanding). Admittedly this is difficult without a working example but at the moment there is still much confusion about PES and some basic and easy to understand information is missing. A good example, even if theoretical but based on existing conditions would provide a powerful communication tool to increase understanding and “put everyone on the same page”.
- **Technical advisers are not fully integrated into the PMU:** The technical assistance has been used as external consultants and not embedded in the PMU team in part (and also connected to their TOR and the procurement process) this has led to their performance being measured by reports rather than facilitating a process of building CBFCM and PES systems.
- **Lack of a functionally efficient and robust definition of “community”:** if communities are to effectively manage forest (and other ecosystem) resources in return for monetary payments from downstream beneficiaries then it is vital that there is a robust definition of “community” for the purpose of resource management. This factor was overlooked in the project’s design but if communities are to “*enter into contractual agreement which specifies the activities (services) they are required to perform in return for compensation or reward*” then they will have to be recognised as a *body corporate*. This would normally mean defining them spatially, numerically through a membership and they would need to have a democratic representation and executive in order to make decisions on behalf of the membership. Furthermore, this would have to match the spatial distribution of the resources on the land. The closest the MTR saw to this is in Lam Sebai catchment but there are still issues of spatial distribution of resources and included private lands which, while not necessarily precluding the establishment of effective community-based natural resource management, add a level of complexity which needs to be addressed.
- **Time:** four years was never going to be enough time to achieve what the Project Document set out to do, even if the efforts had been scaled down to one catchment. The project has less than a year before closure and it has experienced delays (which are a common occurrence in most GEF projects). Time is a critical barrier to achieving the objective and with the current time limit could risk disrupting the many achievements made by the project thus far.

3.3 Project implementation and adaptive management

3.3.1 Management arrangements

112. Section 2.3 described the management arrangements, those described in the Project Document, and the subsequent changes made following institutional changes beyond the control of the project. However, the MONRE is responsible for:

- Coordinating activities to ensure the delivery of agreed outcomes;
- Certifying expenditures in line with approved budgets and work-plans;
- Facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs;

- Coordinating interventions financed by GEF/UNDP with other parallel interventions;
 - Preparation of Terms of Reference for consultants and approval of tender documents for sub-contracted inputs, and;
 - Reporting to UNDP on project delivery and impact.
113. The change to the PCD as opposed to the OPS appears to have been necessary because the REOs were the principle implementers at the pilot level and therefore they were directly under their new parent Department (the PCD).
114. While the initial move created some delays, the PCD is primarily involved in pollution control. The four REOs responsible for the pilot sites were overwhelmed when the government policy shifted its emphasis to waste management as the institutional national agenda. This required immediate actions and implementations, led by the PCD. This national policy imperative diverted the attention of the project's Implementing Partner from the issues of PES and CBFCM towards waste management. The Project Director was one of the focal persons taking charge of preparing the national Road Map on Waste Management⁴⁵. It would appear that this had a profound effect on decision making and it was not until the task of preparing the Road Map was completed in December 2014 that the project started to pick up momentum and the project has made good progress since then⁴⁶.
115. There are a number of advantages in having a NIM modality such as embedding the project experience within the institutional framework and it provides a firm basis for ownership of the project. However, the MTR also notes that embedding the PMU within the governmental structures can also slow down the decision-making process. *Governments per se* are, understandably, naturally cautious and have their own bureaucratic procedures. However, projects, particularly innovative projects, need to move at a pace commensurate to the period of funding. Furthermore, they *need* to take risks.
116. The PCD has provided a well-resourced office for the PMU and it has acted correctly but it is critical that the decision-making process is now streamlined because it is too slow in implementing the project. The PCD and PMU should utilise the strength of partnerships more effectively and examine ways in which the UNDP CO can facilitate actions where their own bureaucratic processes may slow the process down (e.g. such as the selection and recruitment of technical advisors).
117. Clearly the support and oversight of the Project Director has helped the project but as witnessed in the development of the Road Map on Waste Management, these other duties have at times placed considerable burden on the Director. With such a short time available before the close of the project a judicious use of the Project Board (e.g. more regular meetings) to agree strategy and work plans and provide the PMU with more independence will make the project more effective.
118. At the pilot site level the REOs have performed well. As was the case with the PCD, the change in emphasis to waste management did affect their work with the project. None of the REOs appointed a position strictly dedicated to the project but used their existing head count⁴⁷ to carry out the project-related activities and the project has, by all accounts added to their workload. However, the project employed a Field Coordinator. An important point to make is that the project activities are reflected in their individual Key Performance Indicators (KPI) which reflects a high degree of ownership by the REOs.
119. A key issue at this level appears to have been the deployment of technical assistance. Not necessarily the quality of the technical assistance but rather the way it has been used. This reflects a dislocated approach to the project in as much as there are field-based implementers, policy-level technocrats and the other stakeholders but they are not "tied" together. There appears to

⁴⁵ See 2015 PIR

⁴⁶ *Ibid*

⁴⁷ As set agreed in the Project Document

be nothing to tie together all of these individual endeavours into a coherent approach, to capitalise on the small opportunities presented at the REO level and to bring the whole “team” together and feed back into the national policy initiatives. The MTR surmises that this might be a result of having to marry a project which has a considerable component which is *process-oriented* with the day to day functioning of a government department, notwithstanding the weaknesses in the original design of the project which were creating issues of scale; geographical, institutional and temporal, on the project.

120. What is apparent to the MTR is that the project has made a number of important achievements. However, these are vulnerable unless the speed of project management picks up in the remaining time available (see section 3.3.2).
121. Following the initial shift from the planned OPS to the PCD the PMU and the REOs have built up a working relationship. However, the project will now need to be transferred from PCD to the OPS because the REOs are to be transferred back under this office. Such a change in the institutional arrangements at this late stage in the project are likely to have a significant and detrimental impact on the progress and ultimate achievement of the objective due to the disruption caused by moving the PMU.

3.3.2 Work planning

122. The PMU prepares annual work plans based on Project Document for outcomes 1 and 2. The REOs subsequently incorporate these activities into their own work plans. Some of the causes of the slow implementation are due to work planning. The project is structurally complex with a national component and four regional (pilot) components. There appears to have been some confusion with regards the nationally organised activities (e.g. the deployment of technical assistance) and the regionally organised activities. The MTR surmises that it may be difficult for the PMU to efficiently integrate the nationally organised activities into the REOs work planning. The 2015 PIR reports:

“As pointed out in the last PIR that the project needs to improve the speed and efficiency in moving the activities according to the work plan. In order to enable the 4 pilot regional environmental offices in to do so, RECOFT has been engaged to provide a team of technical and coordination support to the REOs, since the beginning of 2014. A field coordinator hired by RECOFT has been stationed in each REO to support the implementation, especially on the engagement with the communities. There was a coordination and communication issues due to the lack of clarity in roles and responsibilities and the common work plans. The project director, project manager, and UNDP have then been having a round of field visit to each REO to bridge the gap. The communication and coordination has been improved since then and the involvement of RECOFT has proven to be working well most of the pilot REOs.”

123. Clearly there is great concern from all parties that things are not going according to plan and quite clearly there is a genuine and concerted effort to try and make things work according to plan. However it is apparent that the cautious, almost “*business as usual*”, approach by the PMU is slowing the progress of implementation. While it is good to be cautious it is also important to look ahead to identify the risks and constraints and attempt to avoid these ahead of them happening. Unfortunately in *projects* it is necessary to take these risks. Arguably a GEF-funded project, whether NIM or DIM is intended to free up the PMU from the normal parameters of the civil service and government agencies so that new and innovative approaches can be tested. This means going ahead even when risks have been identified and ensuring that there are strategies in place to avoid or mitigate these risks. GEF projects cannot be *administered*, they need to be *managed*, with a proactive and experimental approach because specific components of the intervention, as is the entire intervention, are based upon numerous assumptions about how a

particular system is operating, and this requires rapid decision-making and the delegation of responsibilities to different levels within the project so that decisions can be made quickly.

124. For example; the MTR found that PES is still not well-understood by many within the project and, associated with the project. This was brought up repeatedly and various versions of PES were recounted to the MTR but a basic grasp of the principles seems to allude many of the individuals interviewed. Therefore it is necessary to re-examine the project's basic strategy, the current work plans, and activities and ask what needs to be done, ask why there is still so much confusion surrounding PES, and then adapt the remaining part of the work plan to address the issue. Needless to say that the "fix" needs to be evaluated to see if it has worked and if not, then why not.
125. In project time, with the GEF-fund clock ticking such decisions need to be decided in a morning, designed in a day and actioned within a week and the activity commenced within the month. It is too late to wait until the next work planning period. This is the nature of GEF projects and this is why GEF places so much emphasis on adaptive management. Communication and decision-making needs to be improved within the PMU. It is highly commendable that the PMU is cautious with the use of the GEF fund, but in terms of moving the process forwards there needs to be a rapid transmission of ideas, the responsibility can be shared between Implementing and Executing Agency through communication of any adaptive management (e.g. a change to the scheduled work plan) and as long as the decision is made for the right reasons, with a well (but rapidly) thought through rationale, if it doesn't work the project has still learnt something.
126. When the project document is closely examined as many times as it is in a MTR, the scale of what was being attempted, the assumptions that were *implicit* rather than *explicit* (particularly related to the status of CBFCM and a national understanding of PES which might reflect equally on most countries) and the challenges of achieving this within four years is overwhelming. When the contractual function of the SRF is overlaid on this then any amount of careful work planning was also going to slow implementation down. The project design had its limitations and these have also played a large part in the delays experienced by the project. This last statement makes it all the more necessary for the PMU to be more adaptive, to challenge anything that is not working, and look for ways to make it work. Ideally the Project Board (PB) should be available and accessible for the Project Manager to share the responsibility of taking decisions and to share ideas about how to "fix" problems, but the PB has, until 2015, only met on an annual basis.
127. It is clear that elements of project assurance and adaptive management are being brought to bear on these issues⁴⁸ but not quickly and not adaptively enough. The engagement of RECOFT being a case in point. RECOFT has been brought in to assist driving the community participation at the REO level. However, this has met with mixed results. The reason for these mixed results needs to be analysed, discussed with the PB *and* RECOFT and any necessary changes made to the intervention. Furthermore the bureaucratic procedures within the PCD appear to slow the effectiveness of this and limit the scope of the technical assistance (technical assistance necessary to address adaptive challenges as opposed to technical challenges in many instances (see box 4)).
128. Logistically and technically this is a challenging project, progress has been slowed by the caution of the PMU, and by the mismatch of what the Project Document thought was possible and what is really achievable. The stepping down from the national (PMU) to the pilot areas (REOs)

⁴⁸ 2015 PIR: The reason [for some of the delays] is that the day-to-day operational flow within the government system is not conducive to move the project forward effectively. The project director has expedited the government recruitment process to put in place three new staff, including the new project manager who worked within the government before and [is] familiar with the bureaucratic procedures, as well as has experiences in working on GEF projects.

shows how widespread the project is and how challenging it is for the PMU to drive implementation at the pilot level.

129. Lastly, it is important to recognise that the PCD and the PMU have made significant efforts and some of the inertia may be due to the way in which the PMU was initially designed (a common weakness in many GEF projects). The PMU has effectively outsourced the technical aspects of the project to external consultants. However with a project that is intended to be innovative it is necessary for the PMU to function as “think tank” as well as an administrative unit. Without a technical team to support the Project Manager it can become a very lonely place to be, besides the Project Manager has managerial roles as well as the technical. The project is dealing with elements of resource economics, community-based natural resource management, and policy reform, piloting new approaches and administering a project. The MTR takes the view that the technical assistance should have covered resource economics and community-based natural resource management and led by the Project Manager, therefore the PMU was under-resourced in the Project Document.

3.3.3 Finance and co-finance

130. The budget execution to August 2015 is forty-one per cent (US\$736,976) of the total budget (US\$1,756,182).

Table 1 Budget execution

Sum of Sum Amount	Budget	Year						USD	% Utilized
Outcome	USD	2012	2013	2014	2015	Grand Total	Budget Balance		
Outcome 1 (Policy)	600,000	(125)	7,663	395	(1,380)	6,552	(6,552)		
Outcome 2 (Pilot)	988,182	42,930	67,946.90	66,557	71,109	248,543	351,456		41%
Outcome 3 (PMU)	119,360		105,855.56	193,573	99,647	399,077	589,104		40%
Outcome 4 (M&E)	50,640	8,807	16,629.38	29,982	13,592	69,011	50,348		58%
Grand Total	1,758,182	569	2,383.96	3,563	7,274	13,791	36,848		27%
		52,181	200,478.99	294,072	190,242	736,976	1,021,205		41%

131. In the 2014-2015 reporting period, the project undertook an audit process, according to UNDP Programme and Procedures Process. The result was moderately satisfactory. The audit report pointed to the need to improve the system in recording expenditures against the proposed budget items and the standardized recording and reporting system across the REOs. The project Implementing Partner and the PMU have been quick and responsive to put an effective system in place in accordance with the recommendation from the Audit Team⁴⁹. To be clear there was no wrongdoing but there was a need to harmonise of accounting processes.
132. The PMU has pointed out that some of the under-spend is due in part to the MONRE using its own resources and the co-financing appears to support this. However, an important aspect of many GEF projects is that the GEF fund can be utilised for items which it is harder to get government funds for. Typically this can be specific technical assistance and service contracts (e.g.

⁴⁹ PIR 2015

RECOFT). Therefore the PMU should utilise the GEF budget to its fullest (in the event of an extension) although in the current work programme there is less flexibility.

133. At such an advanced stage in the project (i.e. in its fourth and final year) forty-one per cent budget execution is poor. The causes of this are several; the slow start up, governmental crisis in 2014, and the change in the Project Manager, and MONRE using its own funds rather than the GEF fund, to name a few. However, it remains that the execution of the project has been slow (see section 3.3.2) due to the slower pace of the day to day operational flow within the government system. The Project Director has expedited the government recruitment process to put in place three new staff, including the new project manager who worked within the government before and is familiar with the bureaucratic procedures, as well as having worked on GEF projects⁵⁰. This has made a significant improvement but the pace of execution still needs to increase (see Annex 5).
134. Co-financing has not been well-reported over the lifetime of the project, although it does not seem to have been one of the contributing factors in slowing the progress. The current figure in the first draft of the MTR report is BHT 12,555,581 (approximately US\$ 346,180 at the current rate of exchange) which is well short of the US\$ 12,210,000 pledged in the Project Document as the Government of Thailand contribution.
135. However, the MTR believes that this (2.3 per cent of the pledged co-financing) is a result of misunderstanding of reporting co-financing (an important responsibility of the PMU) which does not reflect the larger pledges made in the Project Document but just reports the costed time and other inputs to the direct work of the PMU and REOs. If those pledges made in the Project Document are factored in the sum will be much higher and indeed, the project can include leveraged co-financing such as the “crab bank” and proposed artificial reef in REO 14 and it is likely that there are other examples in the other REOs. These should be recorded accurately and included in the Terminal Evaluation.
136. The co-financing costs have been entirely in-kind for items such as salaries of PCD government officials involved in the project, senior project management, utilities (electricity, water, etc.), office space for the PMU and transportation.
137. The UNDP contribution has been US\$150,000 of the US\$350,000 TRAC funds pledged in the Project Document.

3.3.4 Project-level monitoring and evaluation systems and reporting

138. The weaknesses in the projects SRF have been discussed at length in section 3.1.2 and at various parts of this report. To reiterate; outcome 1 presented a reasonable measure for the performance and impact of the project at the national level, however, outcome 2 had a number of weaknesses which have made it difficult to assess both performance and progress towards results. Outcome 1 provides a better basis to judge the quality of the projects monitoring and evaluation and the manner in which reporting of these findings have fed back into the process to adapt the management.
139. The inception phase lasted eight months which is longer than anticipated and in part due to the project adapting to the changes in the institutional setup created by the change from the OPS to the PCD.
140. However, the inception phase presents an opportunity in the project cycle to challenge the Project Document and if necessary to make fundamental changes to a project if circumstances have changed or there are incorrect assumptions in the project design. In this instance the inception phase made only minor changes and broadly accepted the project’s strategy despite the fact that the REOs were encountering difficulties in identifying suitable potential PES schemes and CBFCM sites and the level of understanding of PES was becoming apparent.

⁵⁰ PIR 2015

141. A Capacity Assessment Scorecard (CAS) was completed during the PPG⁵¹ phase and provides a very clear assessment of the REO capacities and includes useful recommendations on how these capacities need to be strengthened. Some of these trainings have been taken up in the project, however, the capacity assessment exercise has not been repeated. It is important to note that it was not scheduled in the project's monitoring and evaluation framework (Table 1) and neither was it included as an indicator and target in the project's SRF, which seems to be something of an oversight.
142. While the REOs have made very commendable progress in building their capacity as it relates to PES and CBFCM (and community participation in general) they themselves identified areas where they are weak. The project has picked up on this, in particular the UNDP CO with these points, and others, being clearly discussed between the project partners in the PIR.
143. The REO and PMU Quarterly Reports have fed into the PIR and the PIR appears to have been the primary means of reporting as there have been no Tripartite Reviews. The MTR sees no problem with this because the members of the Tripartite Review are effectively the same as those reviewing the Quarterly Reports and producing the PIRs. The PIRs are providing an accurate and frank assessment of where the project is and the Implementing Agency is providing useful guidance on how to address issues as they arise (e.g. the engagement of RECOFT to drive the community work).
144. There are very clear signs that the project is reporting efficiently and that the UNDP CO and Regional Technical Adviser (RTA) are in closely monitoring and feedback to the PMU. However, there appears to be an inertia within the project which is slowing the adaptive management.
145. Whether this is because the PB was only meeting once a year⁵² is not clear although the MTR does not feel that this is the cause of this inertia as the PCD itself appears to be able to make decisions but perhaps is overly cautious. Clearly the PCD and PMU have made quite far-ranging decisions when it comes to the PMU, for instance engaging a Project Manager who has experience of the governmental system and increasing the effectiveness of the PMU. However, with strategic decisions or decisions relating to dynamic changes in the work planning in response to changes in circumstances or interventions not working as anticipated, the PMU has been slower to act.
146. This may be a naturally cautious approach and it may also reflect the bureaucratic processes within the MONRE and PCD. However, it is causing a slow progress with the project as is manifest by the lateness of the GEF Tracking Tool (midterm submission), the delays in initiating the MTR and not repeating the CAS prior to the MTR.
147. What is apparent to the MTR is that there is a need to increase the speed of the decision-making process; plan, action, monitor, evaluate, and adapt. There is a good working relationship between the PCD, PMU and the UNDP, therefore the results of monitoring can be easily shared, remedial actions discussed and agreed and implemented, the UNDP CO has shown every sign of sharing this responsibility but the PMU needs to act more quickly, particularly in relation to outcome 1, if the project is to achieve its full potential by its close in February 2016.

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame	At MTR
Inception Workshop	<ul style="list-style-type: none"> ▪ Project Management Unit ▪ UNDP CO ▪ UNDP GEF 	10,000	Within first three months of project start up	Inception phase October 2012 – May 2013

⁵¹ Project Document, Annex B, p. 84 -111

⁵² 2013 – 2014 one meeting per year, two meetings in 2015

Mid-term Review, Integrated Community-based Forest and Catchment Management through an
Ecosystem Service Approach Project, PIMS 4033
Final Draft Report, 12th December 2015

Inception Report	<ul style="list-style-type: none"> Project Management Unit UNDP CO 	4,000	Immediately following IW	Inception Report May 2013
Micro-assessment of the implementing partner	<ul style="list-style-type: none"> Hired third-party assessment 	1,500	During the inception phase	Completed
Quarterly progress reports and operational reports	<ul style="list-style-type: none"> Project Management Unit UNDP-CO UNDP-GEF 	10,000	Annually	REOs submitted to PMU PMU submitted to UNDP 2 QPR UNDP Oct – Dec 2013 and Jan – Mar 2013
Annual Progress Report (APR) and Project Implementation Report	<ul style="list-style-type: none"> Project Management Unit UNDP-CO UNDP-GEF 	10,000	Annually	PIRs 2013, 2014 and 2015
Tripartite Review (TPR)	<ul style="list-style-type: none"> Government Counterparts UNDP CO Project Management Unit UNDP-GEF Regional Coordinating Unit 	5,000	Every year, upon receipt of APR	None
Project Board Meetings	<ul style="list-style-type: none"> Project Management Unit UNDP CO 	5,000	Following Project IW and subsequently at least twice a year	1 in 2013 1 in 2014 2 in 2015
Mid-term Review	<ul style="list-style-type: none"> Hired third-party assessment 	25,000	At the end of the second year	September – October 2015 (middle of fourth year of project)
Periodic status reports	<ul style="list-style-type: none"> Project Management Unit 	5000	To be determined by Project team and UNDP CO	
Technical reports	<ul style="list-style-type: none"> Project Management Unit consultants 	10,000	To be determined by Project Team and UNDP-CO	
Audit	<ul style="list-style-type: none"> UNDP-CO Project team 	\$6,000	Yearly	2013 2014
Final Evaluation	<ul style="list-style-type: none"> Hired third-party assessment 	25,000	3 months before the project ends.	Not applicable at MTR
TOTAL INDICATIVE COST <i>Excluding project team staff time expenses</i>		\$116,500		

3.3.5 Stakeholder engagement

148. The nature of the CBFCM project with its national policy component (outcome 1) and the pilot operational sites (outcome 2) makes it necessary to engage high-level stakeholders at one end for the policy reform process and to engage a much larger and disparate group of stakeholders at the pilot site. As has been note in section 2.5.

149. The Project Document's stakeholder analysis and engagement plan has been briefly discussed in section 2.5 and the issue of "lumping" the local community into one bracket was noted in section 3.1.1 the PPG carried out a Capacity Assessment Scorecard for the REOs to assess their capabilities to lead the community-based components of the project. This identified a number of weaknesses and to be fair there were strong elements of capacity building built into the project. However, this did not restrain the expectations of what might be achieved and the speed with which change could occur. In the event the REOs, including the Field Coordinators, have done remarkably well to get to where they are now. The project has recognised that additional resources were needed here, albeit late in the day. RECOFT was brought into reinforce this area of the project but it has had mixed results, with greater success in some REOs (REO 1 and 12) than others (REO 5 and 14). In REO 14 this is probably due to their "late arrival" in the project and the difficulties specific to this REO (i.e. there were no forest communities to work with, tourism is the largest issue, the coastal area and the reef system are of greater environmental concern than forest areas, etc.). In REO 5 it is less clear why RECOFT have been less successful and possibly due to the REO having done a lot of groundwork before RECOFT was brought in. Regardless it demonstrates the project employing adaptive management to try and strengthen the stakeholder engagement at this level.
150. There is clearly support for the project's objectives by the stakeholders, although the MTR is not convinced that these objectives are fully understood by all the stakeholders and it should be mentioned that the REOs have had to initially overcome the concerns and reticence of stakeholders towards introducing PES, thus their progress to date has been very good.
151. However, at the pilot sites there is an increasing engagement of stakeholders, local government and agencies, private sector and the communities. This aspect is critical to what the project is trying to achieve. The engagement of this multiplicity of stakeholders is key to the collective management of ecosystem resources. This is most striking in REO 1 where there is an increasing catchment-wide engagement of stakeholders and possibly offers the best chance of establishing a major PES scheme for water provisioning services. REO 5 also offers distinct possibilities (in each case it should be added that the specific circumstances as well as the diligent work of the REOs contribute to the opportunities being created). In REO 5's case there is a very focused group with a specific threat to their livelihood and a clear benefit in establishing mangrove forests to protect inland shrimp farms from the sea (as well as a multiplicity of other ecosystem goods and services such as fish breeding nurseries, migratory birds and sediment trapping etc.).
152. REO 12 is also very focused and has the most discrete community in terms of "ownership" of the forest. But it is also throwing up challenges of scale and ecosystem functional efficiency as the forest is a small part of a larger ecosystem and catchment area. However, the REO is still able to capitalise on the opportunities offered by the spiritual, cultural, and recreational values of the community forest. In all three cases stakeholder engagement has been helped by aligning the project's objectives with those of the stakeholders (e.g. the determination in water quality and quantity in the REO 1, Mae Sa catchment serves to focus minds and increase the level of engagement).
153. REO 14 has had the most challenging time in engaging stakeholders. Clearly it has been difficult. This has largely been due to the project's insistence on linked community and PES to forests. However, the REO has found that the stakeholder focus in their area is on the coastal areas and the group most interested or concerned about the health of the ecosystem are fishing communities. The REO has argued that this should be the focus of their work. Whereas there appears to be a reluctance on the part of the project to switch from forests to coastal reefs⁵³.
154. However, the MTR feels there is merit in the REO's argument that the conservation status of the reef is a focus and provides an entry point to the community. Establishing a community-based

⁵³ RTA *pers. Comm.* 14th September 2015

management system for a reef, while it has specific challenges in terms of access and ownership, offers significant opportunities for PES schemes as there are multiple beneficiaries of the reef system and numerous examples of where this has been achieved with degrees of success and a wealth of experience⁵⁴. Already this experience is pointing to the fact that in developing community-based systems it is important to have an entry point and to align the interests of the agency with those of the community.

155. While a coral reef lacks the necessary trees to fit some components of the project's objective such as community-based forestry the MTR cautiously proposes that in the absence of a workable forestry situation in REO 14 the reef is an ecosystem providing a flow of ecosystem goods and services, it is inextricably linked to what takes place on land in the catchment and provides an opportunity for scaling-up PES schemes developed for specific ecosystems to other ecosystems. There are practical lessons such as establishing an entry point (a lesson from REO 1 which until there were recent reductions in water flows and quality had found it hard to engage with public utilities but the diminishing supply and quality has created an entry point) and it provides an opportunity to demonstrate that environmental policy cannot be compartmentalised and has to be "joined up".
156. The policy dialogues appear to be working well for a broad cross-section of the stakeholders. The MTR did not have an opportunity to see one of these exercises in action but following closely on such an event the impact on stakeholders had been substantial. An important aspect of this was that stakeholders had clarified some of the issues which had been concerning themselves with regards PES and the project's objectives. It would not be unusual if the first round of stakeholder events had not communicated fully the concepts of PES, possibly because they were not clearly explained, possibly because they were too brief, likely that any explanation assumed a prior understanding of many of the issues, but for whatever reason the latest policy dialogue in REO 1 had quite an impact. This just serves to illustrate that with issues such as PES and CBFCM stakeholder engagement is incremental and iterative, from the PPG right through to the end of the project.
157. At the national policy level the first policy dialogue included key agencies working on PES and bio-carbon under the MONRE. It was organised and chaired by the Deputy Director General of the PCD. It included representatives from the Department of Marine and Coastal Resource (DMCR), Department of Water Resources (DWR), Royal Forest Department (RFD), Department of National Parks, Wildlife and Plant Conservation (DNP), Office of Natural Resources and Environmental Policy and Planning (ONEP), OPS, and Biodiversity - Based Economy Development Office (BEDO). This seems to have worked well in reaching out to a broad cross-section of institutional stakeholders by creating a platform for dialogue. However, the challenge remains to turn this dialogue into concrete policy instruments to facilitate PES and CBFCM.
158. The Project Document, under Outcome 1, talks about two separate entities; output 1.2: mentions a functional multi-sectoral mechanism for CBFCM (from all levels) to facilitate effective policy feedback, knowledge sharing, etc., and it should be attached to the National Environmental Board (NEB). Output 1.3: talks about supporting establishment of a national CBFCM/PES Coordinating Unit within MONRE but it is not clear where such an entity would be placed.
159. Presumably this ad hoc group will form the basis of the multi-sectoral mechanism for PES management. In which case it would be necessary to establish the Multi-sectoral Working Group with clear TORS and a mandate to develop comprehensive policy instruments to turn the dialogue into policy actions. Furthermore, looking at its composition (mainly central level departments within MONRE), it lacks representatives from regional and local levels. Hence, may be not fully representing 'hands-on' experience of those on the ground. Admittedly this is still hard as there is

⁵⁴ *Inter alia*, <http://siteresources.worldbank.org/INTENVMAT/Resources/3011340-1238620444756/5980735-1238620476358/8CanPayments.pdf>

not a worked through example of how a PES system could operate. Such an example, need not be operational but should demonstrate the sorts of costs avoided by the beneficiaries, the urgency and need to protect an ecosystem service, the benefits over and above the opportunity costs and direct management costs to the “owners” or custodians of the resource and the means to distribute those benefits equitably between the collective ecosystem managers.

3.3.7 Communications

160. Internal communications in the project, at least from the PIRs and reporting appears to be reasonable, with regular meetings and feedback particularly between the PMU and the REOs who meet quarterly. Therefore the MTR finds it hard to understand why progress has not been faster than it has (as measured by the budget execution and progress towards results). The immediate conclusion would be that project communications are reporting, but with less emphasis on finding joint solutions, but these reports are then constrained by whatever means, rigid bureaucratic process, rigid adherence to the SRF targets, inflexibility in work planning, but it is not immediately clear to the MTR in the time available to it to come to a conclusion, indeed it may be a combination of these factors.
161. Therefore, it is something of an enigma to the MTR why a project which has self-evidently considerable human and intellectual resources, at all levels, is still under-performing. Quite clearly something is not working and it would be necessary to work back through the project thus far and examine what is working and what is not, the internal communication seems to be there but translating this into actions .
162. The concept of PES, while still not fully comprehended by many stakeholders, is gaining some traction. It was apparent to the MTR that the project has had to overcome a great deal of resistance to the idea that goods and services provided by the ecosystem might need to be paid for. A very important point here is to stress that PES can stray into free-market ideology if not handled sensitively, because any agreement has to be voluntary. PES should not be about selling ecosystem services *per se*, arguably it is a fundamental human right to have access to these services. PES is rather an explicit recognition that wise management of the ecosystem often incurs costs to those who live with the resources and bear the responsibility for their conservation management. It also recognises that those who benefit from the ecosystem services should share the benefits (normally as a form of voluntary payment) with those who manage it and/or incur the opportunity costs of, for instance, restricted land use opportunities or direct management actions. Critical in all of this is the principle that people will manage a resource sustainably when the benefits of management are greater than the costs.
163. It is also important to remember that while market led approaches to conservation are on the whole robust and effective; economists might want to simplify the equation by putting a financial value on the *quid pro quo* of the trade-off. But, it is important to bear in mind basic human nature in respect of determining a range of motivations and values. Self-reliance, independence, the security to manage their resources and determine their future are all characteristics of rural communities and can be strong motivational factors in encouraging sustainable management of natural resources. The CBFCM, although not without significant challenges can provide a powerful motivation for sustainable ecosystem land management as appears to be one of the drivers in REO 12.
164. The messages have at times been confusing, and this is understandable and indeed, to be expected. It has taken time to introduce these ideas, to have them accepted and it will be a long process to internalise them. But it would be a mistake to think that everyone understands, and this is where the project should have followed a process of *intervention* (e.g. workshop), *monitor* (e.g. test participants level of understanding, *analysis and planning* (e.g. adapting the message, medium and delivery), and *responding* (e.g. implementing another workshop, media event, etc.). The REOs and the Field Coordinators have done a very good job in communicating with

stakeholders, the project, through activities like the policy dialogues are also innovate and important but there should be more invested in this process because external stakeholders cannot be expected to take on complex natural resource economic approaches and principles at one go, it requires repetition and a continuous engagement.

165. At the national level there is greater understanding. This too is to be expected at a technocratic level and the *ad hoc* working group has provided a good platform for communications. Further, the project plans to, in addition to the core Multi-sectoral Mechanism, each concerned agency/department will have its own PES Unit to (i) develop PES mechanism and its inclusion on departmental plan and (ii) promote public awareness and participation in PES process.
166. However, there is still a lack of systematic knowledge products and documentation of lessons learned thus far which would serve to broadcast the concepts, possible methodologies, benefits, opportunities, etc., to a wider public, particularly the private sector. The project must put PES in the “public domain” by way of using the media, appropriate knowledge products, social media, etc.

3.3 Sustainability

167. The Project Document provided a risk analysis for the project’s outcomes which is repeated below in Table 2 alongside the MTRs assessment. The risk assessments were unnecessarily optimistic particularly as they relate to CBFCM. There has been a natural focus on PES and almost an unstated assumption that all is well with the CBFCM. The project lacks the specialist technical skills and experience to address community-based natural resource management, although it is building these skills at the REO level. There are some critical inefficiencies in the CBFCM system which will mitigate against the successful management of common pool ecosystem resources (e.g. internal divisions within communities, included private lands, open access systems, a lack of function efficiency in the unit of community management, etc.).
168. The MTR has no doubt that the project has the intellectual and human resources to address these issues, but not in four years and certainly not in the time remaining to the project.
169. If the project is to close in February 2016 then there should be a concerted effort to consolidate the achievements it has made (see section 4.2).
170. To be fair to the project it has faced a number of challenges and the UNDP CO has been supporting the process. When issues have been raised they have been acted on but this has been time consuming and there is still an inherent inertia in the results-based planning which needs to be addressed as part of the risk mitigation.
171. As sections 3.4.1 to 3.4.4 make clear, despite the project’s obvious difficulties the idea is still sound and the achievements of the project if not the outcomes as stated in the SRF have a good chance of continuing following the close of the project and progressing towards functional CBFCM and PES financing systems in the future.

Table 2 Project Document Risk Ratings

Risk	Rating	Risk Mitigation Strategy	MTR Assessment
Institutional Support	L-M-H		
Weak coordination within and between local and national government institutions responsible for forest and land management; limited capacity (especially at lower levels) to interact with land users on forest management	L-M	The project will support and facilitate activities to ensure improved institutional coordination, capacity building and awareness-raising at the national, provincial and district levels. The project's "Output 1.2 Functional multi-sectoral mechanism for CBFCM in place with participation of all Regional CBFCM Networks, REOs, ONEP and Royal Forest Department that facilitates effective policy feedback, knowledge sharing, and self-capacity development.	Given the Project Document's assessment of the enabling environment for CBFCM and the identified barriers ⁵⁵ in particular that the enabling environment is weak, and that the Senate rejected key provisions to the 2000 Community Forest Management Bill and proposed amendments that would prevent local people in having a greater role in Thailand's forests ⁵⁶ and also that the experience of CBFCM was essentially limited to a number of sites and projects this rating is too low. The MTR would put this as a <i>high</i> risk.
Policy			
Inconsistent national planning, budgeting, and policies concerning forestry, environmental protection and rural development, combined with additional inconsistency in provincial and district regulations and enforcement practices	L	The project's "Output 1.1 Harmonized policies, plans and legal instruments to support CBFCM and PES and bio-carbon schemes" will assist the government in harmonizing some key policies	As above, if <i>legal instruments</i> were to be used then there was a factor largely outside the control of the project unless these were Ministerial regulations. Otherwise it is the role of Parliament to produce Law and this, given the timescale of the project carries higher risks. Furthermore, as noted by the UNDP CO; <i>the capacity of the "change agent" to champion new ideas and concepts was not thought through with an integrated approach to build the necessary capacities and incentives</i> ". Therefore this risk rating should have been at least <i>moderate</i> if not <i>high</i> .
Local Support			
Sustainable forest management does not lead to sufficient economic gains for households at the project sites	L-M	Only practices identified by local communities themselves as socio-economically sustainable will be disseminated for adoption on a broader scale. The project will further reduce this risk by encouraging sustainable harvesting of NTFPs and	The rating is probably reasonable, with the caveat that many of the forests appear to have multiple levels of tenure and even contested tenure (e.g. in Mae Sa catchment) and there appears to be resistance to devolution of authority and

⁵⁵ Project Document, p. 23 - 24

⁵⁶ Project Document, p. 13

		by rapidly building the capacity of communities to engage in PES and carbon financing. The project design phase has already identified a number of options for increased income for communities through PES, as outlined under Component 2 of the project.	tenure to communities (e.g. the 2000 Community Forest Management Bill amendments by the Senate) and that four years is a very short space of time to achieve this. Therefore the risk ratings are too low and should have been at least <i>moderate</i> .
Land ownership and land access rights are not sufficiently clear with regard to community forests. Hence, the project strategy and incentives developed by the project will not be effective.	L-M	The project will address this risk by strengthening the policy framework on communities' right to access forest resources. In fact, this is a key result of the project – the creation of vertical linkages to allow practices on the grounds to effect changes in national policy. In absence of complete rights over communal forests, the payments they receive may be considered as an added incentive for forest management.	As above, this was expecting too much in four years and the risk rating should have been <i>high</i> .
Environmental			
Effects of climate change, including temperature and sea level rises, ENSOs and natural disasters (forest fire, drought, flood, etc.) might increase the natural loss of carbon stocks and biodiversity at the landscape level.	L	Given that climate change is likely to affect forest ecosystems, catchment functions and biodiversity over time, the project will assess and consider risks regarding climate change during assessment and capacity building activities ("climate proofing"). The project will also coordinate with relevant authorities to support disaster risk management to minimize natural disaster risks affecting forests and catchments.	The MTR agrees with this rating.

3.4.1 Financial risks to sustainability

172. Project Document: The first component of the project, which focuses on national enabling environment, A key thrust of the project is to pilot the use of PES and bio-carbon financing mechanism for effective forest catchment management at local level. The project will ensure that such mechanisms at the local level are sustainable.
173. MTR: The last part of the Project Document statement is more of a wish than any explanation as to how the outcomes of the project will be financially sustainable. However, the introduction of natural resource economics into the environmental policy and planning arena in Thailand is an important step to ensuring that the project's outcomes are financially sustainable According to the opinion of the Project Director, PES is a mechanism which could be adopted as working strategies for concerned agencies under their regular mandates with secured budget. So, it doesn't require additional budget to continue. While it is unlikely that any PES schemes developed by the project in the remaining space of time can will be able to be judged financially sustainable the project is building a body of experience and the linkage of PES schemes with community-based management increases this likelihood

3.4.2 Socio-economic risks to sustainability

174. Project Document: The capacity building activities, networking and continuous field-level presence by the management agencies (state, private and civil society) will help achieve social sustainability of the project. The build-up of trust through dialogues and stakeholder consultations, and stakeholder mobilization through capacity building by the project will assist in achieving this long-term objective. The strong focus on building on local knowledge, capacities, and incentives and ensuring gender equity are expected to lead to social sustainability.
175. MTR: The MTR broadly agrees with this assessment and there is certainly evidence that there is now a growing and broad foundation of support at the pilot sites as stakeholders become more familiar with PES and see the way that such an approach can address their existing concerns about the future. Furthermore the REOs have been working with a widening network of stakeholders such as local government, private sector, community networks and the technical assistance from RECOFT can be used to support this therefore there is a reasonable chance of the project's achievements being sustainable at this level (for instance in REO 5 where there is a clear linkage between coastal protection by mangrove forests and the security of collectively owned shrimp farms just inland). Similarly, in REO 12, where the project activities add to the ongoing initiatives of the community forest committee and the monk-led meditation programmes which will be leveraged and supported by the project and will continue after the project closure.

3.4.3 Institutional framework and governance risks to sustainability

176. Project Document: The project builds upon existing institutional government structures. The only new institutional mechanism proposed (a working group under Output 1.2) will be linked to national process and is expected to be sustainable as long as participants find it useful. This is a relatively low cost and will not be expensive to maintain by the government post project completion.
177. MTR: The MTR agrees with this statement and there is clearly an interest in PES which will continue to drive this process post the GEF project as each concerned agency/department will have its own PES Unit to (i) develop PES mechanism and its inclusion on departmental plan and (ii) promote public awareness and participation in PES process. However, the project needs to consolidate this institutional framework with the core Multi-sectoral Mechanism which needs to be operationalised with clear TOR and a mandate to formulate draft policy. According to the Project Director, in the absence of new institutional framework, PES can become part of the existing measures, e.g. ISO. While the MTR sees the logic in this it would presumably require a

much more sophisticated and easily understood PES scheme than are likely to be in place by the end of the project in February 2016.

178. Furthermore governments like PES because it is often politically easier to subsidize good behaviour than to tax bad behaviour⁵⁷.

3.4.4 Environmental risks to sustainability

179. Project Document: The primary purpose of this project is to achieve environmental sustainability in Thailand. The first component of the project builds national to local capacities of government agencies whose mandate is to protect Thailand's environment. The second component's focus on improving better forestry and catchment management through sustained financial incentive is expected to lead to better environmental sustainability.
180. MTR: This statement is broadly correct in the opinion of the MTR. The project's achievements are also increasingly being driven by local and national concerns about deteriorating ecosystem services such as the quality and quantity of water, flood mitigation, coastal erosion, etc.

3.5 Gender equality

181. The MTR observed that, although the project has not put in place specific gender policy it happens that women play important role at all levels both in decision making, administrative and operational roles which is highly commendable as most of the leading roles within the project (e.g. PMU, REO field-level, all the heads of the REO are men) are carried out by women. Women and men work collaboratively to reach common achievements although at community level, except for at REO 5, men play more of the leading role in public while women are behind the scene, providing management support to CBFCM. At REO 5, women are proactively leading the project activities and are well received by the communities due to their on-going voluntary and committed community development services. At the REO level the women working with communities, private sectors and municipalities appears to bring an interesting and refreshing perspective to problem solving which enhances the outcomes of the project.

4 Conclusions and recommendations

4.1 Conclusions

182. The CBFCM project has been a challenging project. It has had a difficult beginning with an immediate institutional change in the project management arrangements from the OPS to the PCD to reflect the institutional restructuring of the REOs within this Department. At the same time there was a national policy focus on waste management which occupied the senior levels of the project during the first and second year of the project.
183. The PMU, Project Manager and two support staff resigned in 2014 and a new staff were appointed with a Project Manager more familiar with the workings of government.
184. While the "new" PMU has settled down and progress has begun to pick up the project is still behind and in its fourth and final year has only forty-one per cent budget execution.
185. Essentially the project was addressing two issues:
- Community based forest and catchment management (CBFCM).
 - Monetize and cost account for ecosystem services (the PES bit).
186. It would affect this:
- At the national level through the policy and planning framework (the enabling environment).

⁵⁷ TEEB (2011), The Economics of Ecosystem and Biodiversity in National and International Policy Making. Edited by Patrick ten Brink, Earthscan, London and Washington.

- At the site level by strengthening forest communities (specifically community managed forests) capacities and status.
 - By identifying and valuing ecosystem services and operationalising PES schemes and bio-carbon finance mechanisms.
187. The project's design, the Project Document, had a number of significant weaknesses which have impacted the project progress and impact. It was also complicated, it:
- Was introducing new and innovative concepts to Thailand.
 - Overestimated the capacities at different levels.
 - Under-resourced the PMU with technical capacity (technical capacity was outsourced rather than an integral part of the project team within the PMU).
 - Over-estimated the strength of community-based forest and catchment management in Thailand.
 - Site selection compounded these challenges.
 - The logistical challenges to the project are considerable.
 - The project's SRF has a number of weaknesses and sets impossibly high targets.
 - Provided only four years to achieve the outcomes and objectives.
188. The inception phase was weak and an opportunity to address weaknesses in the project's design was missed and the project went ahead with just a few changes but nothing which would fundamentally improve the chances of success.
189. However and despite these shortcomings in the design the project has had a number of important achievements and is driving a process at the pilot level which is mobilising local community, local agency, and local government actors as well as, in some cases, the private sector to think about how PES can be applied in the circumstances of Thailand. It is unlikely that the project will have a fully-operational PES scheme in place by the close of the project in February 2016 as was predicted in the SRF (At least 4 PES and bio-carbon financing schemes (1 for each REO region pilot site) are developed and implemented during the project cycle).
190. The process has increased the skills and capabilities of the REOs and it should be mentioned that they have risen to the challenge and shown considerable commitment and initiative in doing so. It has also introduced the idea that natural resource economics is an important and necessary component of land use planning.
191. At the community level the project has mobilised local communities but differences between REOs have resulted in different degrees of progress. The MTR considers that this should have been foreseen in the Project Document and the REOs have acted properly (for instance REO 14 has eventually engaged with fishing communities because there were very limited opportunities in forestry at the pilot site but the ecological status of coastal reefs provided a good entry point for both community, local government and the private sector).
192. In all the difficulties of the process and scoping of PES schemes was underestimated and the MTR also believes the effectiveness of CBFCM in Thailand to function as a common pool resources management unit has been largely overlooked and under-resourced in the project's design and there are a number of critical policy, regulatory and capacity components which will need strengthening .
193. At the national policy level (outcome 1) the project has made some significant progress but it still lags behind. As with the pilot-level there is still an underlying confusion about the nature of PES, particularly with non-technical stakeholders.
194. The project is bringing together institutional stakeholders and decision-makers at the national level with a successful policy dialogue so that each concerned agency/department will eventually have its own PES Unit to (i) develop PES mechanism and its inclusion on departmental plan and (ii) promote public awareness and participation in PES process.

195. However, the Multi-sectoral Group has not been initiated yet and this is critical for ensuring that the policy reforms identified by the project's experiences are used to shape the policy framework and provide specific policy instruments.
196. The PMU has been diligent in its duties. However, there appears to be an institutional cautiousness which is holding the project back and if the project is to consolidate its achievements thus far the PMU will need to increase the pace at which decisions are taken and translated into actions.
197. The UNDP CO and the PCD/PMU have a good working relationship. The UNDP has demonstrated on a number of occasions that it is providing good project assurance as is documented in the PIRs which provide an honest and frank appraisal of the project's performance.
198. The MTR concludes that the CBFCM project has had a number of difficult challenges. The project design was over ambitious, unwieldy and under resourced for the challenge ahead.
199. The means to measure progress and impact in the SRF are too high expectations of what is possible in just four years starting from the baseline which it did.
200. Bio-carbon has proved too difficult a market to utilise particularly due to the low price for carbon in voluntary markets and the project has been correct in not pursuing this other than to continue with the carbon stocks assessments for future possible use.
201. The project has provided a number of useful experiences, gathered together considerable human and intellectual resources and is moving the process of developing PES schemes and CBFCM systems forward which would not have happened without the GEF grant. It will not complete all that was expected of it in the Project Document, arguably this was always unattainable, but it is moving in the right direction, albeit, frustratingly slowly at times.
202. On this basis, the MTR is only able to provide a *Moderately Satisfactory* overall rating because the project is due to close in February 2016. However, the MTR urges the project partners to request a no-cost extension⁵⁸, review what has worked, critically examine the working practices within the PCD/PMU to increase the speed with which decisions are made and actioned, engage adequate technical assistance to fill in the gaps and consolidate the gains and achievements made by the project.
203. The following recommendations are made with this in mind and are clearly marked to show which recommendations should only be followed in the event of an extension.
204. A sample exit strategy template is provided in Annex 7. This is not mandatory, nor is it a standard UNDP-GEF exit strategy but was developed by GIZ for a UNDP-GEF project⁵⁹.

4.2 Recommendations

Recommendation 1: The project requests an extension past the scheduled closing date of February 2016.

Justification: The project has developed a number of strengths to recommend it and is engaging positively with a process including identifying and solving problems. With a number of adjustments to the project it could achieve the significant building blocks for future PES schemes including some worked through examples and have a significant impact on natural resource management in Thailand as well as strengthening community based natural resource management. However, it will need more time to achieve this. This extension should be given on condition that recommendations 2, 3 and 4 are agreed and implemented. A period of at least one year preferably eighteen months should be provided. Anything less will be of little consequence to the outcomes.

⁵⁸ No-cost extensions still incur additional management costs to the UNDP CO so this should also be considered in the calculation.

⁵⁹ UNDP-GEF project "CACILM: Multi-country Capacity Building Project" PIMS 3231 SLM FSP, with kind permission.

Responsible persons: Project Board to agree Project Director and UNDP CO to propose process and action.

Time frame: An immediate decision should be made on this, preferably within one month of accepting the recommendation within the first draft to allow the project to plan accordingly.

Recommendation 2: Greater delegation of decision-making to the PMU, specifically the Project Manager and streamlining the decision-making process so that decisions become actions.

Justification: It is recognised that the project has been cautious in its approach but given the time remaining the process of decision-making needs to be streamlined. The UNDP can share in this responsibility with regular meetings and possibly the introduction of a *decisions to actions* checklist.

Responsible persons: Project Director and PMU.

Time frame: Now, start this within one week.

Recommendation 3: Engage a substantive Chief Technical Adviser.

Justification: The project is working on too many levels (e.g. national, REO, community) and addressing numerous issues (e.g. PES, community-based management, policy reform, etc.). The current deployment of technical assistance needs to be better coordinated from a strategic perspective. A substantive CTA needs to be brought in to assist the Project Manager in driving the process of PES and CBFCM development and bringing all the threads together in the policy development.

Responsible persons: Project Board to decide. Project Director and Project Manager to draft TOR, UNDP to assist in drafting TOR and procuring suitable candidates.

Time frame: Within two months.

Recommendation 4: The role of RECOFT should be reviewed and better utilised.

Justification: RECOFT has technical capacities and experience with working with communities which needs to be more effectively transferred to the REOs so that they can act as a multiplier of the project's impact as well as being directly involved in the capacity building exercises with the communities and pilot level stakeholders (e.g. private sector, municipalities, etc.). The REO should utilise RECOFT's capacities as a multiplier and implementer as well as in a training capacity.

Responsible persons: PMU, UNDP, and RECOFT to assist in drawing up a strategy, through a participatory approach, in order to fully utilise the role and expertise of RECOFT in working with communities on project coordination forest and catchment management to support implementation.

Time frame: Within two months.

Recommendation 5: Continue with the existing SRF/log frame and indicators.

Justification: The current SRF/log frame has a number of weaknesses and some indicators and targets do not reflect either the complexity of the system nor the achievements of the project particularly where this relates to outcome 2. However, it would be a distraction to start changing the SRF at this late stage of the project. However, the project would be ill-advised to invest time in making changes to the SRF at this late stage. An alternative set of indicators developed to monitor and evaluate CBNRM in southern Africa are included in Annex 6 by way of example and the Threat Reduction Assessment

(referenced in this report and resources provided to UNDP CO) may present more useful indicators. Annex 15 provides an assessment of the SRF indicators and alternative indicators. However, as the project progressed to three and a half years of a four year time frame without any significant adaptations it is strongly recommended that the project does not adjust the current SRF.

Recommendation 6: Improved internal and external Communications.

Justification: The project is complex and includes numerous stakeholders as well as different levels within the project. It is important that these different levels (e.g. MONRE, PMU, REO) are in regular communication on project implementation and technical issues so that there is a two-way transfer of experience. Furthermore, there needs to be greater documentation and dissemination of PES and the challenges faced by CBFCM in Thailand to a wider and non-technical audience including the private sector. A website may be an option.

Responsible persons: PMU, given the short time available to the project an outside service provider might be engaged to drive this process.

Time frame: Now, start this within one week.

Recommendation 7: Improved strategic use of technical consultants.

Justification: Linkages between technical inputs should be improved and the TOR of consultants should reflect a more process-oriented approach. As in the case of RECOFT their TOR should reflect the role of the Consultant as a multiplier and service provider as well as conducting studies or training.

However, this should only take place in the event that an extension is granted to the project.

The MTR suggests that this technical assistance consists of a:

1. Community-based natural resource management systems.
2. Environmental economist who has experience in not just calculating these systems but also negotiating and developing them.

Responsible persons: PMU, UNDP to assist with drafting TOR.

Time frame: Within two months.

Recommendation 8: Operationalise the Multi-sectoral Platform and the Implementing Partner (which is now the Office of Permanent Secretary of MONRE) could help guide the process so that least one PES policy document is endorsed by Government.

Justification: The *ad hoc* Working Group has proved useful thus far but the project needs to drive policy formulation more aggressively. The proposed Multi-sectoral Platform needs to be given a clear mandate and TOR to enable it to produce appropriate policy instruments for acceptance at the Ministerial or Parliamentary levels otherwise the project will close without securing the experience and achievements made thus far.

Responsible persons: Project Board.

Time frame: Within one month

5 Annexes

Annex 1 MTR terms of reference

UNDP-GEF Midterm Review Terms of Reference the International Consultant Mid Term Review on Integrated Community-Based Forest and Catchment Management through an Ecosystem Service Approach

1. INTRODUCTION

This is the Terms of Reference (ToR) for the UNDP-GEF Midterm Review (MTR) of the **medium**-sized project titled **Integrated community-based forest and catchment management through an ecosystem service approach (PIMS#4033)** implemented through the Pollution Control Department under the Ministry of Natural Resources and Environment (MONRE) of Thailand, which is to be undertaken in **2015**. The project started on **27 February 2012** 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 second 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](#).

2. PROJECT BACKGROUND INFORMATION

This project's objective is to create an enabling policy and institutional environment for scaling-up integrated Community Based Forestry and Catchment Management (CBFCM) practices through innovative financing mechanisms. The project will achieve this objective by strengthening systemic capacities in sustainable forest and catchment management at the local, regional and national levels (Outcome 1), and by supporting the expansion of CBFCM coverage throughout the country through pilot testing of defined Payment for Environmental Services (PES) and biocarbon financing mechanisms (Outcome 2).

The project will build capacities of MONRE to harmonise policies, plans and legal instruments to support CBFCM and PES and biocarbon schemes. It will also support the establishment of a multi-sectoral mechanism for CBFCM, with active participation of all Regional CBFCM Networks, REOs, ONEP and RFD. This will act as an effective policy feedback, knowledge sharing and capacity development mechanism. The project will also strengthen national capacities to promote PES (including and biocarbon) in order to strengthen community incentives for effective forest and catchment management.

The project will support scaling up of CBFCM best practices using PES and biocarbon financing mechanisms at four sites, led by four Regional Environment Offices (REOs). These sites include Mae Sa Catchment (North), Tha Chin Catchment (Central), Lam Sebai Catchment (Northeast), and Pa-Ngan Catchment (South). The project will strengthen capacities of local authorities, landholders and the private sector to ensure that innovative financing mechanisms (PES) is used for improving livelihoods, global biodiversity conservation benefits and GHG emission reduction from land use and land use changes. In order to do this, the project will support catchment level ecosystem services valuation (incl. biocarbon) and assessment of benefits, trade-offs and various opportunity costs of land-use options taking into full account the ecosystem services. Biodiversity friendly PES & biocarbon financing strategies will be implemented, with institutionalization of payment distribution structures that fully consider gender and other social equity aspects.

The total project budget is USD. 14,318,182. The allocated resources including the co-financing amount are as follows:

- GEF USD 1,758,182
- MONRE USD 12,210,000
- UNDP USD 350,000

The project will be executed through UNDP's National Implementation Modality (NIM) with the Ministry of Natural Resources and Environment (MONRE) as the Implementing Partner (IP). At the central level, Pollution Control Department under MONRE's Office of Permanent Secretary will serve as the focal point of the project and the project management unit. At the site level, Regional Environmental Offices (REO) will be the focal points in each pilot site. REO 1 will lead the Northern cluster; REO 12 will lead the North-eastern cluster; REO 5 will lead the Central cluster; REO 14 will lead the Southern cluster.

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 approach⁶⁰ 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.

Engagement of stakeholders is vital to a successful MTR.⁶¹ Stakeholder involvement should include interviews with stakeholders who have project responsibilities, including but not limited to the Pollution Control Department, Regional Environmental Offices; executing agencies, senior officials and task team/ component leaders, key experts and consultants in the subject area, Project Board, project stakeholders, academia, local government and CSOs, etc.

Interviews will be held with the following organizations and individuals at a minimum:

- Project Director
- Project Manager
- Field Coordinators

⁶⁰ For ideas on innovative and participatory Monitoring and Evaluation strategies and techniques, see [UNDP Discussion Paper: Innovations in Monitoring & Evaluating Results](#), 05 Nov 2013.

⁶¹ 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.

- Representatives from pilot areas
- Project Administrative/Financial Officer
- Members of Project Board
- UNDP Country Office in Bangkok

Additionally, the MTR team is expected to conduct field missions to Thailand, including the following project sites:

- Mae Sa Catchment (North), Chiang Mai Province
- Tha Chin Catchment (Central)
- Lam Sebai Catchment (Northeast), Ubol Ratchathani Province
- Pa-Ngan Catchment (South), Surat Thani Province

At the four pilot sites, key stakeholders include REOs, the local government, forest and protected areas authorities as well government agencies on agriculture, industries and coastal and marine resources management.

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*; colour 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 ⁶²	Baseline Level ⁶³	Level in 1 st PIR (self-reported)	Midterm Target ⁶⁴	End-of-project Target	Midterm Level & Assessment ⁶⁵	Achievement Rating ⁶⁶	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 achieved	Red= Not on target to be achieved
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In addition to the progress towards outcomes analysis:

- Compare and analyse the GEF Tracking Tool 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.

⁶² Populate with data from the Logframe and scorecards

⁶³ Populate with data from the Project Document

⁶⁴ If available

⁶⁵ Colour code this column only

⁶⁶ Use the 6 point Progress Towards Results Rating Scale: HS, S, MS, MU, U, HU

- By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.

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.⁶⁷

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 (Integrated community-based forest and catchment management through an ecosystem service approach)

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)	

⁶⁷ Alternatively, MTR conclusions may be integrated into the body of the report.

6. TIMEFRAME

The total duration of the MTR will be approximately 25 working days during the period of 10 weeks starting **31 July 2015**, and shall not exceed five months from when the consultant(s) are hired. The tentative MTR timeframe is as follows:

TIMEFRAME	ACTIVITY
18 June 2015-12 July 2015	Advertisement
12 July 2015	Application closes
13 July to 30 July 2015	Select MTR Team/contract issuance process
31 July 2015	Contract begins Prep the MTR Team (handover of Project Documents)
1-5 August 2015 (5 working days)	Project Document Review Preparing MTR Inception Report
2 September 2015 (1 working day in-country)	Inception meeting at UNDP Country Office Finalization and Validation of MTR Inception Report- latest start of MTR mission
3-12 September 2015 (10 working days in-country)	MTR mission: stakeholder meetings, interviews, field visits
13 September 2015 (1 working days in-country)	Mission wrap-up meeting & presentation of initial findings- earliest end of MTR mission
16-20 September 2015 (5 working days)	Preparing draft report
20 September 2015 (0 working days for consultant)	Circulation of draft report for comments
28-30 September 2015 (max: 3 working days)	Incorporating audit trail from feedback on draft report/Finalization of MTR report. Preparation & Issue of Management Response
9 October 2015	Expected date of contract closure

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 before the MTR mission: draft by 5 August 2015	MTR team submits to the Commissioning Unit and project management
2	Presentation	Initial Findings	End of MTR mission: 13 September 2015.	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: by 20 September 2015.	Sent to the Commissioning Unit, reviewed by RTA, Project Coordinating Unit, GEF OFF
4	Final Report*	Revised report with audit trail detailing how all received comments have (and have not)	Within 1 week of receiving UNDP comments on draft: by 30 September 2015	Sent to the Commissioning Unit

		been addressed in the final MTR report		
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*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 the Thailand 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 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:

- Recent experience with result-based management evaluation methodologies;
- Experience applying SMART indicators and reconstructing or validating baseline scenarios;
- Competence in adaptive management, as applied to multi-focal areas;
- Experience working with the GEF or GEF-evaluations;
- Experience working in Asia and Pacific will be an asset;
- Work experience in relevant technical areas for at least 10 years;
- Demonstrated understanding of issues related to gender and Biodiversity; experience in gender sensitive evaluation and analysis.
- Excellent communication skills;
- Demonstrable analytical skills;
- Project evaluation/review experiences within United Nations system will be considered an asset;
- A Master's degree in environmental studies, development studies, social sciences and/or other related fields, or other closely related field.

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

Annex 2 Stakeholder analysis from Project Document

Stakeholders	Role in Biodiversity/Agro Biodiversity Conservation	Involvement in the Project
1. Households and communities (service providers*)	<ul style="list-style-type: none"> Providing local level knowledge of the changes in quantity and quality of the natural resources base, the threats, the current practices to protect, conserve and revive natural resources. Engaging in activities specified in the contract between service providers and buyers of ecosystem services that have measurable linkage to improvement of ecosystems services 	Enter into contractual agreement which specifies the activities (services) they are required to perform in return for compensation or reward
2. Intermediaries: Agencies contributing to promoting, establishing or strengthening the link between Services Providers and Buyers		
(i) Technical Back stoppers	Academic from both natural and social sciences whose role is to provide technical information to support the design of PES projects	Assessing (i) threats to ecosystems, (ii) measures that can be undertaken, (iii) linkage between measures and output in terms of quantifiable improvement of ecosystems services (iv) economic valuation of the ecosystems services, (v) conducting costs and benefits and tradeoffs from the different land use options.
(i) Public sector agencies		
	Public agencies that have management authority over the ecosystems of the PES sites:	<ul style="list-style-type: none"> Support site level and catchment wide planning and actions
	<ol style="list-style-type: none"> Department of National Parks Wildlife and Plant Conservation (for both terrestrial and marine protected areas) Royal Forestry Department Department of Marine and Coastal Resources Agricultural Land Reform Office 	<ul style="list-style-type: none"> Work with technical experts in designing PES projects; Ensure transparency of implementing the PES project Arbitrating in incidences where disputes arise

	Public agencies that have functional responsibilities related to natural resources such as: 1. Biodiversity-Economy Based Development Organization (BEDO) 2. Thailand Green House Gas Organization (TGO) 3. Organizations within the MOAC with responsibilities related to reducing GHG emissions from the agricultural sector, namely Department of Land Development, Department of Agriculture, Rice Department, Office of Agricultural Economics 4. National level appointed committees with mandates related to climate change	Exploring channels and opportunities to link with international markets for biodiversity off-sets and carbon credits; Linking with decision making at the policy level and ensuring relevance between actions taken at the site level and the international framework on GHG emissions and biodiversity conservation Providing and updating information on policy and legal framework that might be relevant to PES activities at the site level.
	Public sector financial institutions (Bank of Agriculture and Agricultural Cooperatives; the Krung Thai Bank).	Exploring and identifying financing mechanisms to support PES activities
(iii) International agencies.	Related by mandate to natural resources and biodiversity resources, e.g. the World Bank, the FAO, WWF, UNDP, USAID, ADB, and UNDP.	<ul style="list-style-type: none"> • Providing technical backstopping in the design, M&E, etc. • Providing linkage between on-the ground practice with policy makers
(iv) NGOs	Related by mandate to natural resources and biodiversity resources, e.g. IUCN, Wildlife Conservation Society	<ul style="list-style-type: none"> • Providing technical backstopping in the design, M&E, etc. • Providing linkage between on-the ground practice with policy makers
3. Buyers of ecosystem services		
(i) Private Sector businesses who benefit directly from ecosystems services	Users and direct beneficiaries of ecosystems services	They are potential buyers who would be asked to pay for environmental services, either directly to the service providers or through the designated 'intermediary'
(ii) Private Sector businesses interested in being involved as part of the CSR activities	No direct link to the eco-system services	They are potential buyers who might be interested in financial contributions which will be used as compensation or rewards for service providers, either directly to the or through the designated 'intermediary'
(iii) General public (both international and domestic) who sees the importance of ecosystems service and willing to make private contributions	No direct benefit from ecosystems services either currently or in the future but recognize the importance of the ecosystems	They are potential buyers who might be interested in financial contributions which will be used as compensation or rewards for service providers either directly to the or through the designated 'intermediary'

Annex 3 Co-financing table for UNDP supported GEF projects

Sources of co-financing	Name of co-financier	Type of co-financing	Amount confirmed at CEO endorsement (US\$)	Actual amount contributed at MTR (US\$)	Actual % of expected amount
Government	MONRE	In-kind	12,210,000	346,180	2.3%
Agency	UNDP	Cash	350,000	150,000	42.8%
		Total			

Annex 4 Progress towards results matrix

Project Strategy	Indicator	Baseline Level	Level in 1 st PIR (self-reported) ⁶⁸	Midterm Target ⁶⁹	End-of-project Target	Midterm Level & Assessment ⁷⁰	Achievement Rating (based on February 2016 closure)	Justification for Rating
Objective: Harmonized policies, plans and legal instruments to support CBFCM and PES and bio-carbon schemes	Indicator (if applicable):	N/A – none given	N/A	N/A – none given	N/A	N/A		

⁶⁸ Reported 30th June 2013

⁶⁹ If available

⁷⁰ Main sources: 2015 PIR, interviews and observations

Outcome 1: Strengthened policy environment and systemic capacities to promote sustainable community-based forest and catchment management through PES and bio-carbon financing mechanisms	Indicator 1.1: Number of national policies and plans (identified) that incorporate PES and bio-carbon financing mechanism in support of CBFCM.	<p>Forestry and catchment management policies and legal instruments currently have limited inclusion of CBFCM</p> <p>Department of Water Resources prepare 5 year IWRM but do not include CBFCM, nor focus on any biodiversity or bio-carbon conservation nor provisions for innovative finance</p> <p>Environmental Protection Act (1992) does not include provisions to promote economic instruments for</p>	<p>The project plans to focus on looking into the right policy entry points during the first year of implementation and will focus on the policy and legal frameworks intervention in the second year. The project has been introduced in at least 3 national policy forum on PES to familiarise the key stakeholders with the project concepts and objectives. Dialogues on PES ideas and the policy</p>	N/A – none given	<p>Revision significant related Legislation/Policies/Plans such as:</p> <ul style="list-style-type: none"> ○ Enhancement and Conservation of National Environmental Quality ACT (1992) ○ National Parks Act (1961) ○ The National Economic and Social Development Plan ○ 5 years Environment Quality management Plan ○ Water Resources Management Plan ○ Etc. 	<p>Moderately Unsatisfactory: The project has engaged a national consultant to review key policy and legal frameworks related to PES and bio-carbon and make recommendations for the entry point. It was suggested that PES is integrated in the next Environmental Quality Promotion Plan (2017-2022). A meeting between key agencies under MONRE, who have had experience implementing PES scheme was held to discuss needs and ways to (1) influence policy and legal framework to support PES implementation, especially the PES Trust fund, (2) build capacity of local communities with regard to CBFCM and PES management, and (3) develop policy incentives for private sector.</p>		<p>The progress made is, relative to the targets, limited and will need a lot more work to achieve the End of project target. Although the Environmental Quality Assessment Plan is the right strategic entry point, it will need to be supported by a functional model to base the policy formulation on as well as to guide budget allocation. At the midterm point, none of the functional PES schemes have been operational in the project pilot sites. By the time the model is tested and ready for replication, the right timing to put it into the Plan may have already passed.</p>
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		GHG emission reduction or sequestration National/ Regional and Provincial Plans do not include provisions for CBFCM or PES / bio-carbon financing.	linkages have been initiated among members of the project boards.					
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	<p>Indicator 1.2: Existence of a multi-agency / multi-sectoral mechanism for CBFCM/ PES – bio-carbon dialogue, consultation with inclusive participation from all relevant government organizations, CSOs, academia, private sector and CBFCM community networks.</p>	<p>Separately and disorganised data system storage</p> <p>Lack of MONRE or government's agency takes clearly responsibility, oversight and implementation monitoring</p>	<p>No progress yet. We need to build better understanding in CBFCM/PES- Bio-carbon through dialogues with the key agencies under MONRE before establish the Ad-Hoc working group which may occur in the Q2/2014.</p>	<p>N/A – none given</p>	<p>Providing 'Scenario' and responsible agencies in order to implement and magnify the PES and Bio-carbon outcomes in further.</p> <p>Having a data-base centre of PES and Bio-carbon for sharing and extending the results</p>	<p>Moderately Satisfactory: Multi-agency/ multi sectoral mechanism has not been established. However, the project has initiated policy dialogues among agencies under MONRE, which have experiences in implementing CBFCM and PES schemes. This results in two proposed options as to where the multi-sectoral CBFCM/PES Management Unit should be established. Each of the two options are being reviewed by the national policy consultant of its pros and cons. The MTR was also informed by the Policy Advisor during the interview that in addition to the Core Multi-Sectoral Mechanism, each concerned agency/ department will have its own PES Unit to (i) develop PES mechanism and its inclusion on departmental plan and (ii) promote public awareness and participation in PES process.</p>		<p>Although the proposed Multi Sectoral Group will not be attached to the National Environment Board on Economic Instrument for Forest and Catchment Management as recommended in the Project Document, the newly proposed two options are also suitable. The project is heading in the right direction on this indicator. It is likely that the Multi-Sectoral Group will be established within the project's timeframe. However, it needs to be guided by clear ToR, a mandate and responsibility to drive policy reform in both PES and CBFCM areas (see recommendation 9).</p>
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	<p>Indicator 1.3: Institutional capacities strengthened at national (M&E Office) and regional levels (4 pilot REO training centres) to implement PES and bio-carbon financing schemes in support of CBFCM.</p>	<p>No central oversight body exist for PES/ bio-carbon implementation</p> <p>Existing training and capacity building programmes for REOs do not include PES/bio-carbon methods</p> <p>No training centre at REO level.</p> <p>Current institutional and staff capacity levels or REOs in relation to the use and mainstreaming of PES and bio-carbon financing for CBFCM (low)</p>	<p>Several stakeholders' engagement forum organised to create understanding about the project and the concept of payment for ecosystem services (PES) for the 4 REOS and their working committee responsible for the pilot sites. These forum were also participated by the rest of the REOs (12 in total) to also learn about the project from the start. At least 20 REO officers participating</p>	<p>N/A – none given</p>	<p>M&E Office (under PCD's Office) has capacity to coordinate and provide oversights of PES/bio-carbon implementation by REOs and Provincial Natural Resources and Environmental Office</p> <p>At least 50 REO Officers trained on PES and bio-carbon tools and methods (2-3 staff from each of the 16 REOs)</p> <p>At least 4 REOs can deliver capacity building training to their regional networks on the use of PES/ Bio-carbon financing for CBFCM and natural resource management.</p>	<p>Moderately Satisfactory: At midterm point of the project, the four pilot REOs have acquired theoretical understanding as well as hands-on experiences in developing PES schemes, even though the degree of knowledge and expertise may vary from one place to another and this still lacks a complete PES scheme. Key capacity building activities include training, knowledge sharing workshops and the 'learning-by-doing' process in related fields such as bio-carbon assessment and monitoring; survey and monitoring process for key indicator species; engagement with communities in developing the community PES action plans and an increasing understanding of resource economics although this could be strengthened at the REO level. As the project implementation has been transferred to PCD, the M&E Office under the Permanent Secretary Office has had a limited role in its implementation. Hence, their capacity to implement</p>		<p>Although the institutional capacity at REO level has been continually enhanced, they will need much more hands-on experience before they can deliver capacity building training to their regional networks on the use of PES/bio-carbon financing for CBFCM and natural resources management.</p>
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			in these forum.			PES and CBFCM has been only slightly enhanced.		
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	Indicator 1.4 ⁷¹ Existence of an active national CBFCM data base (that includes relevant information such as natural resource consumptions rates/patterns , biodiversity levels, PES & bio-carbon data) generated through baseline studies and participatory M & E and identification of best practice.	Currently no such database exist in Thailand	Data collection and field research conducted from February 2012 to provide more in-depth information for the project team in each pilot site to determine the scope, scale, and mechanism of the PES scheme in each pilot site. The study will be finalised in August 2013. The recommendations and findings will be taken forward to design PES intervention on the ground.	N/A – none given	Creation of a National CBFCM PES/bio-carbon financing database and mechanisms for information dissemination and knowledge sharing.	Moderately Satisfactory: Efforts have been made to discuss and agree among key agencies within MONRE which have had CBFCM and PES experience as well as a few donors (e.g. GIZ, USAID, UNDP) which supported PES projects in Thailand in order to (1) elicit key lessons learnt and good practice on CBFCM and PES implementation and (2) develop common /national CBFCM data base		The decision to make this less of a database and function as a resource for PES, bio-carbon and CBFCM is a good idea however, at the midterm there is a scarcity of working examples and information to populate the database/website.
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Outcome 2: Expanded CBFCM coverage through pilot testing and up-scaling of best practice using PES and bio-carbon financing schemes and mechanisms	Indicator 2.1: Number and Type of PES and bio- carbon financing schemes <u>developed</u> <u>and applied</u> (in place) for CBFCM in the 4 pilot sites.	Currently there are no PES and bio-carbon financing strategies and schemes developed and/or applied for CBFCM within the 4 REO pilot site regions.	PES baseline study is being conducted for the 4 pilot sites (February - July 2013) to provide basis to identify scope and scale of PES scheme(s) to be applied in each pilot site. The scheme(s) will be discussed and consulted among key stakeholders in each area and finalise within the latter half of the first year.	N/A – none given	At least 4 PES and bio- carbon financing schemes (1 for each REO region pilot site) are developed and implemented during the project cycle.	Moderately Unsatisfactory: At the midterm stage, there have been no PES schemes implemented yet in the four pilot sites. However, each pilot site has identified the scope and scale of its potential PES although these still need to be refined and there are concerns about the functional efficiency of the CBFCM to actually impact the quality and quantity of, for instance, water provisioning as this needs a collective effort on a much larger ecological scale, but there are potential opportunities (e.g. coastal protection). Community PES action plans have also been developed with specific activities to be shared with potential supporters/buyers.		The proposed PES schemes still have many weaknesses which would mitigate against entering into sustainable agreements with downstream beneficiaries in most instances (REO 5 may be an exception but it is not on community forest). The strength of the PES scheme is heavily dependent upon the strength of the CBFCM system and the MTR is not convinced that these community forests have sufficient functional efficiency to base a PES scheme on.
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⁷¹ Note: this indicator was removed from the SRF during the Inception Phase and in the Inception Report. However, the PMU have continued to report on it through the PIR and it is therefore included in the MTR.

	Indicator 2.2: Total area of catchment forest under community management in the 4 pilot catchment basins that is benefiting from PES and bio-carbon financing schemes.	Current accumulative total of all forest under community management in each of the 4 catchment basin pilot sites. Data collection on total coverage of community managed forests within each catchment basin will need to be undertaken at the start of the project.	Expected to start in Q4/2013	N/A – none given	Collectively, 15,000 hectares are identified and designated CBFCM forests within the 4 pilot catchment basins.	Moderately Satisfactory: Although the total areas of catchment forest under the project's CBFCM and PES schemes have already been identified, none of them have gained economic benefits from the schemes yet. At the mid-term points, only test run CBFCM activities have taken place but their potential linkages to PES were not yet clearly established. However, the project has established the clear scope of where to assess and monitor the bio-carbon benefit as well as started conducting preparation activities to prepare communities to participate in the PES scheme, including the fire break line, the check dams, and reforestation with monitoring process.		Progress at this point in the project lacks the robust linkages between producer, beneficiary and transaction. There is a tendency to confuse PES with CSR and there is little evidence that any agreements will be sustainable.
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	Indicator 2.3: Ton of CO2 sequestered and /or avoided emissions within the framework of implemented PES schemes accumulative of all 4 pilot project area catchment basin sites.	Some work on assessment of forest carbon has been initiated by the RFD and DWNP for Thailand's R-PIN application of the World Bank's Forest Carbon Partnership Facility (FCPF) Readiness Plan, as well as by independent studies by specialists in various universities. Forest carbon stock assessment will have to be undertaken for the 4 pilot sites.	No progress yet but expect to start conducting the initiative bio-carbon survey in a targeted site such as Lam Saebai Catchment area (North-eastern) after the early-September bio-carbon workshop.	N/A – none given	10% increase in carbon stock from the accumulative total of the 4 pilot catchment basin sites	Moderately Satisfactory: Although accumulative report on the CO2 sequestered/avoided has not been produced to provide overall figure for the project, the exercise of bio carbon monitoring by participating communities has raised their collective awareness and appreciation on the values of their forests and natural resources. The process has also thrown up some interesting results with suspiciously high scores of carbon which one REO has already flagged as requiring further verification, an indication that there is a healthy aspect of compliance being built		Although the project is highly unlikely to achieve this target the process has been beneficial and built capacities of REOs and communities.
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	Indicator 2.4: Global biodiversity values maintained or enhanced at pilot sites	Threats to forests and associated biodiversity continues at demonstration sites	Expected to start in Q4/2013.	N/A – none given	No net loss of natural forests in the catchments from baseline situation Increased overall coverage of native tree species within the catchments, ensuring better connectivity between forest habitats	Unsatisfactory: The project has not been decisive enough to act on this indicator and propose something else. This should have had a high level decision to replace this indicator with something more practical and cost effective.		Even if the purpose was the long term post project monitoring this there has been insufficient analysis and action taken to determine a reasonable means of monitoring the impact of any CBFCM and PES schemes.
	Indicator 2.5: Livelihood quality Index	Some socio-economic data can be obtained by the Community Development Department and the Department of Agricultural Extensions. For the 4 selected pilot sites, data collection must be designed specifically for the purpose of measuring livelihood changes resulting from the project.	No progress yet but three of targeted sites will conduct the socio-economic survey after gaining knowledge in the CBFCM mid-August workshop.	N/A – none given	5 % increase in livelihood quality of life index in the project's participating communities	Unsatisfactory: There has been insufficient action taken in this area and the project should have moved more quickly as well as making sure that the socio-economic data was relevant to the benefits from increased efficiency of CBFCM and the likely benefits flowing from future PES schemes. Much of the data collected will be largely irrelevant to the outcome.		Progress has been insufficient in this area. The data started in June 2015 and is being finalised in September 2015, but the project is due to close in February 2016. It's not possible to measure against a baseline.

<p>Indicator 2.6: Capacities of local authorities and community land users in land use options that enhance ES and to ensure market-based payments from PES and bio-carbon financing for improved livelihoods. Environmental Quality of key ES parameters such as water quality, soil nutrient levels, sedimentation</p>	<p>Local capacities in sustainable land use options must be assessed at the beginning of project.</p> <p>There has been some training provided to local authorities and community land user / community forest & watershed networks on sustainable land use practices through various government and independent projects ES and PES / bio-carbon financing.</p>	<p>Local authorities participated in the inception phase activities including the stakeholder consultation meetings in CBFCM&PES. There are at least 2 local government organisations engaged in each of the 4 pilot sites, with approximately 6 officers representing in each stakeholders' consultation meeting. Most of key local authorities were invited to be members of local project committees which will share, learn and make</p>	<p>N/A – none given</p>	<p>At least 4 Tambon Administrative Organizations (TAOs) are actively engaged in PES/ bio-carbon scheme implementation within their respective communities in support of CBFCM.</p> <p>At least 30% of community forest / watershed network members have adopted sustainable land-use practices in the four pilot catchment basins.</p> <p>Overall land use practices in the four pilot catchment basins sufficiently improve.</p>	<p>Moderately Satisfactory: A large number of training sessions have been carried out. While these appear to have been very academic at times, the hands on training in bio-carbon assessments the community action plan development have contributed to building the skills in the REOs and the communities. The project has also presented opportunities for pilot site staff to participate in larger debates and with other organisations. However, more practical use should have been made of the TA and the RECOFT as their roles in capacity building appear to have been reduced by the way their ToR were drafted (i.e. as discrete studies rather than as facilitators of change)</p>		<p>The project has increased local capacities in state and non-state actors. It has also made an important step in introducing ideas, particularly in relation to the management of these resources and natural resource economics which were not well known, much less understood before the project took place.</p>
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			decision for their own forest and catchment management.					
	Indicator 2.7: Number of national and regional level forums, meetings and documents highlighting best practice and lessons learned in using PES and bio-carbon financing for CBFCM.	Currently there is no central department / agency to take responsibility for CBFCM, PES/bio-carbon pest practice and lessons learned, or the existence of a database to manage this type of information and make it available to others.	No progress yet. We may probably share our lesson learned and best practices of our first year implementation at the end of the year.	N/A – none given	At least 4 regional best practice/ lesson learned exchange forum on PES. At least 1 National forum for PES policy strategies and collaboration (declaration of cooperation).	Moderately Satisfactory: Only one forum has taken place but this included a wide variety of interested and relevant stakeholders including; Department of National Parks, Wildlife and plant Conservation (DNP) responsible for CATSPA project, GIZ responsible for ECO-BEST project, USAID responsible for LEAF.		The project has insufficient experience at this point to really develop best practices. However, the MTR would have expected the project to be more proactive in this respect and considered specific seminars and workshops to drive the process forwards, but these have not happened.

Annex 5 Co-financing

Sources of co-financing	Nature of co-financer	Type of co-financing	Amount Confirmed at CEO endorsement (US\$)	Actual Amount Contributed at stage of Midterm Review (US\$)	Actual % of Expected Amount
Government	Project partner (NIM)	Not specified clearly	12,210,000	346,180	2.8%
UNDP	Implementing Agency	Cash	350,000	150,000	42.85%

Annex 6 CBNRM indicators

Indicators developed by the CBNRM Performance Monitoring and Evaluation Working Group - this is a NORAD funded initiative implemented by the WWF Southern Africa Regional programme Office (SARPO) to assess the effectiveness of CBNRM projects. These are sophisticated indicators but they can be used to develop an index figure for use in a SRF. An important aspect is that any intervention needs to think carefully about the detail and values which can be measured in a structured manner. It is also time-consuming

IMPACT INDICATORS

These indicators help us track how CBNRM is delivering conservation benefits contributing to improving local livelihoods, developing social capital in rural communities and contributing to the national economy

- 1) Conservation /Natural Resource Management indicators
- 2) Livelihood indicators
- 3) Social capital indicators
- 4) National economy indicators

ENABLING ENVIRONMENT

To achieve the intended impacts, CBNRM requires an enabling environment which consists of: (i) devolved NRM rights and powers; (ii) viable market; (iii) safety and security; (iv) sufficient capital investment; and (v) sufficient and capable technical support

- 1) Devolution indicators
- 2) Market indicators
- 3) Safety and security indicators
- 4) Capital investment indicators
- 5) Support provision indicators

LOCAL CAPACITY

To achieve the intended impacts CBNRM requires practical local delivery mechanisms such as skilled people, good governance structures, and sufficient resources for management. People complying with local by-laws and national laws

- 1) Sufficient skill indicators
- 2) Clean governance structures indicators
- 3) Sufficient resources and systems indicators
- 4) Compliance indicators
- 5) Doing the 'right things' indicators

ADEQUATE RESOURCE BASE

To achieve the intended impacts CBNRM needs to be based on a resource base that has the capacity to achieve expectations. The following indicators try to evaluate alternative land use potentials and match these to the social demands.

- 1) Land use potential indicators

Annex 7 Exit strategy

i.) Project Products which will have been developed by the end of the project but which need follow-up for sustainability

No	Planned activity	Description of expected results by end of project	Necessary follow-up in order to assure sustainability of the project intervention	estimation of necessary resources for implementation of the needed follow-up			Description of options for handover and transfer to third parties (projects, state partners...)	Additionally needed activities in order to realize handover scenario	Status of implementation as ofdate
				time (in months)	human resources	minimum financial resources			

ii.) Project activities which have been started but will not be finished until the end of the project

No	Planned activity	Description of expected state of implementation by end of project	Necessary follow-up in order to finalize and to assure sustainability of the project intervention*	estimation of necessary resources for implementation of the needed follow-up			Description of options for handover and transfer to third parties (projects, state partners...)	Additionally needed activities in order to realize finalization and handover scenario	Status of implementation as ofdate
				time (in months)	human resources	minimum financial resources			

* If the recommendation is to stop the implementation of individual activities, a justification for this should be given here

iii.) Project activities which have not been started and should no longer be started as they would not be finished until the end of the project

No	Planned activity	Justification for no longer to implementing this activity in the frame of the project	Description of possibilities to recommend the implementation of this activity to third parties	Additionally needed activities in order to realize the takeup of proposals for implementation of the activity by third parties.	Status of implementation as ofdate

iv.) Estimation of risks of recurrence of original problems tackled by the project			
No	Original problem	Risk of recurrence after end of project lifetime	Options for action to avoid recurrence after end of the project

Status:

Prepared by:

Approved by:

Annex 8 People interviewed

Pollution Control Department/PMU

1. Ms. Kanchalee Navickabhum Director of Planning Analysis and Evaluation Division and Project Director
2. Ms. Aree Watana Tummakird, Project Manager
3. Ms. Pornpimol Punmetharith Chief of Planning Analysis and Evaluation Office

Regional Environmental Office 1 and local stakeholders

4. Mr. Rapeesak Malairungsakul Director, REO 1
5. Ms. Suwaree Singpian Environmentalist
6. Mrs. Thitima Jiyaworanun Environmentalist
7. Mr. Wichai Chaiwityanon Mayor, Mae Raem Municipality
8. Mr. Pamonchairat Chamnuan Owner, Sunbua Maesa Orchid Farm
9. Mr. Surasak Intrisri Village Headman, Baan Mae Mae
10. Mr. Suwit Dokkham Village Headman, Baan Mae Nai Pattana

Regional Environmental Office 5 and local stakeholders

11. Mr. Worapol Chan-Ngam Director, REO 5
12. Ms. Pusadee Yeamsawat Environmentalist, Senior Professional Level
13. Ms. Chutima Noinart Community Researcher
14. Mr. Tawin Thongsin Director of Public Health Office, Bangyapraek Municipality
15. Ms. Mallika Netlomwong Director of Public Health Office, Khokkham Tambon Administrative Organisation
16. Ms. Yaowapa Thawattanukul Chief, Community Health Promotion Unit, Phanthainorasing Tambon Administrative Organisation
17. Mr. Sombat Kanchanapaihan Chief, Mangrove Natural Resources Learning and Development Centre 2 (Samutsakorn)
18. Mr. Pornthep Thongdee Fishery Officer
19. Ms. Patcharaporn Yaowasupa Fishery Officer
20. Ms. Thanatip Chuaetin Community leader, Bangyaphraek Sub-district
21. Ms. Aree Khongklad Community leaders, Khok kham Sub-district
22. Ms. Kanya Wongsawan Community leaders, Khok-kham Sub-district
23. Ms. Amphorn Seekularb Community leaders, Khok-kham Sub-district

Regional Environmental Office 12 and local stakeholders

24. Mr. Wirun Ruekchanajorn Director, REO 12
25. Ms. Supaporn Kukhamsai Environmentalist Professional Level
26. Ms. Wannapa Thongseekaew Environmentalist Professional Level
27. Ms. Praewpan Nakkhantod RECOFTC Consultant
28. Ms. Narumon Sila CBFCM Field Coordinator
29. Mr. Akkaporn Saothong CBFCM Field Coordinator
30. Phrakru Sukhumvarnopas Director of Watchirayan Dhamma Retreat
31. Mr. Seeha Mongkolkaew Chairman, Dong Yai Forest Conservation Group
32. Mr. Prapas Mongkolkaew Member, Dong Yai Forest Conservation Group
33. Mr. Somporn Kaenphuek Deputy Permanent Secretary, Huadon Municipality

Regional Environmental Office 14 and local stakeholders

34. Mr. Yongyut Panitaungkul Director, REO 14
35. Ms. Jintamard Sinlapaprommard Environmentalist, Professional Level

36. Mr. Thanut Srikaew Director, Public Health and Environmental Services Division,
Phangan Municipality
37. Mr. Sarote parnkaew Director, Public Works Division, Phangan Municipality
38. Mr. Prapun Deawvanich Village # 1 Headman
39. Mr. Prakob Rungruang Community Leader, Bann Naiwok-Suanwad

Private Sector

40. Ms. Nattaya Louavanij Head of Corporate Communications, SCCC Public Co., Ltd.

Project Consultants

41. Mr. Kittichai Ratana Forestry Faculty, Kasetsart University abd Project Consultant
(Policy Framework)
42. Ms. Somying Suntornwong Programme Coordinator RECOFTC and Project Consultant
(Community Engagement)

UNDP

43. Mr. Johan Robinson Regional Technical Advisor, UNDP APRC
44. Ms. Sutharin Kookphol Programme Specialist, Inclusive Growth and Sustainable
Development, UNDP Thailand

Annex 9 Brief resumes of MTR team

Francis Hurst has a BSc in Zoology and an MSc in Conservation. He has worked in biodiversity conservation, protected areas management and natural resource management for over 20 years with practical experience of managing protected areas, policy, and planning, sustainable use and natural resource governance. His main interest is in CBNRM and sustainable use. For the past 20 years he has worked as an independent consultant in more than 29 countries including UNDP-GEF, UNEP-GEF and EU midterm and final/terminal evaluations in Uzbekistan, Georgia, Turkey, Egypt, Russia, Jordan, Kazakhstan, Tajikistan, China, Montenegro, Angola and Botswana. Importantly he also has firsthand experience of project formulation and design as well as evaluation and technical assistance.

Ms. Walaitat Worakul has a B.Ed in general education and an MS in international development education. She has over 25 years' experience as manager and technical advisor/consultant to a wide range of local, national and international development projects/programs. Among others, are programs on environment, sustainable livelihoods, gender, education/learning, poverty alleviation, community development, organizational strengthening and networking, and climate change. During the past few years, she has conducted mid-term and terminal evaluations of several UNDP/GEF funded projects in Thailand, including projects Catalyzing Sustainability of Thailand's Protected Area System (March-June 2015), Sustainable Management of Biodiversity in Thailand's Production Landscape (November-December 2014), Strengthening the Capacity of Vulnerable Coastal Communities to Address the Risk of Climate Change and Extreme Weather Conditions (March 2014), and Promoting of Renewable Energy in Mae Hong Son Province (November 2013 -February 2014). Ms. Walaitat also has extensive experience working with government departments/ministries, including Ministries of Natural Resources and Environment, Agriculture, Interior and Industry who are key stakeholders of the CBFCM project.

Annex 10 Explanation of MTR ratings

Ratings for Progress Towards Results: (one rating for each outcome and for the objective)		
6	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".

Mid-term Review, Integrated Community-based Forest and Catchment Management through an
Ecosystem Service Approach Project, PIMS 4033
Final Draft Report, 12th December 2015

5	Satisfactory (S)	The objective/outcome is expected to achieve most of its end-of-project targets, with only minor shortcomings.
4	Moderately Satisfactory (MS)	The objective/outcome is expected to achieve most of its end-of-project targets but with significant shortcomings.
3	Moderately Unsatisfactory (MU)	The objective/outcome is expected to achieve its end-of-project targets with major shortcomings.
2	Unsatisfactory (U)	The objective/outcome is expected not to achieve most of its end-of-project targets.
1	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.

Ratings for Project Implementation & Adaptive Management: (one overall rating)		
6	Highly Satisfactory (HS)	Implementation of all seven components – management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation systems, stakeholder engagement, reporting, and communications – is leading to efficient and effective project implementation and adaptive management. The project can be presented as “good practice”.
5	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.
4	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.
3	Moderately Unsatisfactory (MU)	Implementation of some of the seven components is not leading to efficient and effective project implementation and adaptive, with most components requiring remedial action.
2	Unsatisfactory (U)	Implementation of most of the seven components is not leading to efficient and effective project implementation and adaptive management.
1	Highly Unsatisfactory (HU)	Implementation of none of the seven components is leading to efficient and effective project implementation and adaptive management.

Ratings for Sustainability: (one overall rating)		
4	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
3	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
2	Moderately Unlikely (MU)	Significant risk that key outcomes will not carry on after project closure, although some outputs and activities should carry on
1	Unlikely (U)	Severe risks that project outcomes as well as key outputs will not be sustained

Annex 11 MTR schedule

Date and Time	Meetings	Focal Points/Notes
Wed 2 Sept	Arrival of Hurst, International Evaluator/Team Leader Arrival of K. Walaitat Worakul, National Evaluator	<i>Tickets to Bangkok will arranged by the consultants themselves.</i>

13.30	<p><u>Opening meeting at UNDP Thailand Country Office</u> Meeting with UNDP:</p> <ul style="list-style-type: none"> • Mr. Johan Robinson, Regional Technical Advisor, UNDP APRC • Ms. Sutharin Koonphol, Programme Specialist, UNDP Thailand, 12th Floor, UN Secretariat Building <p>Overnight in Bangkok</p>	<p>Contact persons (UNDP): Ms. Nisakorn Puangkamalar 02-3049100 ext 2134</p>
<p>Thu 3 Sept</p> <p>08.30-10.00 10.00-11.00 11.00-12.00 12.00-13.30 13.30-14.15 14.15-15.00 15.00-15.45</p>	<p>Interviews with Implementing Partner and other stakeholders at Pollution Control Department (PCD) on Rama 6, Bangkok</p> <p>Meeting Room: 12th Floor, Pollution Control Department</p> <p>Interviewees:</p> <ul style="list-style-type: none"> • Mrs. Aree Watana Tummakird, Project Manager • Mrs. Kanchalee Navickabhum, Director of Planning Analysis and Evaluation Division and Project Director • Ms. Pornpimol Punmetharith, Chief of Planning Analysis and Evaluation Division <p>Lunch on own at PCD canteen</p> <ul style="list-style-type: none"> • Representative from ECO-BEST • Representative from BEDO • Representative from SCG Public Co., Ltd <p>Overnight in Bangkok</p>	<p>Contact person (CBFCM): Mrs. Aree Wattana Tummakird, Project Manager, CBFCM (T) 02-298-2465 (M) 089-204-6443</p>
Date and Time	Meetings	Focal Points/Notes
<p>Fri 4 Sept 7.00 hrs.</p> <p>8.30-9.00 hrs. 9.00-9.30 hrs. 9.30-10.30 hrs.</p> <p>10.30-12.00 hrs.</p>	<p><u>Tachin Catchment</u> Travel to Mangrove Forest Learning and Development Centre 2, Samutsakorn Province</p> <p>Welcoming Remarks by REO5</p> <p>Introduction to Team Work of Thachin Catchment (By REO5)</p> <ul style="list-style-type: none"> • Interview with Mr. Worapon Channgam, Director of REO5 • Interview with Ms. Pusadee Yeamsawat, Environmentalist, Senior Professional Level (Project Implementer) <p>Interview with representatives from TAOs: Topic: Thachin Estuary Ecosystems and Change of Mangrove Areas and the Upper Gulf of Thailand</p>	<p>Contact persons (REO5): Ms. Patcharawalee Bunyasrisawat Tel: 034-262339 ext. 107 or 081-1367578 E-mail: moo_orka@hotmail.com</p>

<p>12.00-13.00 hrs.</p> <p>13.00-14.30 hrs.</p> <p>14.30-16.30</p> <p>16.30-17.30</p>	<ul style="list-style-type: none"> • Mr. Sombat Kanchanaphihan, Director of Mangrove Forest Learning and Development Center 2 • Representatives from Siam City Cement Public Company Limited • Representatives from Fist Market Organization <p><i>Lunch to be organized by REO5</i></p> <p>Interviews with community representatives on activities related to ecosystem services Topic: Resources and conservation in Phittayalongkorn canal (CBFCM Project in Techin Catchment)</p> <ul style="list-style-type: none"> • Mr. Tawin Tongsin, representative from Bangyaphrak District Working group • Ms. Mallika Netlomwong, representative from Khokkham District Working group • Mr. Montol Imthong, representative from Pantainorasingh District Working group <p>Site visit of Thachin Estuary Ecosystems Return to Bangkok</p> <p>Overnight in Bangkok.</p>	
Date and Time	Meetings	Focal Points/Notes
<p>Sun 6 Sept</p> <p>10.25 hrs.</p> <p>11.50 hrs</p> <p>13.30-14.00</p> <p>15.00</p>	<p><u>Pha Ngan Catchment</u></p> <p>Travel from Bangkok to Pha Ngan Island by Bangkok Airways (PG125), departing Bangkok at 10.25. Arrive in Samui Islands.</p> <p>Travel from Na Torn Pier, Samui by Lomprayah high-speed boat to Pha Ngan Island (Thongsala pier).</p> <p>Accommodation: Dew Shore Resort (THB 1,600/night incl. breakfast). Interviews at Dew Shore Resort</p> <ul style="list-style-type: none"> • Mr. Yongyut Panitaungkul, Director of REO14 • Ms. Jintamard Sinlapaprommard, Senior Government Official, REO14 	<p>Regional Environmental Office 14 (REO14) <i>Ms. Jintamard</i> (M) 092-262-0815</p>

Mon 7 Sept	Pha Ngan Catchment	Regional Environmental Office 14 (REO14) <i>Ms. Jintamard</i> (M) 092-262-0815
09.30-10.00	Travel from Dew Shore Resort to Phangan sub-district Local Administration Office	
10.00-12.00	<ul style="list-style-type: none"> Interview with Mr. Thanut Srikaew, Director of Public Health and Environmental Services Interview with Mr. Sarote Parnmart, Director of Public works Division 	
12.00-13.00	Lunch	
13.00-15.00	<ul style="list-style-type: none"> Interview with Mr. Prapun Deawvanich Head of the village (Moo 1) 	
15.00-17.00	<ul style="list-style-type: none"> Interview with Mr. Prakob Rungruang, Head of Naiwok-Suanwad community 	
	Site visit	
Tue 8 Sept	Travel from Pha Ngan to Bangkok and to Ubon Ratchathani	
7.15-7.45	Departing from Pha Ngan (Tongsala) to Samui (Na Torn pier)	
11.55-13.00	Travel to Bangkok by Bangkok Airways (PG134)	
16.30-17.35	Travel to Ubon Ratchathani by TG2028, departing Bangkok at 16.30	
Wed 9 Sept	<u>Lam Sebai Catchment, Ubon Ratchanthani province</u>	Regional Environmental Office 12 <i>Ms. Narumol Sila (Toey),</i> <i>Field Coordinator</i> (M) 099-875-4792
8.30-9.30	Interview with Mr. Wiroon Lerkthanakajonand, Director of REO12 and Ms. Supaporn Gukamsai, Field Coordinator	
9.30-10.00	Travel to Watchirayan Dhamma Retreat	
10.00-12.00	<ul style="list-style-type: none"> Interview Chief Petty Officer 1st Mr. Somporn Kanpuek, Deputy Chief Administrator of the Tambon Administration Office Interview Phra Kru Sukhumvarnopas, Director of Watchirayan Dhamma Retreat 	
12.00-13.00	Lunch to be organized by REO12	
13.00-15.00	Interview with community representatives: <ul style="list-style-type: none"> Mr. Seeha Mongkolkaew Chairman of Dong Yai Forest Conservation Group Mr. Nipon Manat, Bang Aor Village Head Community representatives (female) 	
15.30-16.30		

18.05-19.10	<p>Interview with representative from Central Group (Ubon Ratchathani Province)</p> <p>Return to Bangkok by Thai Airways TG2029, dep. 18.05 and arr. in Bangkok 19.10 hrs.</p> <p>Overnight in Bangkok.</p>	
<p>Thu 10 Sept</p> <p>07.55-09.15</p> <p>13.30-14.15</p> <p>14.15-15.15</p>	<p><u>Mae Sa Catchment, Chiang Mai province</u></p> <p>Travel to Chiang Mai by TG102, departing Bangkok at 7.55 hrs, arriving in Chiang Mai at 9.15 hrs. REO1 will collect the evaluation team from the airport.</p> <p>Check-in at Pingnakorn Huaykaew Hotel booked by REO1</p> <p>Lunch on own <u>Interviews</u></p> <ol style="list-style-type: none"> 1) Mr. Rapeesak Malairungsakul, Director of REO 1 2) Interview with Ms. Suwaree Singpetch and Ms. Thitima Jiyavorrannunt <p>Overnight in Chiang Mai</p>	<p>Regional Environmental Office 1 <i>Ms. Suphat Kummaman (M)094 609 6611</i></p>
<p>Fri 11 Sept</p> <p>9.00-10.00</p> <p>10.00-10.45</p> <p>10.45-11.00</p> <p>11.00-11.45</p> <p>11.45-12.00</p> <p>12.00-13.00</p> <p>13.00-13.45</p> <p>12.00-13.00</p> <p>19.20-20.30</p>	<p>Travel to Mae Ram Municipality, Mae Ram Sub-district, Mae Rim District, Chiang Mai Province Interview Mr. Wichai Chaiwitnon, Mayor of Mae Ram Municipality Travel to Suan Bua Resort Interview with Mr. Phamornchairat Chamnuan of Suan Bua Resort</p> <p>Travel to Sala Coffee Lunch on own at Sala Coffee</p> <p><u>Interviews with community representatives:</u></p> <ol style="list-style-type: none"> 1. Mr. Suwit Doungkum, Village Head of Baan Mae Nai Pattana 2. Mr. Surasak Inthornsri, Village Head of Baan Mae Mae <p>Lunch at Sala Coffee</p> <p>Return to Bangkok by Thai Airways by TG117 departing Chiang Mai at 19.20 hrs. arriving in Bangkok at 20.30 hrs.</p>	<p>Regional Environmental Office 1 <i>Ms. Suphat Kummaman, Admin and Finance Officer (M) 094 609 6611</i> <i>Ms. Phannika Dangsue Field Coordinator, CBFCM Mae Sa M. 084-851-8810</i></p>

	Overnight in Bangkok. Hotel to be booked by consultants.	
Mon 14 Sept 9.00 hrs.	Debriefing with UNDP and RTA Debriefing with PMU	Contact person (CBFCM): <i>Mrs. Aree Wattana Tummakird, Project Manager, CBFCM (T) 02-298-2465 (M) 089-204-6443</i>

[Annex 12 Documents reviewed](#)

CBFCM Summary of Field Visits (Thai)

CBFCM Q3_4_2015 Key Milestones and Responsible Parties (Thai)

NIM Guidelines

UNDP Country Programme for Thailand

Audit 2015

CBFCM Project Inception Report

CBFCM Project Initiation Plan

Local Project Appraisal Committee (LPAC) Minutes

Management Response (Thai) March 2014

Micro Assessment Checklists

Project Identification Form (PIF)

Project Implementation Form (PIR) 2013, 2014

Project Board Meeting Minutes (Thai) 2013, 2014, 2015

Project Brief 2015

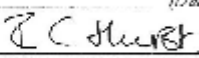
Project Document

Quarterly Progress Reports Q4 2013, Q1 2012

Project Expenditure Reports 2012 – 2015 (August), 2015

GEF Tracking Tool July 2011 (start) and March 2015 (midterm)

Annex 13 Consultants Agreement Forms

<p>Evaluators/Consultants:</p> <ol style="list-style-type: none">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. <p style="text-align: center;">MTR Consultant Agreement Form</p> <p>Agreement to abide by the Code of Conduct for Evaluation in the UN System:</p> <p>Name of Consultant: Francis Hurst</p> <p>Name of Consultancy Organization (where relevant): N/A</p> <p>I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.</p> <p>Signed at Matigola, Portugal (Place) on 20th August 2015 (Date)</p> <p>Signature: </p>

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 it 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.

MTR Consultant Agreement Form

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

Name of Consultant: Wajarat Worakul

Name of Consultancy Organization (where relevant):

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

Signed at Chiang Mai, Thailand (Place) on 30 Aug. 2015

(Date)

Signature: W. Worakul

Annex 14 Tracking Tool

Separate files

Annex 15 Assessment of indicators and targets

Indicator	Targets (end of project)	MTR Comment	SMART	Alternative indicator
Indicator 1.3: Institutional capacities strengthened at national (M&E Office) and regional levels (4 pilot REO training centres) to implement PES and bio-carbon financing schemes in support of CBFCM.	<p>M&E Office (under PCD's Office) has capacity to coordinate and provide oversights of PES/bio-carbon implementation by REOs and Provincial Natural Resources and Environmental Office</p> <p>At least 50 REO Officers trained on PES and bio-carbon tools and methods (2-3 staff from each of the 16 REOs)</p> <p>At least 4 REOs can deliver capacity building training to their regional networks on the use of PES/ Bio-carbon financing for CBFCM and natural resource management.</p>	<p>This indicator is reasonable however, it failed to recognise the complexity and involved nature of building a CBFCM system. There is a necessary sequencing of events which would have to take place in order for these targets to be met and it does not take into account that the project would first have to demonstrate both PES and CBFCM in order to build this experience and then to expand this across a much wider network. While the system is being built there is considerable confusion about both PES and CBFCM which needs to be worked through before it can be expanded.</p> <p>As such it set unattainably high targets even had the project progressed without the usual but unpredictable and disruptive external impacts (e.g. the crisis in government).</p>	Given the unrealistic targets this indicator is not achievable	None given, suggest that the PMU and REOs, through a participatory workshop, develop more modest but achievable targets

Indicator 1.4 ⁷² Existence of an active national CBFCM data base (that includes relevant information such as natural resource consumptions rates/patterns, biodiversity levels, PES & bio-carbon data) generated through baseline studies and participatory M & E and identification of best practice.	Creation of a National CBFCM PES/bio-carbon financing database and mechanisms for information dissemination and knowledge sharing.	The indicator is restating or describing the target. The idea that this could provide specific data on “consumption rates/patterns” or “biodiversity levels [sic]” suggests that insufficient thought had gone into the costs and practicalities of collecting this data.	The indicator is not specific, it is vague in the description of what is attempting to do; <i>“(that includes relevant information such as natural resource consumptions rates/patterns, biodiversity levels, PES & bio-carbon data) generated through baseline studies and participatory M & E and identification of best practice.”</i> It is not achievable. The cost and effort of populating such a database as well as the organisation within the database is unrealistic	None given, suggest that either the indicator is retained or the target is changed to a more realistic database (i.e. think carefully about what data is going to be inputted) or develop this as web-based resource for CBFCM and PES (which is what the PMU has proposed). A good example of such a web-based resource (developed within a UNDP-GEF project) can be found at http://migratorysoaringbirds.undp.birdlife.org/en
Indicator 2.1: Number and Type of PES and bio-carbon financing schemes <u>developed</u> <u>and applied</u> (in place) for CBFCM in the 4 pilot sites.	At least 4 PES and bio-carbon financing schemes (1 for each REO region pilot site) are developed and implemented during the project cycle.	The indicator and targets were, and should have been recognised as such at the time, unachievable within the space of a four-year project starting from the project’s baseline (i.e. little experience or exposure to PES and a poorly defined CBFCM system). However, the issue of the price of bio-carbon was not known at the time the indicator was developed.	The indicator is not achievable within four years	Suggest the indicator is re-phrased to reflect the challenges; <i>PES schemes identified and described.</i> <i>Target: 3 PES schemes with tradable services identified and agreements drafted.</i> While this is more modest than the original indicator and target it is more realistic and still represents a considerable challenge (and achievement if carried out).

⁷² Note: this indicator was removed from the SRF during the Inception Phase and in the Inception Report. However, the PMU have continued to report on it through the PIR and it is therefore included in the MTR.

		The target is also vague in as much as it might be describing 4 or 8 (4 ecosystem services PES schemes and 4 specific bio-carbon PES schemes) schemes.		
Indicator 2.2: Total area of catchment forest under community management in the 4 pilot catchment basins that is benefiting from PES and bio-carbon financing schemes.	Collectively, 15,000 hectares are identified and designated CBFCM forests within the 4 pilot catchment basins.	The MTR is very critical of this indicator. The indicator fails to capture any aspects of CBFCM. There is no measure of the quality of community-based management, there is no explanation of what community-based management should be. If it is a measure of forest that currently exists on community land (i.e. land which is not managed by the state or privately owned) then the target was probably achieved at the start of the project. However, it is reasonable to assume that it means land that is specifically managed by a community and to which an end user of an ecosystem service can recognise as a <i>body corporate</i> and pay for the maintenance of the given service. Therefore the indicator and target were not well-defined and lacked utility ⁷³ . As it stands the payments to these communities to carry out works of a broadly conservation nature are mostly in the form of Corporate Social Responsibility (CSR)	The indicator is not specific because it provides nothing on the type or quality of management. The target only requires that the area of forest is identified as CBFCM. The indicator is measurable and the target is achievable in that these areas of forest are mapped and they do exist, designated as community forests. However, the same issues arise with the establishment of PES schemes as affect indicator 2.1. It is not relevant in the sense that it does not inform the project on the type and quality of management	None given. It would be too disruptive to start defining what steps should be taken to strengthen CBFCM in the SRF/LFM.

⁷³ Thailand has a longstanding tradition of community-based forest management that safeguards more than 320,000 hectares of forests. Project Document, p. 24, para. 39 therefore it might be argued that this target was achieved at the start of the project.

		<p>payments. While these don't amount to PES <i>per se</i> <u>it is likely</u> these will migrate into PES schemes in the future but at the moment they are not linked to a continued supply of ecosystem goods and services <i>per se</i>. Lastly the mention of PES and/or bio-carbon does not appear in the target.</p>		
Indicator 2.3: Ton of CO2 sequestered and /or avoided emissions within the framework of implemented PES schemes accumulative of all 4 pilot project area catchment basin sites.	10% increase in carbon stock from the accumulative total of the 4 pilot catchment basin sites	<p>This is unlikely (nor was it ever likely) to result in a 10% increase in carbon stock as the issue of time is involved. The MTR agrees with the project in the way that it is now going about this and considers the original (Project Document) approach and the indicator were poorly thought through. There was no calculation on the predicted or expected rate of carbon sequestration so the 10% increase is somewhat arbitrary. As the CBNRM and the PES schemes would, with the best will in the world, need at least two to three years to put in place this would provide only one to two years to demonstrate a 10% increase in carbon sequestration equivalent of the existing carbon stock. Equally, the price of carbon has been disappointing to the extent that it is broadly accepted that the benefits of bio-carbon financing</p>	<p>The indicator is specific and measurable. It is arguably not achievable. At the time it was relevant and will probably be relevant in the future but is currently irrelevant.</p>	<p>None given. The indicator is largely irrelevant and doesn't need replacing.</p>

		currently are less than the costs (of monitoring, compliance, etc.)		
Indicator 2.4: Global biodiversity values maintained or enhanced at pilot sites	<p>No net loss of natural forests in the catchments from baseline situation</p> <p>Increased overall coverage of native tree species within the catchments, ensuring better connectivity between forest habitats</p>	<p>The use of biological indicators in a four year project carries with it a number of challenges, if not problems. Critically there is a conflict between ecological timescales and project timescales. Arguably a tropical forest is operating on a timescale which can be measured in hundreds, if not thousands of years whereas this project had a four-year lifespan. Detecting ecological change over these short timescales is unlikely; attributing any change to a project intervention is risky if not potentially spurious.</p> <p>No net loss of forest cover is arguably measurable and robust using simple GIS techniques but any attempt to qualify the forest (e.g. native trees) falls into the “time trap”.</p> <p>The project’s solution to settle on indicator species is a good idea, and more manageable in terms of monitoring but requires detailed study to determine what are robust indicator species (e.g. cost of data collection, occurrence, etc.).</p> <p>Furthermore, to try to attribute any change in populations of indicator species to a project intervention on a 4-year time scale lacks credibility.</p>	<p>The indicator (global biodiversity values) lacks the specificity necessary produce a good indicator. However, if these can be defined, as they were in the targets “natural forest” and “coverage of native trees” is theoretically measurable although there are some issues with the term “natural forest” in terms of the areas in the pilot sites as they have on the whole been logged in the past.</p> <p>It is achievable if one were to wait long enough but the timeframe for such changes does not match with the four years of a project. It is relevant to the project’s objective and it is time bound as long as one is prepared to wait around for a long time.</p>	<p>Suggest replacing indicator with a proxy indicator such as measuring the threats to global biodiversity and predicting the project intervention will reduce these over four years with the assumption that these threats are driving biodiversity loss. Come back in ten and twenty years’ time and measure tree coverage and species.</p>

		Clearly “increased overall coverage of native tree species within the catchments, ensuring better connectivity between forest habitats” was unachievable in four years. The use of proxy indicators, index figures and other methods provide something which is at least more robust and defensible from a monitoring point of view.		
Indicator 2.5: Livelihood quality Index	5 % increase in livelihood quality of life index in the project’s participating communities	There is little utility in this indicator, it will not pick up any monetary increase as a result of the project, or at least attributing any increases in income may be spurious. However, there are significant local community benefits (e.g. local democracy, accountability, community cohesion, amongst others) which will not be detected by this indicator, although the MTR determined that such changes were taking place in the pilot areas. Just supposing that the project was able to start without any challenges (an unlikely event) it would then require workable and robust CBFCM “units of management” (<i>inter alia</i> , communities which were able and capable of managing their forest resources, equitably distributing the benefits and covered an area which was of scale where it had significance in the ecosystem...); robust, transparent and equitable agreements with	The indicator is not specific, it does not track a variable which is necessarily linked to the project. Any number of external variables could influence the index figure. The index is measurable but so is car ownership so it is largely irrelevant as a reasonable indicator of the project’s impact. The target is achievable but the communities could achieve a 5% increase in the index by converting their forests into farms. The indicator is time bound but, just supposing that any increase in the livelihood quality of life index could be attributed to the	Suggest that the indicator is changed to reflect the necessary steps to make the community forests functionally efficient. For instance in REO 1 this might include the establishment of a Committee which includes all resource users, an internal constitution, a means of equitably sharing benefits, an agreement with the national park, etc...

		<p>beneficiaries for ecosystem services and a distribution of the payments on a scale which could be detected within local economies.</p> <p>Monitoring and evaluating the effectiveness of CBNRM or CBFCM is notoriously challenging but two indicators – one tracking the quality of community-based management and one “following the money” (i.e. tracking payments from end users or beneficiaries of ecosystem goods and services) would provide a more reasonable measure of effectiveness.</p>	<p>project it was a very high expectation of the likely benefits which would immediately flow within the lifetime of the project.</p>	
<p>Indicator 2.6: Capacities of local authorities and community land users in land use options that enhance ES and to ensure market-based payments from PES and bio-carbon financing for improved livelihoods. Environmental Quality of key ES parameters such as water quality, soil nutrient levels, sedimentation</p>	<p>At least 4 Tambon Administrative Organizations (TAOs) are actively engaged in PES/ bio-carbon scheme implementation within their respective communities in support of CBFCM.</p> <p>At least 30% of community forest / watershed network members have adopted sustainable land-use practices in the four pilot catchment basins.</p> <p>Overall land use practices in the four</p>	<p>The indicator defies understanding and reads more like an essay than an indicator. The targets are similarly vague “<i>overall land use in the four catchment basins sufficiently improved</i>” lacks the sort of “SMART”ness expected of GEF SRFs.</p> <p>However, an aspect of this indicator and target which is of interest is the manner in which it jumps across scales from the more focused pilot-level to watershed networks (mentioned only three times in the Project Document and probably included because in some pilot sites, it is better to work as networks across the watershed (e.g. in Tachin where the canal runs through 3 sub-districts and a network of communities in these 3</p>	<p>The indicator is not SMART, really, it’s not.</p>	<p>Suggest that the project convenes a participatory workshop with an external facilitator to discuss an alternative indicator <i>Capacity of local authorities and communities to enhance management of land and access appropriate PES schemes</i>. It is important that the participants don’t get too hung up on the suggested wording and with a good rationale can change the wording.</p> <p>The workshop (which should last longer than an afternoon) should then tease out and describe the steps the REOs are taking, identify the weak linkages (basic SWOT analysis so it will need a reasonable facilitator) and these can be worked into achievable targets.</p>

	<p>pilot catchment basins sufficiently improve.</p>	<p>sub-districts have been established by the project to address common issue of water quality.)), catchment basins, “overall land use” suggests that this indicator was poorly thought through and provides nothing of value to informing the project partners of their progress towards results. A more informative indicator might have targeted the quality of local capacity building to meet the challenges of CBFCM and formalised PES schemes. Certainly this indicator does not capture the gains made by the project in capitalising on local environmental issues as an entry point, bringing together the informal and formal levels of local governance and engaging with the private sector. In many ways this reflects the scale and complexity of this project and the apparently “easy answers” offered by the Project Document which demonstrates the redundancy in the SRF because the project to some extent is doing what it should have done but the Project Document neither recognises the scale of the challenge nor presents a viable strategy to address it. But the project, presumably through a process of adaptive management is actually finding a way to address the original problem.</p>		
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Annex 16 Evaluation questions matrix

Evaluative Questions	Indicators	Sources	Methodology ⁷⁴
Project Strategy: To what extent is the project strategy relevant to country priorities, country ownership, and the best route towards expected results?			
To what extent are the issues (e.g. carbon sequestration, disaster mitigation, biodiversity conservation, sustainable provision of ecosystem goods and services) to be financed by PES and other types of innovative funding (e.g. bio-carbon) broadly supported in national policy	<ul style="list-style-type: none"> • Policy statements • Similar nationally adopted initiatives • Existing attempts • Institutional and agency understanding of key principles • Private sector understanding of key principles 	<ul style="list-style-type: none"> • National policy documents • National legislation • Other projects, donors, NGOs • Key agency personnel • Private sector (business leaders, business owners, operators, etc.) 	<ul style="list-style-type: none"> • Policy and legislation reviews • Interviews • Data analysis
To what extent is developed community management of natural resources broadly supported by national policy and understood by key institutional and agency players	<ul style="list-style-type: none"> • Policy statements • Similar nationally adopted initiatives • Existing attempts • Institutional and agency understanding of key principles • Internal organisation of communities, strength of community ownership, devolution of authority and responsibility, recognition of communities as <i>de facto</i> managers 	<ul style="list-style-type: none"> • National policy documents • National legislation • Other projects, donors, NGOs • Key agency personnel • Community individuals and collectives 	<ul style="list-style-type: none"> • Policy and legislation reviews • Interviews • Data analysis
How feasible is it to introduce these concepts (whether they are already well-understood?), establish the necessary systems and ground test them in four years	<ul style="list-style-type: none"> • Similar nationally adopted initiatives • Existing attempts • Institutional and key agency capacities • Existing level of community organisation and cohesiveness 	<ul style="list-style-type: none"> • Other projects, donors, NGOs • Key agency personnel • Community individuals and collectives 	<ul style="list-style-type: none"> • Interviews • Literature reviews

⁷⁴ All methodologies stated here assume that there has been a prior analysis of the Project Document and other background information. The approaches listed here are those that will build on the desk review assessment that exists at the beginning of the field work and verification.

Progress Towards Results: To what extent have the expected outcomes and objectives of the project been achieved thus far?			
Has the enabling policy and institutional environment been created or is there sufficient evidence to suggest that it will be created (including consideration of whether it needs to be created before the system can be rolled out)	<ul style="list-style-type: none"> • Policy statements • Project outputs • PIRs • Project Board minutes of meetings • Progress at the national level • Progress at the regional level (e.g. CBFCM progress in all four pilots) • Identification of barriers 	<ul style="list-style-type: none"> • National policy documents • National legislation • Other projects, donors, NGOs • Key agency personnel • Community individuals and collectives 	<ul style="list-style-type: none"> • Policy and legislation reviews • Interviews • Literature review
<p>Has the policy environment been strengthened? How?</p> <p>Have (identified) national policies and plans been improved to incorporate PES and bio-carbon financing mechanism in support of CBFCM? How?</p> <p>Has the guideline for integrating and harmonizing PES and bio-carbon financing mechanism into existing policies and guideline for new policy formulation been developed?</p> <p>What are major constraints for the achievement of this output?</p>	<ul style="list-style-type: none"> • Specific amendments to policy • Specific amendments to legislation • Broad consensus on the above • Clear statements of policy and legislation reform • Guidelines 	<ul style="list-style-type: none"> • National policy documents • National legislation • Other projects, donors, NGOs • Key agency personnel • GEF Tracking Tool 	<ul style="list-style-type: none"> • Policy and legislation reviews • Interviews • Literature review
<p>Have capacities been systematically enhanced? With what effects?</p> <p>Has a multi-sectoral mechanism for CBFCM/ PES – Bio-carbon dialogue, consultation been established? If not, why?</p>	<ul style="list-style-type: none"> • Level of understanding of PES and bio-carbon financing schemes (institutional/agency & community) • Level of understanding of community-based natural resource management 	<ul style="list-style-type: none"> • UNDP Capacity Development Assessment • Interviews • Project documentation 	<ul style="list-style-type: none"> • Interviews • Literature review

<p>Has the established mechanism effectively facilitated policy feedback, knowledge sharing, self-capacity development and access to PES and bio-carbon information and best practice? How?</p> <p>What are major constraints for the achievement of this output?</p>	<p>(institutional/agency & community)</p> <ul style="list-style-type: none"> • Existence of national dialogue mechanism • Existence of regional dialogue mechanism 		
<p>Have institutional capacities strengthened at national (M&E Office) and regional levels (4 pilot REO training centres) to implement PES and bio-carbon financing schemes in support of CBFCM? How?</p> <p>Is there sufficient incentive in these approaches to motivate wise management? Are the costs borne by the beneficiaries of wise management (e.g. are the costs and benefits internalised within the system?)</p> <p>To what extent are the pilot communities (the suppliers) functionally efficient for the purpose of collective management of ecosystem goods and services?</p> <p>Apart from MONRE and REO, have staff of other government agencies been trained on technical skills to support their roles in promoting PES/bio-carbon financing?</p>	<ul style="list-style-type: none"> • Understanding and acceptance of schemes • Equitable distribution of costs and benefits • Robust definition of community as a management unit for specified resources • Functional efficiency of defined communities • Distractors as well as supporters of schemes • Quantification of pecuniary benefits to communities participating in pilot schemes 	<ul style="list-style-type: none"> • National policy documents • National legislation • Other projects, donors, NGOs • Key agency personnel • Community individuals and collectives 	<ul style="list-style-type: none"> • Interviews • Literature review

Has a national CBFCM data base been developed? How participatory is the process? Is it active?			
What are major constraints for the achievement of this output?			
Has CBFCM coverage been expanded? How? To what extent and effect?	<ul style="list-style-type: none"> • Number of participating communities • Number of participating individuals • Number of participating private sector entities • Number of contributing government utilities • Inclusion of project experience in other donor/state interventions 	<ul style="list-style-type: none"> • Other projects, donors, NGOs • Key agency personnel • Community individuals and collectives • Private sector • State utilities 	<ul style="list-style-type: none"> • Project records • Interviews • Literature review
Has it been up-scaled? If not, would it be accomplished during within the project's timeline?			
Have capacities of local authorities, land holders and the private sector been enhanced? How? In which areas? With what effects?	<ul style="list-style-type: none"> • Progress of pilot communities • Identified conflicts • Level of acceptance of PES schemes • Degree of devolved decision-making (about benefits, resource management) • Organisation of communities • Agency-community-private sector agreements • Evidence of complex non-rule-based problem solving 	<ul style="list-style-type: none"> • UNDP Capacity Development Assessment • Key agency personnel • Community individuals and collectives • Private sector • State utilities 	<ul style="list-style-type: none"> • Project records • Interviews • Literature review
To what extent all stakeholders (e.g. government agencies, local communities, and private sector) have been involved in effective catchment management and PES operationalization?			
What further work has been done to build on preliminary assessments on potential PES options for the 4 pilot sites?	<ul style="list-style-type: none"> • Quantification of ecosystem goods and services • Quantification bio-carbon • Quantification of real and potential pecuniary benefits 	<ul style="list-style-type: none"> • Project studies 	<ul style="list-style-type: none"> • Project records

<p>Have the PES and bio-carbon financing strategies been developed and implemented for each of the 4 pilot sites?</p> <p>Is the payment distribution structure of the individual PES/bio-carbon scheme result-based, equitable, transparent and unified?</p> <p>Is the definition of “community” functionally efficient in terms of resource management (for a range of ecosystem goods and services)?</p> <p>What are the gender implications of PES and bio-carbon financing activities in the 4 REO regions (in relation to decision making and benefit sharing)</p> <p>Has there been improvement in the livelihoods of target community households? At what percentage?</p> <p>Are there mechanisms to capture and exchange lesson learnt and best practice on PES at regional level?</p> <p>What is mechanism to sustain and integrate best practice from the pilot activities to national level policy and strategies?</p>	<ul style="list-style-type: none"> • Functional efficiency of pilot communities • Equitable benefit distribution mechanisms • Internal organisation of pilot communities • Gender equality (in decision-making, cost and benefit sharing, etc.) • Magnitude of benefit • Magnitude of costs (time, pecuniary, opportunity, etc.) • Inter-community arrangements and organisation • Documenting of experience, mistakes and successes (adaptive management) • Policy and legislation reform 	<ul style="list-style-type: none"> • Key agency personnel • Community individuals and collectives 	<ul style="list-style-type: none"> • Project records • Interviews • Literature review
<p>Project Implementation and Adaptive Management: Has the project been implemented efficiently, cost effectively, and been able to adapt to any changing conditions thus far? To what extent are project-level monitoring and evaluation systems, reporting, and project communications supporting the project’s implementation?</p>			
<p>Was the project’s strategy the most cost effective means to achieve the</p>	<ul style="list-style-type: none"> • Project performance • Budget expenditure 	<ul style="list-style-type: none"> • Project reports (Q, PIR, Inception Report, etc.) 	<ul style="list-style-type: none"> • Interviews • Analysis

<p>objective? Could the same objective have been achieved through other means (e.g. through regulation/non-voluntary schemes and state subsidy?)</p> <p>Has the implementation of the project demonstrated efficiency?</p> <p>What changes have occurred between the PIF and the Midterm?</p> <p>What has been the project management (IA, EA, PMU, etc.) response?</p> <p>Have the senior project partners shown leadership?</p> <p>To what extent have any externalities impacted on the project's progress and performance? Could these have been predicted (e.g. in the risk identification and management?)</p> <p>Has IA, EA and PMU monitoring and evaluation and reporting conformed to the standards expected of a UNDP-GEF project? (e.g. was the M&E system well-designed and has it been effectively implemented?)</p> <p>What challenges have arisen since the project inception? How have these been addressed? Have the project partners communicated, achieved consensus on solutions?</p>	<ul style="list-style-type: none"> • Implementation of M&E plan • Spending per output/outcome • External events 	<ul style="list-style-type: none"> • Key partner interviews 	
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Sustainability? To what extent are there financial, institutional, socio-economic, and/or environmental risks to sustaining long-term project results?			
<p>How far has the project progressed in getting key outputs in place?</p> <p>What evidence exists that these will be sustained after the project ends?</p> <p>Is there:</p> <p>Broad political and institutional support for the outcomes?</p> <p>Is there likely to be budget allocation for those components requiring additional agency staff?</p> <p>Have the schemes piloted (or are they likely) to internalise the pecuniary costs and benefits?</p> <p>Do the benefits outweigh the costs to the communities?</p> <p>Will the private sector continue to pay for these goods and services?</p> <p>Has the project established sufficient enabling environment to support CBFCM, PES and bio-carbon financing schemes?</p> <p>Are the schemes equitable (i.e. are there any sectors of the pilot communities who will be marginalised or is there any gender disadvantages?)</p>	<ul style="list-style-type: none"> • Project impacts at MTR • Likelihood of achieving sufficient project impacts by close of project • Risks • Revenue flows • Budgets • Fairness • Agreements • Enabling environment 	<ul style="list-style-type: none"> • National policy documents • National legislation • Other projects, donors, NGOs • Key agency personnel • Community individuals and collectives • Private sector • Project reports 	<ul style="list-style-type: none"> • Interviews • Analysis

What unpredictable events might disrupt the schemes?			
What predictable events might disrupt the schemes and are there mechanism to address these in the event of their happening?			