

# Management response to the Midterm Review of the Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR

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

**Project PIMS #:** 5448

**GEF Project ID (PMIS) #:** 6940

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## Context, Background and Findings

### Background:

This document summarizes the management response to the Mid-Term Review of the Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR. As the GEF Agency of the Project, UNDP CO provides overall supervision of the project and the Department of Forestry under the Ministry of Agriculture and Forestry is responsible for implementation of the Project.

The Project's goal is to facilitate a transformative shift towards sustainable land and forest management in the forested landscape of Savannakhet Province in order to secure the critical wildlife habitats, conserve biodiversity and maintain a continuous flow of multiple services including quality water provision and flood prevention. In order to achieve the project objective and address the barriers the project's intervention has been organized into three components:

- Component 1: Enabling policy environment and increased compliance and enforcement capacities for sustainable land and forest management across landscapes including protected areas;
- Component 2: Sustainable Forest Management and Protected Area Expansion in five priority Districts of Savannakhet Province;

- Component 3: Developing and Promoting Incentives and Sustainable Financing for Biodiversity conservation and Forest Protection.

The Project, which is to be implemented over a six-year period from May 2016 to May 2022, aims to conserve the Central Indochina Dry Forests Ecoregion. This area has been identified as a WWF Global 200 Ecoregion and as habitat for several globally significant and threatened species, as well as nationally important for the provision of numerous ecosystem services which benefit the people of Lao PDR.

#### Implementation and Findings:

The MTR in accordance with UNDP-GEF policy took place in November 2019. This was conducted between the third and fourth annual project implementation review (PIR). The initial MTR in-country consultations were carried out over a two-week period in November 2019, it included a kick-off meeting, interviewing partners and other stakeholders in both Vientiane Capital and Savannakhet Province. A field mission de-briefing with both the UNDP CO and the Project Implementing Partner. This initial period was then followed-up by a review of documents (technical, administrative, financial, etc.) and write-up period. The team concluded that the project had made moderately satisfactory progress towards achieving the overall project objective. The efforts and recommendations of the MTR team was highly appreciated, although some of the recommendations were considered to be unclear and required some interpretation by the project team to identify the key actions needed to move forward. Having stated this, most of the recommendations were accepted and will be considered for implementation accordingly.

Of the fifteen recommendations, it is positive that ten are agreed, 4 are partially agreed and only one is not agreed as set out in this management response. The recommendation not supported is Recommendation 12 and justification is provided in the management response below.

Certain parts of the report, upon review, indicate that during the field visit and stakeholder engagement, there could have been instances where evaluators reported statements from stakeholders that appear inaccurate or could have been misunderstood by the MTR team which in-turn seemingly affected some of the ratings. To redress the above, additional technical, administrative and financial reports were provided to the MTR Team and we are not clear whether these were fully considered and appropriately triangulated which may have contributed to a better understanding of the ground reality.

It should also be noted that since the MTR, the COVID-19 pandemic has impacted the Project and COVID-19 impacts/potential risks have been considered as relevant in the preparation of the MTR management response.

## **Recommendations and Management Response**

### **Midterm Review Recommendation 1.**

#### **Shift to big-picture strategic approach.**

##### **Prioritize:**

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



**Management response: Agree**

UNDP and the Implementing Partner initiated follow up on numerous strategies to achieve the project outcomes and intended goal. Further key actions listed in the table below were implemented in 2020 to ensure a “big-picture strategic approach” is to be implemented for the remainder of the project. The focus was not only be to achieve the project objective but also ensure sustainability of the interventions.

| Key action(s)   | Time frame   | Responsible unit(s)   | Tracking  |           |
|---|--------------|---|---|-----------|
|   |              |   | Comments  | Status    |
| 1.1 IP Project Team meet with UNDP Lao CO to prepare “big picture” strategic approaches towards achieving the project objective and (PIR) outcome statements for the long-term.<br><br>During this meeting, gaps, opportunities and constraints towards achieving the project outcomes and objective be identified. | 30 June 2020 | IP Project Team<br>CC, NRM & DRR Unit,<br>UNDP Lao PDR        | Strategic approach prepared with steps to achieve project objective   | Completed |
| 1.2 Present “big picture” strategic approaches and workplans for the remainder of the project towards achieving the objective and (PIR) outcome statements for the long-term at next the Steering Committee Meeting.  | 31 July 2020 | IP Project Team<br>National and Provincial Steering Committee | Strategic approaches and plans presented to the steering committee for their approval on 12 <sup>th</sup> June 2020 | Completed |

**Midterm Review Recommendation 2.****Clarify and improve the project indicators (“PRF”); revise PRF:**

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

**Management response: Partially Agree**

The implementing partner made adjustments on the objective indicators as recommended to transition to GEF core tracking indicators with endorsement of the project steering committee.

Due to the addition of the core indicators (i.e. existing beneficiaries/livelihoods targets that are gender-disaggregated) in compliance with GEF guidance, the PMU assessed and considered that other changes to the results framework are not

necessary to emphasize key project results.

| Key action(s)  | Time frame      | Responsible unit(s)                                    | Tracking  |           |
|--|-----------------|--|---|-----------|
|  |                 |  | Comments  | Status    |
| 2.1 Prepare project objective indicators aligned to core GEF tracking indicators | 30 June 2020    | IP Project Team<br>CC, NRM & DRR Unit,<br>UNDP Lao PDR | Project indicators aligned to the GEF core indicators   | Completed |
| 2.2 Present at next Steering Committee Meeting for endorsement.                  | 31 July 2020    | IP Project Team  | Project indicators presented and endorsed by steering committee on 12 <sup>th</sup> June 2020         | Completed |
| 2.3. Approval of results framework changes by RTA and inclusion in 2020 PIR      | 30 October 2020 | IP Project Team<br>RTA                                 | The project indicators aligned to the core indicator submitted for approval and inclusion in 2020 PIR | Completed |

### Midterm Review Recommendation 3.

#### Clarify forest areas targeted and prepare action plan to address full areas:

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

#### **Management response:** Partially Agree

The Project held consultations with relevant government agencies clarifying the targeted forest area as much as possible; however, it was clarified by the Government that the political and jurisdictional boundaries within Lao PDR do not lend themselves to implement the recommendations as prescribed by the MTR Team. Currently, in Lao PDR, the responsibility of management of National Protected Areas (NPA) is divided between the District Agriculture and Forest Offices (DAFO) of individual Districts. For example, if an NPA is located over several Districts, under the current administrative laws, each District is responsible for the management of the NPA within its District boundaries. As such, the Project is only able to implement activities within the five District boundaries it works with.

The Project has worked towards addressing sustainable forest management issues within the five Districts outside of the National Protected Areas by developing multiple plans, guidelines, tools and actions, including: (i) Integrated Spatial Plans which were signed-off by District Governors, (ii) Strategic Environmental Assessments also signed-off by the District Governors, (iii) the implementation of Multi-sectoral Stakeholder Meetings co-chaired by the Savannakhet Department of Planning and Investment and the District Deputy Governors utilizing the ISPs and SEAs, (iv) the development of Guidelines for Industrial Agriculture and Tree Plantations, (v) surveying and selecting 29 reforestation areas outside Protected Area boundaries, and (vi) the current development of an online Decision Support System to aid Government



| Decision Makers on land use and investment issues.   |              |  |  |           |
|--|--------------|--|--|-----------|
| Key action(s)  | Time frame   | Responsible unit(s)                                    | Tracking   |           |
|  |              |  | Comments   | Status    |
| 3.1 IP Project Team meet with UNDP Lao CO to review Project Document and areas of implementation. A joint decision be made to clarify forest areas targeted by first 2 project objective indicators (as required). | 30 June 2020 | IP Project Team<br>CC, NRM & DRR Unit,<br>UNDP Lao PDR | Project team met with country office with clarification from responsible government agency | Completed |
| 3.2 Based upon decisions made, determine actions that are necessary to implement (such revise AWP, etc., as required).   | 30 June 2020 | IP Project Team<br>CC, NRM & DRR Unit,<br>UNDP Lao PDR | No adjustment Required   | Completed |

#### Midterm Review Recommendation 4.

**Put strong focus on developing financing mechanisms and other special mechanisms for post-project conservation in project's target NPAs/protection forest. Design and assess the options. Plan and implement activities to establish selected mechanisms:**

Work should be very action oriented. Avoid long, theoretical reports. Instead, conduct outreach to

- (a) international funding sources and
- (b) domestic entities that are needed to make domestic mechanisms viable. Consider: (i) Identification of and outreach to international foundation/ philanthropic funding sources, including Swiss sources, that may support livelihoods or patrolling. Their support can be a short-term bridge to other options. (ii) Support to Savannakhet for involvement in REDD+ (possibly as bridge to USD71 million REDD+ project that includes USD17 million GCF grant). (iii) Fees collected from private sector companies investing in Savannakhet (advocate and support policy changes on fees). (iv) National funds targeted for conservation, including but not limited to EPF and FRDF. (v) Provision of benefits to villagers (such as access to NTFPs) in return for patrolling services. International consultant, hired after MTR mission, should have action-oriented deliverables (e.g. making connections with promising philanthropies) and focus only on promising mechanisms.

#### Management response: Agree

International Ecotourism and Financing Mechanism Consultants were brought on board with the Project and have completed initial scoping missions and supported their respective objectives of developing ecotourism sites and funding of the protected areas. The Implementing Partner is in progress of considering alternative domestic funding sources available such as the development of a National Protected Area Decree.

| Key action(s) | Time frame | Responsible unit(s) | Tracking |
|---------------|------------|---------------------|----------|
|---------------|------------|---------------------|----------|

|   |                  |  | Comments  | Status    |
|---|------------------|--|---|-----------|
| 4.1 International Consultant has been contracted; Results of an Analysis Report for the Output 2 Initial Scoping Study to be presented:<br>(i) Partly based upon the initial 10-day field mission.<br>(ii) A literature review of relevant reference documents. | 30 May 2020      | IP Project Team<br>CC, NRM & DRR Unit,<br>UNDP Lao PDR<br><br>International Sustainable Financing Expert | Initial scoping study completed   | Completed |
| 4.2 Submission of Output 3 Field Mission Report:<br>(i) Based upon the second Field.<br>(ii) Establish if there are existing Business Plans.<br>(iii) Stakeholder analysis<br>(iv) Identify potential sources for sustainable financing.                        | 31 December 2020 | International Sustainable Financing Expert   | Completion slowed down by restriction of movements resulting from covid-19 pandemic   | Completed |
| 4.3 Submission of Output 4 Business Plans<br>(i) Development of a business model for long term sustainable financing<br>(ii) Identification of potential investors  | 31 January 2021  | IP Project Team<br>CC, NRM & DRR Unit,<br>UNDP Lao PDR<br><br>International Sustainable Financing Expert | Completion was initially delayed as a result of restrictions on meetings as a measure to control spread of covid -19 pandemic   | Completed |
| 4.4 Support development of National Protected area decree   | 31 December 2021 | IP Project Team<br>CC, NRM & DRR Unit,<br>UNDP Lao PDR<br><br>DOF  | Consultations on development of national protect area decree have been initiated through progress affected by covid 19 pandemic | Initiated |

#### Midterm Review Recommendation 5.

##### Improve livelihoods strategy and revise livelihoods action plan and budget:

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



**Management response: Agree**

The Implementing Partner (which includes the PMU) assessed the kind of livelihood support and set clear criteria on the villages benefiting from the project initiatives to effectively support project conservation objectives. As part of this, the Implementing Partner considered the impacts of COVID-19 upon local livelihoods within the project area. The main impacts within Lao PDR to date have been socio-economic in nature and there has not been a wide-scale health issue as there has been in other countries. Of concern, there has been a large number of Lao migrant workers from neighboring countries whom have returned and have no employment opportunities presently. This coupled with lack of access to financial support may lead to forest crimes and other illegal activities reducing the results and impacts of the project. To address the above, the Project shifted its village livelihoods focus towards activities with clear economic benefits at the village level. This include home garden development, water security for agriculture and consumption, village markets, SRI rice cultivation, soil improvement, NTFP collection, fire management and every effort will be made to include migrant workers whom may opt to remain in Lao.

The implementing partner continue to assess viability in consultations with relevant stakeholders to identify the right location and support market facility development. Steps have been taken to minimize the per diems incurred in the implementation and funds directed more to the implementation of the activities.

The implementing partner increased funds allocated to support implementation of livelihoods activities. The implementing partner continue to assess the number of villages to benefit from project activities in the four protected areas targeted by the project.

Assessment of market site was completed and development of market aimed at supporting NTFPs and agricultural produce from the target villages. Agriculture and livestock specialists were engaged to support effective implementation of livelihoods activities.

| Key action(s)   | Time frame       | Responsible unit(s) | Tracking   |           |
|---|------------------|---------------------|--|-----------|
|   |                  |                     | Comments   | Status    |
| 5.1 Prepare enhanced Livelihood, NTFP and Tree Planting Strategies  | 30 June 2020     | IP Project Team     | Enhanced Livelihood, NTFP and tree planting strategies prepared                            | Completed |
| 5.2 Water security assessment and renovations of village water systems within target villages for agriculture purposes. | 30 December 2020 | IP Project Team     | Assessment of water security in the target villages completed, pending detail report       | Completed |
| 5.3 Implementation of livelihood and NTFP strategies and support market development of agricultural products and NTFPs  | 31 October 2021  | IP Project Team     | Implementation of livelihoods related activities and construction of the market completed. | Completed |

**Midterm Review Recommendation 6.**

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

**Management response: Agree**

In 2018 when the IP had prepared the Conservation Contracts, it had researched International best practices and guidelines. The contracts were intended to provide robust articles for conservation actions, benefits, monitoring and

penalties. However, lessons learned over 2019 indicated that as this approach was new to Savannakhet Province (both to the Provincial IP Members and the Communities themselves) the contract was not understood well and required rethinking.

Prior to the MTR Review, the IP had already been discussing how to revise and streamline the contracts so that they are much more straight-forward and easy to understand. The current round of Conservation Contracts are due for review and renewal by 30 June 2020. Steps have been initiated to simplify and streamline benefits, penalties and monitoring of the implementation and will be rolled out in 2020.

| Key action(s)   | Time frame      | Responsible unit(s) | Tracking  |           |
|---|-----------------|---------------------|---|-----------|
|   |                 |                     | Comments  | Status    |
| 6.1 Review the effectiveness of the agreements and lessons learned for conservation contract renewal.                               | 31 July 2020    | IP Project Team     | Effectiveness and lessons learned reviewed and incorporated in the new contract | Completed |
| 6.2 Conservation Contracts to be renewed; revised format with streamlined conservation actions, benefits, monitoring and penalties. | 30 October 2020 | IP Project Team     | Consultations on revised conservation contract done pending renewal             | Completed |

#### Midterm Review Recommendation 7.

##### Improve and expand ecotourism work:

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

##### **Management response:** Agree

Prior to the MTR Review, the project had already engaged an international ecotourism specialist and had taken the initiative to enhance ecotourism activities in Dong Phou Vieng and Phou Xang He. The implementing partner will explore options with the relevant stakeholders to ensure that part of the earnings received from ecotourism are allocated to support patrolling activities in the respective sites.

Previously, the Project had not produced promotional materials due to the desire to have a qualified communications staff working with the teams to develop a marketing strategy and prepare quality materials that could be distributed and utilized for advertising. During the MTR, the recruitment of a Graphic Designer was being finalized to develop promotional materials and work with tour operators; this individual has joined in January 2020. It should be noted that with regards to Point 5 above, the project had brought a Lonely Planet writer to the sites and assess them providing positive reviews.

Currently, ecotourism promotional materials are being prepared while signages have been installed at the sites. However, in light of COVID-19 and its effects upon international tourism and lately domestic tourism as well, the project have been working to balance its strategy on promoting and increasing local tourism in addition to the recommendations made by the MTR Team.

| Key action(s) | Time frame | Responsible unit(s) | Tracking |
|---------------|------------|---------------------|----------|
|---------------|------------|---------------------|----------|



|  |                  |                 | Comments   | Status    |
|--|------------------|-----------------|--|-----------|
| 7.1 Prepare balanced ecotourism strategy for each site to focus upon local tourism in addition to international focus.               | 30 June 2020     | IP Project Team | Ecotourism strategies for the target sites prepared and implementation initiated   | Completed |
| 7.2 Incorporate recommendations on the development of tourism products prepared by International Consultant                          | 30 June 2020     | IP Project Team | Recommendations included in ecotourism sites   | Completed |
| 7.3 Production of ecotourism signage on site, construction of facilities and development of promotional materials                    | 30 October 2020  | IP Project Team | Ecotourism signages and facilities have been completed in some sites while others in progress  | Completed |
| 7.4 Work with high-quality local tour operators and investors to explore co-management of eco-tourism products developed by project. | 31 December 2021 | IP Project Team | Public-Private Investment webinar held aimed at attracting potential private investors but most engagements slowed by the increase in covid cases in Savannakhet province and in the country at large. | Initiated |

#### Midterm Review Recommendation 8.

##### Prepare gender strategy and prioritize women beneficiaries, especially in livelihoods work.

- (i) Include targets for women as proportion of those that experience substantially increased incomes from livelihoods work (e.g. 70 percent). (A draft gender assessment has been prepared post-MTR mission, but what is urgently needed is a concrete approach for prioritizing women beneficiaries.)
- (ii) Indicate how livelihood activities will preferentially benefit women through a combination of women-only livelihoods, women-suitable livelihoods, and mechanisms to get more women benefiting from livelihoods work.
- (iii) Be aware that so far greatest benefits have accrued to men through payments for patrolling work, in which very few women are involved.

#### Management response: Agree.

Prior to the implementation of the MTR Review, the Project had already taken steps to develop and prepare a Gender Review and Strategy with a National Consultant.

While setting a target for reaching women is accepted, the example of 70% is not realistic in the village setting. This is mainly due to the fact that when reviewing forest crimes and illegal hunting, it is generally men that are engaged with such activities. Therefore, when the project has been developing livelihoods activities, the roles that men and women are interested in have been considered.

Mainly men have performed project activities such as Ranger Patrols, other activities such as tree planting has been performed mainly by women. Addressing any gender bias within the activities is constantly considered.

| Key action(s) | Time frame | Responsible unit(s) | Tracking |
|---------------|------------|---------------------|----------|
|---------------|------------|---------------------|----------|

|  |                  |                 | Comments   | Status    |
|--|------------------|-----------------|--|-----------|
| 8.1 Dissemination of Gender Study and Strategy completed by the Project                                | 31 July 2020     | IP Project Team | Findings of gender analysis and strategy disseminated  | Completed |
| 8.2 Draft new targets and get approved by PSC and RTA for inclusion in results framework prior to PIR. | 31 July 2020     | IP Project Team | The target beneficiaries were endorsed by the project steering committee and submitted for approval      | Completed |
| 8.3 Implementation of Gender Strategy  | 31 December 2021 | IP Project Team | The project implemented activities and incorporating gender inclusion in most of the project initiatives | Completed |

#### Midterm Review Recommendation 9.

**Improve reforestation work in Ong Mang. Develop post-project sustainability plan for nurseries and reforestation. Consider transferring some funds allocated for reforestation to livelihoods.**

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

#### Management response: Agree

The Project acknowledges the challenges faced in restoring the degraded forested areas mainly from livestock grazing of planted trees seedlings. A tree planting strategy has been developed with the objective of increasing the survival rate of the planted trees. The locations for tree planting sites were identified using satellite imagery and seedling distribution in the target areas currently ongoing.

Alternative models are being considered by the implementing partner to ensure continued seedling production and reforestation after the project closure.

| Key action(s)  | Time frame   | Responsible unit(s) | Tracking   |           |
|--|--------------|---------------------|--|-----------|
|  |              |                     | Comments   | Status    |
| 9.1 Development and dissemination of revised tree planting strategy.     | 30 June 2020 | IP Project Team     | Tree planting strategy developed and disseminated to stakeholders                | Completed |
| 9.2 Preparation of rules and regulations for reforestation/afforestation | 31 July 2020 | IP Project Team     | Rules and regulations for reforested areas developed and incorporated in revised | Completed |



|  |                   |                 |  |           |
|--|-------------------|-----------------|--|-----------|
| sites.   |                   |                 | conservation contract.   |           |
| 9.3 Use of GIS and Drone technology/techniques to identify and map the most appropriate reforestation/afforestation sites.               | 30 September 2021 | IP Project Team | Areas to be reforested identified using drone technology   | Completed |
| 9.4 Identify pilot agroforestry sites in agriculture and rice paddy areas; Identify peri-urban sites in village areas for tree planting. | 31 August 2021    | IP Project Team | Nitrogen fixing tree seedling were planted in the piloted agroforestry sites and tree seedlings distributed for planting in open spaces by interested community members. | Completed |
| 9.5 Improve quality of seedlings at tree nurseries by increasing growing time and planting big size.                                     | 30 June 2020      | IP Project Team | Seedlings in the nursery maintained for planting in 2021.  | Completed |

#### Midterm Review Recommendation 10.

##### Assess patrolling needs and prepare new patrolling plan.

Assess relevance of patrolling work with regard to locations, frequency, etc. Consider both: (a) post-project sustainability of patrolling and (b) how to cover full targeted forest area of project, or at least all 4 PAs. Prepare new patrolling plan for rest of project and first few years post-project:

- (1) Analyze patrolling needs considering: (i) incidents that are occurring, (ii) core versus noncore areas, and (iii) forest area per village.
- (2) Optimize use of patrolling personnel. Reduce number of people that patrol together to reduce costs.
- (3) Analyze composition of total patrolling costs. Reduce other areas of excess spending.
- (4) Expand patrolling areas to include those in the 3 other target PAs and protection forest via financing mechanisms (see Rec. B1).
- (5) Consider providing non-cash benefits to villagers in return for patrolling (such as access to conservation areas for sustainable harvesting of NTFPs.).

#### Management response: Partially Agree

The IP Project Team accepts there is a need to improve patrolling, but not for the same reasons being presented by the MTR Consultants. Upon reviewing GIS satellite imagery, it is believed that forest crimes are occurring, but that the community teams may not be well enough equipped to address such crimes without fear of repercussions or retaliation. Furthermore, some of the recommended actions may likely not possible.

Additionally, precautions may need to be taken with regards to COVID-19 to ensure the safety of community patrol teams.

Revised patrolling areas will be based partly upon the outcomes of Recommendation 3.

| Key action(s) | Time frame | Responsible unit(s) | Tracking |        |
|---------------|------------|---------------------|----------|--------|
|               |            |                     | Comments | Status |

|   |              |   |   |           |
|---|--------------|---|---|-----------|
| 10.1 IP Project Team conduct meeting to determine revisions to Community Patrols.   | 30 June 2020 | IP Project Team   | Revision of patrols completed and incorporated in the new conservation contract | Completed |
| 10.2 Revisions presented to Project Steering Committee for approval.<br><br>Implementation upon approval from National/Provincial Steering Committee. | 31 July 2020 | IP Project Team<br>National and Provincial Steering Committee | Revised patrolling strategy presented and approved by the steering committee    | Completed |

**Midterm Review Recommendation 11.**

Investigate viability and usefulness of designating HCVF areas outside of PAs to form corridors (swaths or “stepping stones”) between PAs. If deemed practical and useful, work to get these “corridor” HCVFs, which are outside of PAs, to be officially designated and protected sustainably.

- Consult with DOF and PAFO on this work, which may be combined with DSS work. If not viable or not useful, officially drop this activity.

**Management response: Agree**

The Department of Forestry and the PMU deems the work for HCVF to be viable and useful; the Project will continue to pursue this activity. HCVF sites may be designated either inside or outside National Protected Areas.

| Key action(s)  | Time frame   | Responsible unit(s)                    | Tracking   |           |
|--|--------------|--|--|-----------|
|  |              |  | Comments   | Status    |
| 13.1 Submission of a Preliminary HCVF Report upon completing first round of field missions and analysis for each of the proposed HCVF sites.<br><br>(i) Completion of inception workshop implemented in Savannakhet Province.<br><br>(ii) Consultations with adjacent communities. | Completed    | IP Project Team<br>National Consultant | HCVF report on the proposed sites finalized.                       | Completed |
| 13.2 Submission of Field Report based on second field mission.<br><br>(i) Clarification of management practices and boundaries of HCVF sites.  | Completed    | IP Project Team<br>National Consultant | Field mission completed with the boundaries of the sites clarified | Completed |
| Facilitation of a Final  | 31 July 2020 | IP Project Team                        | The final workshop   | Completed |



|   |  |                     |   |  |
|---|--|---------------------|---|--|
| Workshop and submission of the Final Report<br><br>(i) Synthesis of selected HCVF management practices. |  | National Consultant | was held in the provincial level and final report submitted |  |
|---|--|---------------------|---|--|

**Midterm Review Recommendation 12.**

**Develop sub-activities to ensure that DSS, ISPs, SEAs, are used to prevent concessions in forest areas outside of PAs/ protection forests.**

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

**Management response:** Do not agree with the recommendation.

Through governance, National Laws, and Decrees, the Government of Lao PDR has delineated National Protected Areas and Protection Forests for conservation purposes and ecosystem services. Areas that are not under these categories of protection may be utilized for economic development.

The Department of Forestry and the Savannakhet Provincial Government view the purpose of the DSS, ISPs and SEAs is to guide sustainable development and mitigate any negative effects upon the environment, not prevent concessions altogether.

Appropriate steps and actions are already being taken with the current development of the DSS and implementation of the District Sectoral Meetings utilizing the ISPs and SEAs.

| Key action(s) | Time frame | Responsible unit(s) | Tracking |        |
|---------------|------------|---------------------|----------|--------|
|               |            |                     | Comments | Status |
| n/a           |            |                     |          |        |

**Midterm Review Recommendation 13.**

**Facilitate further work on PA Decree to get financing of PAs incorporated into Decree.**

**Management response:** Agree

UNDP and Implementing Partner acknowledges that due to the high costs involved with the management of Protected Areas, inclusion of sustainable financing within the pending Protected Area Decree with MAF would play a key role in protecting the habitats.

| Key action(s)  | Time frame      | Responsible unit(s) | Tracking <sup>68</sup>                                    |           |
|--|-----------------|---------------------|---|-----------|
|  |                 |                     | Comments  | Status    |
| 13.1 Coordinate and support DOF legislation development efforts. | 31 January 2021 | IP Project Team     | Consultations on the development of Protected area decree | Completed |

|  |                  |                     | financing initiated  |           |
|--|------------------|---------------------|--|-----------|
| <p><b>Midterm Review Recommendation 14.</b></p> <p><b><u>Put high priority on increasing cost effectiveness. Develop a clear view of how funds have been spent. Focus on problem areas. Prepare a "cost effectiveness action plan":</u></b></p> <ul style="list-style-type: none"> <li>• (1) Develop a better tool to see where funds are going. This should separate out project team costs and costs not directly related to an activity but accounted for under it.</li> <li>• (2) Reduce excessive per diem payments – (i) only one or two key persons should travel to villages to deliver training, (ii) if training outside of village, consider providing villagers transport and food directly, but not per diem.</li> <li>• (3) Reduce layers in project – do not bring in additional parties with MOUs unless value add and cost effectiveness is clear.</li> <li>• (4) Eliminate unrelated costs charged to the project, if any.</li> <li>• (5) Prioritize cost effectiveness in (i) livelihoods (so that bulk of funds goes to villager capital costs); (ii) patrolling (reduce team size, optimize patrolling sites, identify waste, and consider non-cash deals for patrolling services with villagers, such as patrolling in return for NTFP collection permission or permission to plant NTFPs in forest); (iii) reforestation (identify waste, consider non-cash deals for villagers to plant trees, such as compensation with seedlings for their own land); (iv) workshops (hold low cost workshops by eliminating expensive travel packages, reimbursing actual travel cost only if at all, and including only relevant attendees).</li> </ul>  |                  |                     |  |           |
| <p><b>Management response: Partially agree</b></p> <p>The project is exploring alternative financial management solutions that will enable clear separation of various costs incurred in the course of project implementation.</p> <p>Steps have already been taken to improve effectiveness in all the project activities and reduce per diems payments by ensuring only essential staff take part in activity implementation.</p> <p>The Project implements and follows the available government structures and hierarchies. As such, it is beyond the mandate of the Project to make such adjustments to this structure. The government agencies involved in project implementation have only been those which the activities assigned are the sole entity to undertake.</p> <p>The implementing partner follows the agreed budget within project document with annual approval from the steering meeting and further approvals are followed.</p> <p>Illegal logging and forest crimes remain an issue. A preliminary GIS study completed during Q1 2020 (prior to the COVID 19 pandemic outbreak) indicated there had been a 28% increase of open forest during the past year in some village areas. While this study is still in the process of being verified and ground-truthed, an increase in open forest could indicate either illegal logging or clearing for agricultural expansion. It should be noted that during the onset of COVID 19 at the end of March 2020, there was a large influx of Lao National migrant workers returning from Thailand to their villages. As such, there is now a likely increased risk of these unemployed workers engaging in illegal forest activities in order to generate incomes. Patrols will need to take place to minimize this risk, however the Project is taking measures to improve the reporting systems and streamline the patrol groups in high risk areas.</p> <p>The Project has taken steps to revise its tree planting strategy for the remainder of the project. Local authorities and villagers will be working in a participatory manner developing rules and regulations within afforestation areas. Additionally, the project will be shifting a focus towards peri-urban and agroforestry techniques addressing issues related to the greatest causes of forest conversion.</p> <p>It should be noted that since the start of the project none of the unrelated costs were charged to the project budget. If any of this cost essentially arises in the future the IP will seek appropriate permission from both UNDP and GEF before implementation.</p> |                  |                     |  |           |
| Key action(s)  | Time frame       | Responsible unit(s) | Tracking   |           |
|  |                  |                     | Comments   | Status    |
| 14.1 The IP is willing to separate the project running costs (general administration costs) and  | 31 December 2020 | IP Project Team     | The project exploring mechanisms to separate different costs incurred in the | Completed |



|   |                  |                 |   |           |
|---|------------------|-----------------|---|-----------|
| staff costs in a particular sub-activity and this will come to an effective in next round budget revision;  |                  |                 | implementation  |           |
| 14.2 The number of key people required to take part in each activity within the activity plans will be determined and assigned in accordance with the workloads, the prioritized areas of assignments and the allowances for villagers attending the activities also implemented in accordance with the NIM-SOP DSA payment guidelines.   | 31 December 2020 | IP Project Team | The project has prioritized only personnel take part in implementation of activities.               | Completed |
| 14.3 The project management at central and provincial levels carefully and accurately consider on each proposal of having letter of agreement (LOA) with responsible parties (RP) in accordance with their expertise, the project requirements in order to complete the project milestone for that particular areas as well as the timeline to complete the project activities. | 31 December 2020 | IP Project Team | The project continues to review the letter of agreements in accordance with their expertise.        | Completed |
| 14.5 Implementation of direct cost-effective activities and capital expenditures at the village level for livelihoods, patrols and tree planting.   | 31 December 2021 | IP project Team | The project has reviewed patrol and tree planting activities included in the conservation contract. | Initiated |

#### Midterm Review Recommendation 15.

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

- (1) Consider, during the upcoming critical period of implementation, assigning: (i) the Assistant Project Manager at least half time if not full time to Ong Mang or Savannakhet; (ii) the Tourism Specialist and the Gender and Livelihoods Specialist full time in Ong Mang and (if the project extends its activities as recommended to its other PAs/Protected Areas) the other 3 PAs. Adjustments to postings of staff should be done in such a way that per diems and frequent back and forth travel costs are eliminated.
- (2) Establish formal system in which ideas/ suggestions for activities from the province (project team or PAFO) are documented.

Responses from Vientiane project team and DOF should also be documented. This may be achieved by preparing a table with ideas in first column and responses in second column. The purpose is to ensure that good ideas from the province are fully considered based on their merit of contributing to the project objective and outcomes.

**Management response: Partially Agree**

The Implementing Partner partially agrees that the members of the Project Team at the Provincial level should be working closer to the communities and has taken action to address the necessary facilities at the Ong Mang prior to the MTR finalization. However, members of the Project Team at the Central level have responsibilities to support both the Department of Forestry as the Implementing Party, as well as the Provincial team and should remain where currently posted with schedules to ensure equal division of time between the two locations.

With regards to establishing a formalized system, the Provincial and District Teams already work with the Central level PMU to develop the Annual Work Plan and take the lead in implementation of project activities. Currently, the PAFO and the Project Specialists are responsible for developing project activities and implementation. The Central Team does provide overall leadership, but with regards to the implementation of activities, its role is to ensure administrative processes are achieved and quality control delivery of outputs.

There are many forums, particularly the weekly strategy meetings and the quarterly review meeting (which are always held in the Province and records) and generally chaired by either the Director General of DOF or PAFO where the provincial teams can (and do) provide their comments and views on project implementation. When such comments are provided, they are considered and implemented if feasible.

| Key action(s)  | Time frame        | Responsible unit(s) | Tracking  |           |
|--|-------------------|---------------------|---|-----------|
|  |                   |                     | Comments  | Status    |
| 15.1 Complete construction of facilities   | 31 July 2020      | IP Project Team     | Construction of the staff dormitories finalized   | Completed |
| 15.2 Relocation of staff upon completion of construction of facilities at Ong Mang | 31 August 2020    | IP Project Team     | Communication made for staff based at the province to relocate  | Completed |
| 15.3 Review of current staffing locations and revise duty stations.                | 30 September 2020 | IP Project Team     | Department of Forestry approved the relocation of provincial staff, noted that central level needs to support DoF | Completed |