

## Terminal Evaluation Summary

1. Outline of the Project	
Country: Lao People's Democratic Republic	Project Title: Forestry Sector Capacity Development Project (FSCAP)
Issue/ Sector: Natural Environment Conservation	Cooperation Scheme: Technical Cooperation Project
Division in Charge: Forestry and Nature Conservation Division 1, Forestry and Nature Conservation Group, Global Environment Department	Total Cost: Approximately 335 million Japanese Yen (projected at the time of evaluation)
Period of Cooperation	(R/D): October 2010 – September 2014 (for four years)
	(Extension):
	(F/U) :
Country Partner Implementing Organization: The Department of Forestry (DOF), Ministry of Agriculture and Forestry (MAF), Government of Lao PDR	
Supporting Organization in Japan: Forestry Agency, Ministry of Agriculture, Forestry and Fishery	
Related Cooperation: None	
<p>1-1 Background of the Project</p> <p>Lao economy has been growing rapidly due mostly to the influx of foreign direct investments in hydropower, mining and plantation sectors. The robust regional growth also continues to contribute to the growth. As a result, landuse has changed significantly, and forest conditions degraded rapidly. Under the circumstance, the Government of Lao PDR, especially the Department of Forestry, Ministry of Agriculture and Forestry has introduced policies and legislation to protect the forests and improve the forest productivities based on the Forest Strategy 2020 and laws on forestry and wildlife. To bring the policies and legislation into concrete actions in the field, the capacity development are needed for the formulation of implementing rules, ministerial regulations and technical guidelines.</p> <p>In 2010, the Government formulated the National Strategy on Climate Change. Regarding the strategy, reducing emissions from deforestation and forest degradation and carbon stock enhancement (REDD+) has emerged as an important issue in the forestry sector. The Government considers the REDD+ mechanism as one of the promising means both to strengthen management capacity of stakeholders at all levels in the forestry sector and to improve local people's livelihood and their forest conservation activities, which lead to sustainable forest management. In order to prepare a REDD+ implementation mechanism, improved capacity and institutions are required for forest carbon assessment and monitoring, carbon tenure and benefit sharing, promotion and registration of local activities, and revenues distribution in line with international agreements and guidelines under United Nations Framework Convention on Climate Change (UNFCCC). In order to support forest management and planning and to facilitate implementation of key priority actions with respect to the Forestry Strategy 2020, the Forestry Strategy 2020 Implementation Promotion Project was implemented form 2006 to 2010 by Japan International Cooperation Agency (JICA). Although the project has made significant contributions to improvement of forestry sector, some activities needed further support. In view of this, the Government requested the Japanese Government to implement a new project, Forestry Sector Capacity Development Project (FSCAP) with a focus on capacity development of the forestry sector through the promotion of FS 2020 implementation between October 2010 and September 2014. Before its completion, the Joint Terminal Evaluation was undertaken. This Terminal Evaluation was undertaken.</p>	
<p>1-2 Project Overview</p> <p>(1) Project Period October 2010 - September 2014 (4 years)</p> <p>(2) Target Area Lao PDR</p> <p>(3) Target Groups Forest sector administration at central/provincial/district level, including:</p>	

- Department of Forestry, Ministry of Agriculture and Forestry, and
- Department of Forest Resources Management (DFRM), Ministry of Natural Resources and Environment (MONRE)

(4) Overall Goal

Sustainable forest resources management in Lao PDR is promoted.

(5) Project Purpose

Implementation of Forestry Strategy 2020 (FS2020) and Strategy on Climate Change especially REDD+ is promoted.

(6) Outputs:

- Capacity of forest sector administration for formulating plans, policies, and institutional framework for forestry sector management including REDD+ is improved.
- Capacity of forest sector administration for managing implementation of selected strategic policies, which identified as high priority in the FS 2020, Climate Change Strategy, and the MAF 5 year plan, is improved.
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1-3 Project Inputs (at the time of evaluation)

Japanese Side:

- Dispatch the total of 120.00 Man-Months of Japanese experts as:
  - 47.00 MM of Chief Advisor/ Forestry Policy
  - 48.50 MM of Forest Management/ Project Coordinator
  - 24.00 MM of REDD+/Aid Coordination Advisor
  - 0.50 MM of Project Cycle Management (PCM) Training
- Provision of equipment and machines: Approximately 25 thousand US dollar
- Local project support cost: Approximately 87 thousand US dollar
- Training in Japan: Seventeen C/P personnel

Laos Side:

- Appointment of Project Director and Project Manager
- Provision of an office space in Vientiane Capital and office running cost
- Allocated USD 275,695 as the counterpart fund, which was carried over from a previous project (Sida fund)

## 2. Overview of Evaluation Team

Members	Japanese Side:		
	<b>Name</b>	<b>In Charge</b>	<b>Position and Organization</b>
	Mr. Kenichi Shishido	Team Leader	Deputy Director General, Forestry and Nature Conservation Group, Global Environment Department, Japan International Cooperation Agency (JICA)
	Mr. Mikihiro Inoue	Forest Protection	Senior Policy Analyst for Overseas Forestry HWP Technology and Development Office, Wood Industry Division, Forest Policy Department, Forestry Agency, Ministry of Agriculture, Forestry and Fishery
	Mr. Koji Mitomori	Evaluation Planning	Forestry and Nature Conservation Division 1, Forestry and Nature Conservation Group, Global Environment Department, Japan International Cooperation Agency (JICA)
	Mr. Shinichiro Tsuji	Evaluation Analysis	Senior Consultant, Environmental Science and Engineering Department, Overseas Consulting Administration, Nippon Koei Co. Ltd.
	Laos Side:		
	<b>Name</b>	<b>Position and Organization</b>	
	Mr. Oukham Phiathep	Deputy Director General, Department of Planning and Cooperation, Ministry of Agriculture and Forestry	
	Ms. Saymonekham Mangnomek	Deputy Director General, Department of International Cooperation, Ministry of Planning and Investment	
	Mr. Phousith Phoumavong	Senior Officer, Department of Agriculture Extension and Cooperative, Ministry of Agriculture and Forestry	
	Mr. Bouneua Khamphilavanh	Senior Technical Staff, Department of Planning and Cooperation, Ministry of Natural Resources and Environment	
	Period of Evaluation	Feb 15 - March 12, 2014	Type of Evaluation: Terminal Evaluation

## 3. Overview of Evaluation Results

### 3-1 Achievements

**Inputs:** In general, the Inputs were made as per plans, and Inputs made were properly utilized and maintained. The Japanese and Lao sides provided necessary inputs as agreed in the Record of Discussion. Therefore, it could be concluded that the overall achievements of Inputs was **as planned**.

**Activities:** The project adjusted its activities in accordance with the actual situation and implemented the activities **mostly as planned**, except the activity 1-5 “To facilitate the discussion for enhancing funding mechanisms including Forestry and Forest Resource Development Fund (FDF)”, which was not undertaken.

**Output 01:** Overall, the Output 1 was **mostly achieved**. It should be noted that an important institutional capacity for the forestry sector, i.e., Forestry Sub-Sector Working Group (FSSWG) and NRTF, were managed and operationalized properly as a result of project inputs. The capacity building initiatives for the promotion of REDD+ were delayed due to the restructuring of NRTF and creation of a new REDD Division at DFRM after the creation of DFRM during the project. A number of legislations and guidelines were prepared through project support but not followed up. They were not approved officially yet.

**Output 02:** Through the review of FS2020, the project contributed to the management of FS2020 implementation and capacity building of concerned officers at the national level for implementation. While Output 2 was related to the capacity building for the actual implementation on the ground, the project's contribution was limited, as the capacity building inputs from the project and Lao side were limited for implementation and not followed through in some cases, even though initiated. Therefore Output 2 was **fairly achieved**.

**Project Purpose:** The evaluation of Project Purpose was undertaken in view of the fact that the project supported the promotion of implementation in a manner to strengthen a “system”, “platform” or “institutional mechanism” for implementation through capacity building. FSCAP was a technical cooperation project, not financial cooperation, and the project did not support the implementation of Five-Year Plan directly. Project Purpose was **mostly achieved** as the “system” or “institutional mechanism” for implementation was strengthened through the FS2020 review exercise, regular meetings of FSSWG and streamlining of NRTF.

**Overall Goal:** During the initial planning and implementation of the project, Objectively Verifiable Indicators (OVIs) and their means of verification (MoV) for Overall Goal were not finalized officially. The Joint Terminal Evaluation Mission suggests the OVIs and MoV for FSCAP, along with the projection of achieving such goals. Overall, the suggested OVIs of Overall Goal are **achievable** in view of project progress at the time of Terminal Evaluation and Important Assumptions/ External Conditions/ Project Risks at present. In general, the commitment and further capacity building of Lao side would be the key for achieving the goal.

### 3-2 Summary of Evaluation Results

#### 1) Relevance - **High**

The project was still in line with the Japanese Aid Program for Lao PDR. No major change in the policies of both Japanese and Lao Governments since the Mid-term Review regarding the support for the forestry sector in Laos (the evaluation of “Relevance” during the Mid-term review was “High”). Appropriate governance in the forestry sector and promotion of REDD+ had become increasingly important nationally and internationally as one of the relevant mitigation actions for climate change. The needs for this project became greater after the restructuring of forest administration in Laos, i.e., the creation of DFRM. The project design was appropriate in general, though the logical structure of PDM could have been fine-tuned further during the project. The objectives of pilot projects and focused policy areas were unclear in the PDM.

#### 2) Effectiveness – **Moderately High**

The project contributed to the strengthening of a “system” and “institutional mechanism” for the implementation of relevant Five-Year Plans and addressing key issues through the handholding support for management of FSSWG, review of FS2020, restructuring and operationalization of NRTF and REDD offices, annual work planning for the provincial offices and leading a forum for development partners. It should be noted that FSSWG was officially recognized by the development partners as one of the most active and effective subsector working groups in the RTM, for which the project was the Secretariat.

The project also supported the streamlining of new administrative structure, i.e., the creation of DFRM under MONRE since 2011, which took over key responsibilities and authorities over the forest management in the country, including the management of protection and conservation forests, chairing FSSWG and coordination for REDD+. Although it was observed that the new administrative setup still required further strengthening, the interventions and facilitation by the project expedited the transition of roles and responsibilities from DOF to DFRM.

The project supported the capacity building of C/P organizations through a number of training programs, seminars, workshops, international exposures and daily handholding supports for the officers of C/P organizations. The enhanced capacity reinforced the achievement of Project Purpose. The capacity building regarding the REDD+ promotion was delayed because of the administrative restructuring and prolonged progress of FCPF launching, and the effectiveness of pilot activities to achieve the Project Purpose was

unclear.

### 3) Efficiency – **Moderately High**

Overall, the inputs from the project (Japanese experts, equipment, project operation cost, etc.) were utilized properly. Most Outputs were generated as expected. The project contributed to the capacity building of C/P organizations and officers. The project was implemented in a well-coordinated manner with other externally-funded projects, including information exchange of procurement, co-financing and collaboration in various activities. The resources and technical inputs were maximized because of the good collaboration and synergy effects among relevant projects.

Some of the project activities did not have logical conclusions and were not consolidated into the overall objectives and outcomes of the project. For instance, the project supported the drafting of guidelines on VFU establishment. The project also drafted a guideline for forest demarcation, and initiated environmental education programs at schools. Those initiatives were not followed through and not concluded properly. This was due partly to the restructuring of forest administration in the midst of project and lack of strategic approach in both DOF and FSCAP. Also, the project supported the implementation of pilot projects in the field. While the capacity of provincial staff members of C/P organizations may have been developed through the pilot projects, it was unclear how the pilot activities would have a logical conclusion that would be relevant to the overall project objectives, unless the result of pilot activities were consolidated as a model/ policy/ system and mainstreamed.

### 4) Impact – No major negative impact, and positive impact is **Moderately High**

The project had no major negative impact on environment or socio-economy of marginalized/ vulnerable people. The project contributed to the strengthening of one of the thematic areas for SFM, namely “legal, policy and institutional framework”. The project supported the continuous process of establishing sound foundation for promoting SFM in Laos.

Aside from the issue of REDD+, the original PDM avoided specifying key policy issues to be focused by the project to encompass flexibility for project implementation as the policy priorities tended to change from time to time. As a result, some OVIs were vaguely stated, and OVIs for Overall Goal were undecided. Unfortunately, the PDM was not revised until the Mid-term review, and the focuses of projects drifted to a great extent. For instance, the project focused on the village forest management and forest protection initially, which were not followed through during the latter part of project. Also, a plan for ensuring a meaningful impact out of pilot projects was unclear. The project impact could have been greater and more visible if the project had clearer focus on specific policy issues and strategy to mainstream the pilot initiatives in a larger policy platform.

### 5) Sustainability – **Moderately High**

The project strengthened the organizational, institutional and personnel capacities in the forestry sector in Laos, which would be the foundations for the sustainability of project outcomes. However, the risk was felt by the Terminal Evaluation Team for the disintegration of such project outcomes in future after witnessing the drastic structural changes in the forest administration and personnel transfers, which would lead to the discontinuation of project initiatives.

The financial capacity of Lao side still required further strengthening to bear the cost needed for the continuing activities and to ensure the sustainability of project outcomes.

In view of the current commitments of donor agencies, it was expected that their supports would continue to the forest protection in future. The outcomes of FSCAP were likely to remain important over times under the current trend in the forestry sector in Laos, assuming such trend would continue.

The issue of climate change became increasingly important in the forestry sector internationally and nationally, and the Government of Laos continued to address the issue of climate change in the forestry sector. Even though the most of greenhouse gas (GHG) emissions were derived from forestry sector in Laos, the Lao Government had limited resources for forest administration to achieve sustainable forest management. Therefore, REDD+ was seen to have potential for generating necessary resources for proper forest management. For this, the achievements of FSCAP were expected to have continuous significance in the forestry sector in Laos.

The continuity of pilot activities was uncertain, and the lessons learned from the pilot projects should be feed-backed to the policy development and budgetary supports for sustainability.

### 3-3 Factors Positively Affected the Results

The essential institutional arrangements were made by the Lao side for effective project implementation. For example, the FSSWG was in place from the beginning of project, for which JICA Laos Office was the co-chair. FS2020 was prepared prior to the project. The National REDD Taskforce was established through a Minister's Decision during the project. Necessary equipment, vehicles and other facilities had been procured by the previous and other ongoing and completed projects supported by the Japanese Government, which were utilized by FSCAP. Appropriate office space was provided to the project by the Lao Government within the campus of DOF.

### 3-4 Factors Negatively Affected the Results

At the initial stage, the responsibilities and authorities were not elaborated in details and needed to be clarified for both the Department of Forestry (DOF) under Ministry of Agriculture and Forestry (MAF) and DFRM after establishment of DFRM in 2011 under MONRE with the mandate of managing protection and conservation forests. Certain institutional memories and knowledge, as well as key documents had disoriented during the transition. The establishment of consensus required time between DFRM and DOF on the administrative demarcation on REDD+ promotion, FSSWG management and FS2020 monitoring, and the capacity building of a set of new staff members took time as well.

### 3-5 Conclusion

The project was able to adjust the changes in the forestry administration and C/P personnel and generated expected outcomes. The project contributed to the capacity building of C/P organizations and institutional strengthening through handholding support by the Japanese experts and local consultants engaged by the project, with specific tools as FSSWG, review of FS2020, REDD+ promotion, annual work planning of DOF and DFRM, pilot projects, etc. Those contributions were highly appreciated by the Lao side, and the training programs and workshops were also effective in general. Therefore, it could be concluded that the project was implemented as **satisfactory**.

The project reinforced the institutional mechanisms, platforms and system of the Lao authorities to implement their respective Five-Year Plan and advance FS2020 by supporting the AWP preparation at the provincial level, creating the review taskforce for FS2020, undertaking the data collection and analysis of FS2020 progress and supporting the management of FSSWG. The participatory approach brought concerned stakeholders on a same table and contributed to the coordinated effort for implementation. The presence of FSCAP was strong in the forestry sector community in Laos, which could have been extended to the public and civil society with more effort for publicity and documentation.

Those achievements were made possible through adequate communication among the concerned actors in the sector and support from the C/P organization. The restructure of forest management administration, i.e., the creation of DFRM was a drawback for the project, but it was also an opportunity for the project to display its significance. The project supported the transition of certain roles and responsibilities from DOF to DFRM, particularly regarding REDD+ related issues. Some activities as pilot projects and legislative support should have had logical conclusions, and more focus on specific policy issues could have generated more visible impact.

### 3-6 Recommendations (specific measures, proposals and advice to the project)

<To the Project>

#### 1) Review of FS2020

The Project should accelerate the process of review and update of FS2020 so that the output of this process would be reflected in time for the preparation of the next five-year plans, including five-year plans of MAF, MONRE, DOF, DFRM and 8th NSEDP.

#### 2) Continuing Support for the Preparation of National REDD+ Strategy

It is recommended that the project continue supporting the strengthening of NRTF, leveling off of

common understanding among the stakeholders over the forthcoming National REDD+ Strategy until the end of project and coordinating DOF and DFRM. The project should also compile the comments from other JICA-supported projects on REDD+ on the ToR of FCPF consultants.

It is also recommended to prepare a compilation of process documentation on the project support regarding the promotion of REDD+.

### 3) Follow-up of Pilot Projects

The initiatives at the field level through the pilot activities under the project need to be monitored properly and completed before the end of project.

### 4) Publicity and Visibility of Project Results

It is recommended to scrutinized, analyzed and synthesized the project activities and publish a series of booklets/ technical notes on the following subjects to be widely distribute through a wrap-up meetings or consolidation workshops:

- i) Process and result of review on the progress of FS2020
- ii) Key lessons learned from the pilot projects under the project for the promotion of private forest estate, livelihood improvement of forest-fringe villagers and proper management of village forests, along with key policy recommendations
- iii) Summary of capacity building activities under the project

To complete above before the end of project, the project may explore the possibility of engaging local consultants and collaborating with other externally-funded projects.

### 5) Strengthening of Financial Mechanism

It is recommended to include in the final report of the project the analysis on the current situation of financial mechanism for the forestry sector in Laos, as well as the identification of critical issues and recommendations, referring to the relevant previous studies and existing reports.

<To Lao Side>

### 6) Continuous Capacity Building for the Forestry Sector

It is urgent to develop further the capacity for forest management and REDD+ by assigning appropriate quality and quantity of staff members to the relevant sections in the forestry sector, including REDD Divisions in DFRM and DOF with adequate budget so that the sustainability of project outcomes would be ensured. The continuity of officers without frequent transfers and leave of absences should be ensured, and knowledge and skills should be shared among the officers.

### 7) Continuous Strengthening of Institution for the Forestry Sector

The Lao Government should officially establish the National REDD Office (NRO). Properly demarcated forest boundaries should continue in accordance with relevant guidelines. The Lao Government should finalize the revised Forestry Law as soon as possible and complete all the formal approval process.

### 8) Utilization of FS2020 Review Results

The Lao Government should reflect the updated FS2020 in relevant policies and plans, including the next five-year plans of MAF, MONRE, DOF and DFRM as well as 8th NSEDP, when possible and appropriate.

<To Japanese Side>

### 9) Utilization of Lessons Learned from the Project

The Japanese Government should incorporate the lessons learned from this project into the design of next phase projects. As a part of development partners in the forestry sector, JICA needs to consider the importance of its expected roles by the other development partners and C/P organizations.

### 3-7 Lessons Learned/ Reference to Other Projects

#### 1) Proper Project Cycle Management

While the project needs to adjust and be flexible to the changes in the situations, it is important to

establish concrete and measurable indicators for project monitoring and evaluation. The project cycle management mechanism, such as regular JCC meeting and periodical review of PDM and PO should be undertaken. It is important to review and add/ modify, when necessary, the C/P organizations and personnel during the project planning and implementation so that necessary decisions can be made by appropriate authorities timely.

#### 2) Ensuring Impact

To maximize the project impact, it is important to prioritize specific policy issues and establish focus in the project while designing. Also, it is essential to have effective coordination mechanisms (such as working groups, taskforces and informal advisory groups supported by FSCAP) and manage them properly to ensure multiple project impacts.

#### 3) Clarifying the Objective of Pilot Activities

Small-scale pilot activities at the field level can be effective only when there is a strategic plan and potential for transforming the results into replicable models, doable methodologies, mainstreamed systems and/ or policy initiatives. A project designer should be extra cautious about ensuring the expected logical conclusions of field activities, if they will be included in a project.

#### 4) Lessons learned for REDD+

It was learned that it was vital to document the process of REDD+ promotion and generate visible outputs/ documents. The stakeholders for the promotion of REDD+ were wide range, and proper coordination is indispensable. Also those stakeholders as a whole should have an adequate level of understanding over the issues of REDD+. For this, a project should assist the strengthening of multi-stakeholder platform for REDD+, such as NRTF, and ensure their regular meetings.