Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2015

1. Project Data

Summary project data			
GEF project ID		3443	
GEF Agency project ID		4032	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		UNDP	
Project name		Strengthening Community Based Forestry and Watershed Management	
Country/Countries		Indonesia	
Region		Asia	
Focal area		Land Degradation and Biodiversity	
Operational Program or Strategic Priorities/Objectives		LD-SP2; BD-SP4; and BD-SP5	
Executing agencies involved		Ministry of Environment and Forestry	
NGOs/CBOs involvement		Ford Foundation and the World Agroforestry Centre	
Private sector involvement		Not given	
CEO Endorsement (FSP) /Approval date (MSP)		May 6, 2009	
Effectiveness date / project start		March 2010	
Expected date of project completion (at start)		July 2014	
Actual date of project completion		March 2015	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	.1	.1
	Co-financing	.1	.1
GEF Project Grant		7	6.89
Co-financing	IA own	.5	.52
	Government	41	83.1
	Other multi- /bi-laterals	.95	.5
	Private sector		
	NGOs/CSOs		
Total GEF funding		7.1	6.99
Total Co-financing		42.55	84.22
Total project funding (GEF grant(s) + co-financing)		49.65	91.21
Terminal evaluation/review information			
TE completion date		October 2015	
Author of TE		James Lenoci	
TER completion date		February 5, 2016	
TER prepared by		Laura Nissley	
TER peer review by (if GEF IEO review)		Molly Watts	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	S	S	--	MS
Sustainability of Outcomes		ML	--	ML
M&E Design		MS	--	MU
M&E Implementation		MS	--	MU
Quality of Implementation		S	--	MS
Quality of Execution		S	--	MS
Quality of the Terminal Evaluation Report		--	--	MS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The Project Document (PD) does not explicitly state the Global Environmental Objectives, however the goal of the project is "to eliminate land and forest degradation in Indonesia" (PD pg. 22). At the time of the project design, forest loss and land degradation were steadily occurring in Indonesia, which had an annual deforestation rate of 1.089 million hectares (PD pg. 4). Forest loss and land degradation resulted from processes such as unsustainable legal and illegal logging, forest fires, land and resource tenure conflicts, illegal entry and conversion of natural forest as well as legal and illegal mining (PD pg. 15). Indonesia contains a high proportion of the world's biodiversity; including 11% of the world's plant species, 10% of its mammal species, and 16% of its bird species. The majority of these species are found in the country's forests, and are therefore threatened by land degradation (PD pg. 5).

3.2 Development Objectives of the project:

The Development Objective of the project is "to support efforts in reducing forest and land degradation in order to restore watershed functions and ecosystem services" (PD pg. 22).

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

There were no changes to the project's objectives or other activities during implementation.

4. GEF IEO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 **Relevance**	Rating: **Satisfactory**

The TE provides an overall rating of "relevant" for project outcomes. However, the TE assessed the project outcomes as relevant for only one of the two intended focal areas, land degradation. Specifically, the project was consistent with GEF-4 Land Degradation Strategic Program 2, *Supporting Sustainable Forest Management in Production Landscapes*, as the project sought to strengthen the national policy and institutional environment for managing forest and woodland resources. The TE notes that the project was also partly relevant to GEF-4 Biodiversity Strategic Program 5, *Fostering Markets for Biodiversity Goods and Services*, due to the project's focus on payment for ecosystem services mechanisms. However, the TE found that the project design did not fully elaborate strategies for contributing to GEF-4 Biodiversity Strategic Program 4, *Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity* (TE pgs. 32-33).

The project was consistent with Indonesia's policies and plans to combat land degradation. In particular, the project outcomes were relevant to the National Movement on Rehabilitation of Forest and Land (2004) which aimed to rehabilitate 5 million hectares of degraded forest area distributed over 200 priority watersheds. Additionally, the project is consistent with Indonesia's laws and regulations on sustainable development, such as Law No. 23/1997 on Environmental Management; Law No. 22/1999 on Regional Governance; Law No. 25/1999 on Financial Balance; and Law No. 41/1999 on Forestry. The project is also consistent with Indonesia's responsibilities as a signatory to the United Nations Convention to Combat Desertification (UNCCD) and the United Nations Framework Convention on Climate Change (UNFCCC) (PD pgs. 31-33).

4.2 **Effectiveness**	Rating: **Moderately Satisfactory**

The TE provides a rating of **Satisfactory** for the effectiveness of the project results relating to land degradation, and a rating of **Moderately Unsatisfactory** for project results relating to biodiversity. This TER provides an overall rating of **Moderately Satisfactory** for project effectiveness. Project performance matched expectations in several key areas, and by project end, a total of 223,570 hectares of land within six watersheds were under participatory management (TE pg. 46). However, the project fell short of achieving results in two areas: the development of community-based forest and watershed management (CBFWM) models for delivering improved environmental services and improved connectivity between protected areas.

It should be noted here that the project design does not clearly articulate the expected results of the project, and the TE bases its assessment on indicators which it acknowledges are largely inappropriate for measuring the achievements of the project. Therefore, this TER also relies on information provided in the Midterm Review and Project Implementation Reviews (PIRs) for its assessment.

A summary of the project's achievements, by outcome, is provided below:

- **Outcome 1: Six critical watersheds with diverse ecological and socioeconomic conditions demonstrate improved management using CBFWM:**
  Expected results under this output included: (1) community-based organizations (CBOs) established which focus on CBFWM at the demonstration sites, (2) capacity of CBO members for CBFWM increased, (3) watershed management plans developed and endorsed at each site, and (4) CBFWM models developed for delivering improved environmental services and increased incomes. It was also expected that the reforestation of critical habitats would lead to improved connectivity between protected areas in key watersheds. By project end, a total of 148 CBOs had been engaged in project activities. It is unclear however, how many of these CBOs were established as a result of the project. As the Midterm Review notes, many of the CBOs engaged by the project were already operational at the onset of the project (pg. 39). 21% of the CBO members engaged in the project were women (compared to a target of 30%), and 8.4% were landless farmers (compared to a target of 25%). The TE does not provide concrete evidence of increased capacity of CBO beneficiaries, however the project provided extensive training in proposal writing and financial management. Watershed management plans were developed at all six demonstration sites, and local government officials had endorsed all but one plan by the end of the project (TE pgs. 29-31).

  The TE does not provide any evidence that CBFWM models had been developed by project end. The Midterm Review noted that there was a lack of clarity around what a "model" meant and what the end product should be (pg. 41). The TE does note however, that targeted households increased their monthly income at all project sites, compared to households not engaged in the CBO projects (pg. 30). Lastly, there is no evidence that project activities (i.e. planting of trees) led to improved connectivity between protected areas.

- **Output 2: Governmental agencies provide support to formulate the development of CBFWM initiatives:**
  Expected results under this output included: (1) government staff trained and certified in the use of CBFWM approaches, (2) CBFWM training programs developed and administered at the provincial and/or district levels, and (3) government incentive schemes in place for CBFWM initiatives. By June 2014[1], 13 different types of trainings on CBFWM approaches were developed and administered, reaching 718 government staff, exceeding the target of 345 (2014 PIR pgs. 20-21). Additionally, the Indonesia Government has supported numerous projects in the forestry sector, disbursing a cumulative total of $72 million. The TE does note however, that while many of these projects clearly supported community-based natural resource management, some did not. For example, the One Million Trees (OBIT) project included industrial forest concessions (TE pg. 31).

[1] The TE does not provide details on the results under this component, and therefore this TER had to use data from the 2014 PIR. It should be noted however that the project was not completed until March 2015.

- **Outcome 3: Coordination among and between different levels of government generates consistent policies and programs that support CBFWM actions:**
  Expected results under this output included: (1) comprehensive review of CBFWM coordination at the national and local levels published, (2) functional fora for CBFWM coordination established, and (3) improved legal and/or policy instruments developed for CBFWM. By June 2014, three reports had been published on the need for CBFWM coordination at the Tulis, Besiam, and Miu demonstration sites (2014 PIR pg. 24). Additionally, the Midterm Review notes that watershed coordination fora had been strengthened at all six sites (pg. 46). The TE also notes that the project made substantive contributions to national and sub-national legal and regulatory frameworks for soil and water conservation and watershed management, including payment for ecosystem services mechanisms (TE pg. 32).

4.3 **Efficiency**	Rating: **Moderately Satisfactory**

The TE provides a rating of **Moderately Satisfactory** for project efficiency, which this TER downgrades to **Moderately Unsatisfactory**. The project experienced minor delays at project start-up due to challenges registering the project, assembling the project management unit and receiving the first cash disbursement. As a result, the project received an eight-month extension, shifting the project closure date from July 2014 to March 2015. There is no indication, however, that these delays affected the achievement of project outcomes. Additionally, the government of Indonesia contributed nearly twice the expected co-financing which bolstered the scope and scale of the project (TE pg. 34).

The TE does raise concerns about the efficiency of the project's overall strategy. As mentioned above, the project engaged 148 community-based organizations (CBOs) across six demonstration sites. In total, the project disbursed 1.02 million in grants to these CBOs, or approximately $6,886 per CBO. The TE notes that resources and technical assistance were spread thin, diminishing efficiency. The TE suggests that it may have been more effective to target fewer CBOs and/or focus resources on one watershed rather than six sub-watersheds. As it was, the project expended 24% of the GEF funds on travel costs, exceeding the 5% maximum allowable threshold set by the GEF Secretariat and affecting the overall cost-effectiveness of the project. Additionally, insufficient resources were dedicated to integrating biodiversity into project activities, which affected the achievement of associated outcomes (TE pgs. 33-34).

4.4 **Sustainability**	Rating: **Moderately Likely**

The TE provides a rating of **Moderately Likely** for project sustainability and this TER concurs. The Government of Indonesia has demonstrated its commitment to improving community-based forest and watershed management and committed substantial resources to community forestry programs. Moderate risks include the tenuous capacity of community-based organizations (CBOs) and challenges with the forest governance structure and legal framework in Indonesia.

Financial Resources

This TER assesses the sustainability of financial resources to be **Moderately Likely**. The Government of Indonesia has committed substantial resources to community forestry programs. For example, the 2015-2019 medium-term national development plan allocates funding for 12.75 million hectares of customary forests, community forests, smallholder plantation forests, and village forests (TE pg. 35). However, the extension service offices, which were tasked with supporting the CBOs after project end, are chronically under-funded. Additionally, many of the CBOs still lack the administrative capacity to apply for and manage grants, which could affect their ability to sustain funding (TE pg. 38).

Sociopolitical

This TER assesses sociopolitical sustainability to be **Moderately Likely**. The project was designed to scale-up the Government of Indonesia's efforts to improve community-based forest and watershed management, and ownership over the project's objectives remained high. The TE notes that the CBOs involved in the project were also committed to the long-term objectives of the project, however there were concerns over continued support through the extension services (TE pg. 39).

Institutional Frameworks and Governance

This TER assesses the sustainability of institutional frameworks and governance to be **Moderately Likely**. The project contributed to improving the legal and regulatory frameworks for soil and water conservation and watershed management. Additionally, the project has strengthened watershed management plans and fora for coordinating initiatives at the six demonstration sites. However, the TE notes that forest governance remains a challenge in Indonesia, particularly regarding the settlement of tenurial conflicts and the handling of customary forest claims in state forest areas (TE pgs. 40-41). Additionally, the Indonesian Government passed Law 23/2014 in 2014, diminishing the autonomy and discretionary spending of the district-level administrations. This law could affect the implementation of community-driven watershed management initiatives (TE pgs. 35-36).

Environmental

The TE does not provide sufficient information to adequately assess environmental sustainability. The TER does note that there is continued environmental pressure from degraded vegetative cover within

the upstream stretches of the watersheds, and from intensive agricultural and urban development in the downstream stretches (TE pg. 42).

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

Actual co-financing significantly exceeded expected co-financing, largely due to contributions from the Indonesian government, which exceeded $80 million. Government co-financing was provided through the regional watershed management agencies (BPDAs) in the six demonstration areas. The TE notes that a large portion of the co-financing from the BPDAS went toward tree planting initiatives, in addition to community-related forestry interventions (TE pg. 23). Non-governmental organizations, such as the Ford Foundation and the World Agroforestry Centre, also supported project activities through co-financing arrangements for collaborative forest management services and applied research (TE pg. 15; 17).

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The project was delayed at project start-up due to challenges registering the project, assembling the project management unit and receiving the first cash disbursement. As a result, the project was extended eight months, shifting the project closure date from July 2014 to March 2015. It does not appear that these delays affected the achievement of project outcomes.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

Country ownership over the project has been significant. Ministry of Environment and Forestry officials, BPDAs, district forestry services, forest extension services, and civil society organizations were actively involved in project implementation (TE pg. 35). The Ministry of Environment and Forestry was the executing agency for the project and government also contributed significant co-financing to the project.

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 **M&E Design at entry**	Rating: **Moderately Unsatisfactory**

The TE provides a rating of **Moderately Satisfactory** for M&E design at entry, which this TER downgrades to **Moderately Unsatisfactory**. The project's results framework contained a number of shortcomings that significantly diminished its effectiveness as a monitoring and evaluation tool. The indicators described in the results framework were not SMART (specific, measurable, achievable, relevant, and timely). Although the project was promoted as multifocal in nature, the results framework only included one biodiversity indicator, *reforestation of critical habitats leads to improved connectivity between protected areas in key watersheds*. It is unclear from the results framework how this indicator is relevant to the associated outcome, *six critical watersheds with diverse ecological and socio-economic conditions demonstrate improved management using CBFWM.* "Improved connectivity of protected areas" is not necessarily a measure of "improved management." Furthermore, only one of the six-targeted watersheds was even located near a protected area, and baseline values and targets were not established (TE pg. 13).

The project document does include a general M&E plan, which outlines M&E activities (inception workshop, daily and periodic monitoring of indicators, annual reviews and reports, and midterm and final evaluations), and the associated responsible parties, budget, and timeframe (PD pgs. 41-46). The Midterm Review noted that a weakness in the M&E plan was that it didn't include provisions for using monitoring data for adaptive management (pg. 25). On the other hand, the project document does provide a dedicated M&E budget of $.57 million. As the TE notes, the M&E budget was approximately 8% of the total GEF budget, which was substantial compared to the GEF requirement of 3-5% (pg. vi).

6.2 **M&E Implementation**	Rating: **Moderately Unsatisfactory**

The TE provides a rating of **Moderately Satisfactory** for M&E implementation, which this TER downgrades to **Moderately Unsatisfactory**. The inception workshop was held six months before the project management team was assembled, and M&E was not a focus. Therefore, the project proceeded with indicators that were largely inappropriate for tracking results. The TE does note that the project team diligently monitored activities and produced detailed quarterly and annual reports throughout the life of the project. However, due in part to the flawed indicators, results-based monitoring did not occur

(TE pg. 24). The Midterm Review conducted in 2012 noted that there was no formal reporting on outcome and objective level indicators, however it appears that the project management team did not address this issue (Midterm Review pg. 34). The project management team did make some programmatic adjustments based on the recommendations of the Midterm Review, such as recruiting a consultant to strengthen the biodiversity conservation dimension of the project and refocusing efforts on CBOs with the highest potential (TE pg. 25).

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 **Quality of Project Implementation**	Rating: **Moderately Satisfactory**

The TE provides a rating of **Satisfactory** for quality of project implementation, which this TER downgrades to **Moderately Satisfactory**. As noted above, UNDP did not effectively integrate biodiversity into the project design, despite the multifocal nature of the project. The TE notes that the project concept went through a few iterations, and biodiversity was included as a focal area later in the design process (pg. 6). This may explain why biodiversity was not effectively integrated into the results framework, which only included one biodiversity indicator. Additionally, the M&E plan contained a number of flaws, diminishing its effectiveness as a monitoring and evaluation tool. The TE does note that UNDP actively supported the project throughout implementation, including participating in Project Board meetings, providing input and recommendations in the project implementation review, and supporting procurement (TE pg. 26). The 2013 PIR also noted that the UNDP Country Office Program Manager made regular visits to the field offices to assess financial management arrangements (pg. 43). However, as the TE notes, UNDP did not provide effective oversight over M&E implementation, which was weak (TE pg. 26).

7.2 **Quality of Project Execution**	Rating: **Moderately Satisfactory**

The TE provides a rating of **Satisfactory** for quality of project execution, which this TER downgrades to **Moderately Satisfactory**. The executing agency for the majority of project implementation was the Ministry of Forestry, which merged with the Ministry of Environment in 2014 to become the Ministry of Environment and Forestry. Project Implementation Units (PIUs) were established at each of the six demonstration sites, headed by regional coordinators. Field coordinators within the PIUs provided assistance to the targeted community-based organizations (CBOs). The TE notes that the central project management unit and regional implementation units were staffed with highly qualified professionals with extensive experience in watershed management (pg. 47). The project management unit built strong working relationships with government officials and NGOs in the forestry sector which facilitated project activities, however the biodiversity sector was underrepresented (TE pg. 26). Additional shortcomings included weak monitoring of project results and significant overspending in regard to travel (24% of the overall GEF budget). The project management unit did make efforts to adjust its strategy based on the recommendations of the Midterm Review. However, biodiversity was not adequately integrated into implementation by the end of the project, despite hiring a consultant to strengthen biodiversity conservation.

8. Assessment of Project Impacts

Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

> By project end, 2.62 million trees were planted in the demonstration sites. Assuming a survival rate of 70-80% and coverage of 400 trees per hectare, the TE estimates that the planted trees will lead to 6,561 hectares of rehabilitated area (TE pg. 27). Additionally, 223,570 hectares of land, across six watersheds, were brought under enhanced, participatory management (TE pg. 43).

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities

contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

A participatory survey conducted in 2014 by national consultants found that targeted households[2] increased their monthly income in all six-demonstration sites, compared to non-participating households. Specifically, monthly income increased by 115% in Gopgopan; 65% in Way Besai; 146% in Tulis; 55% in Jangkok; 128% in Besiam; and 40% in Miu (TE pg. 30). Additionally, the project introduced new livelihood alternatives, such as honey production (TE pg. 29).

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. "Capacities" include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. "Governance" refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

By project end, 718 government staff were trained in community-based forest and watershed management (CBFWM) approaches (2014 PIR pgs. 20-21). Overall, 148 community-based organizations (CBOs) with a combined membership of 3,815 (21 % women; 8.4% landless farmers) were engaged in project activities (TE pg. v; 30). Investment in capacity building varied across CBOs, but included training on proposal writing and financial management. A total of $1.02 million in small grants was extended to CBOs for activities such as agroforestry, improving drinking water supply, utilization of non-timber forest products for alternative sources of income, etc. (TE pg. v). However, the project did not adequately capture changes in CBO capacity.

b) Governance

By project end, all six demonstration areas had developed watershed management plans, and five of these plans had been endorsed by local government officials (TE pg. 29). Additionally, the Midterm Review notes that watershed coordination fora had been strengthened at all six sites (pg. 46). The project also made substantial contributions to improving the legal and regulatory frameworks in Indonesia, including: Law No. 37/2014 on Soil and Water Conservation; Government Regulation No. 37/2012 on Watershed Management; Eight ministerial decrees prepared under Government Regulation No. 37/2012; North Sumatra Provincial Regulation No. 1/2014 on Integrated Watershed Management; Lampung Provincial Regulation in 2014 on Integrated Watershed Management; Banjarnegara District (Central Java) Regulation in 2013 on

[2] Targeted households included those which had members from the participating community-based organizations.

Watershed Management; village-level regulations on water conservation, Draft Provincial Regulation (Nusa Tenggara Timur province) on Incentives of Environmental Services; Draft District Regulation (Lampung Barat district) on Forest Resources Management; Draft Technical Support Document and Draft District Regulation (Toba Samosir District) on Watershed Management of the Gopgopan Sub Watershed; and Draft Technical Support Document on Payment for Ecological Services in the Asahan Toba Watershed and Village Forest in Gopgopan Sub Watershed (TE pg. 32).

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

The TE does not cite any unintended impacts that occurred by the end of the project.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

By project end, the Ministry of Home Affairs had proposed a national program called Community Empowerment in Watershed Management. The Ministry of Home Affairs based their proposal on a comparative study, which included an assessment of the GEF project. In addition, the Yogyakarta provincial administration had committed to replicate the sub-watershed management planning in two other sub-districts (TE pg. 42).

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

The TE states the following lessons learned (pgs. 52-53)

- **Stakeholder involvement should be tailored to the intended outcomes:** For multi-focal area projects, effective stakeholder involvement is often best achieved by assigning implementation responsibility for key actors. For example, biodiversity conservation enabling stakeholders did not have meaningful implementation duties, except for participation in working groups, watershed forums, and similar roles. Similarly, involvement by agricultural stakeholders would have been enhanced if there were more activities implemented in the lowland regions of the watersheds, where there is intensive agricultural production.

- **Selection of performance indicators should be made in conjunction with designing monitoring and evaluation plan:** There were a number of performance indicators that could not be assessed at project closure because of the lack of monitoring data. For example, the rate of encroachment, number of HKm permit applications in areas that straddle subnational administrative borders, area of forest land across Indonesia under community management, area of previously barren land reforested, etc. The monitoring and evaluation plan at project entry and confirmed at project inception should have included specific sources and methodologies of obtaining the required information to support performance assessment.

- **Communities are more willing to participate in natural resource management if they have a vested interest:** As evidenced by interviewing members of community forestry groups (HKm groups), extending the concession agreement timeframe to 35 years, from the previous limit of 10 years, promoted a higher rate of participation, demonstrating that forest management arrangements and benefit sharing schemes are more effective if community group members have secure access and use rights.

- **Sustainability structures should be better integrated into results framework:** Sustainability structures should be better integrated into results frameworks. For example, it would have been advisable to aim for specific subnational funding allocation for implementation of the sub watershed management plans, rather than aiming to develop the plans by the end of the project. Similarly, adoption of the watershed training modules might have been a more relevant indicator, than development of the training modules by project closure.

- **It takes time to develop CBO fund-raising capacity:** Building capacity of CBOs, particularly new ones, to independently raise financing takes time; and training on financial management topics is often as valuable as training on skills development.

- **Subordinate watershed planning should reflect broader, landscape scales:** One of the key challenges facing natural resource managers is how can small, site-level interventions be integrated into landscape scale management objectives. The landscape approach addresses the interconnections between systems at different scales: from the individual operators, to the local ecosystems, to the communities affected by production systems locally, regionally, and globally.

- **The project inception phase should be better utilized:** The inception phase of a project should be better utilized to thoroughly review the relevance of the project design under possible changed circumstances, to critically assess the logical results framework and make adjustments accordingly, to evaluate the stakeholder involvement plan against the intended outcomes, etc.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The TE provides the following recommendations (pgs. 49-51):

1. Compile available information and prepare a report on achievement towards the following key impact and output level indicators. It would be advisable to provide baseline and end of project figures, 2009 and 2014, respectively, for each indicator, along with an indication of the source(s) of the information: (1) land area in Indonesia under community management; (2) previously barren land planted by community groups in Indonesia during the final year of the project; and (3) the number of applications for HKm permits that cover areas which straddle administrative borders in Indonesia.

2. Clarify the following entries in the terminal assessment of the GEF Biodiversity Tracking Tool:
    a. The area of coverage foreseen at the end of project of specific management practices integrating biodiversity is indicated to be 13,280 ha. And, the explanation indicates 50% of 2.6 million seedlings produced by project planted in new agroforestry areas. The project progress reports indicate that the 2.6 million tree seedlings are estimated to eventually lead to 6,561 ha; so, 50% of this figure would be 3,281 ha; and
    b. It would also be advisable to provide a more detailed explanation of the 20,593 ha figure, representing the area at project closure where biodiversity is integrated into specific management practices.

3. Consolidate lessons learned on a regional perspective. The lessons learned on the project regarding the unique conditions and circumstances in the six distinct demonstration areas, for example with respect soil type, selected tree species, forest fragmentation, pest management strategies, private sector involvement, proximity to urban areas, land tenure systems, prevalence of landless farmers, capacities of community based organizations, etc., should be assessed and documented in an informative knowledge product.

4. Prepare a knowledge product describing the CBFWM model promoted by the project. The description should indicate the relevant landscape addressed, e.g., main watershed, forest management unit, etc. Also, the steps involved in the process should be outlined, with respect

to stakeholder roles and responsibilities described, timelines mapped out, deliverables produced, monitoring & evaluation activities, etc.

5. Disaggregate project co-financing into funds that were specifically expended for community forestry. For example, the one billion trees (OBIT) program, which is included among the list of government co-financing initiatives, also includes industrial forest concessions (HTI).

6. Prepare annual reports for the sub watershed management plans sponsored by the project. The reports should provide progress assessments against the monitoring & evaluation framework agreed upon in the plans, a breakdown of activities completed and costs expended showing financing sources, discussion of shortcomings encountered, and recommendations for the next reporting period and including corrective actions for particular issues raised.

7. Prepare a sustainability strategy for the watershed training program. The strategy should include (1) identification of possible strategic institutional partners; (2) compilation of trained trainers; (3) discussion of possibilities for creating a certification program for watershed managers; (4) recommended actions to achieve institutionalization of the training program; and (5) estimation of costs required to further develop and maintain such a program.

8. With the aim of institutionalizing the role of field facilitator, assess alternative financing options for field facilitators, e.g., funded by local CBOs and Cooperatives by allocating a certain share of net income. It might also be feasible to fund the field facilitators as part of private sector corporate social responsibility programs; the facilitators could help identify viable initiatives to direct CSR funds, and earn a fee for that particular service.

9. The project document identified a particular barrier associated with inconsistencies between some national and subnational regulations. As a complement to the new regulations facilitated by the project, it would be advisable to support a comprehensive review of subnational regulations in the six demonstration areas, with the aim of revoking or modifying specific regulations or parts of regulations that are counter-productive with respect to participatory, forest/watershed management and biodiversity conservation.

10. Biodiversity conservation should be better integrated into forest and watershed management policies and programs. Some examples include: (1) Incorporate the ecological flows assessment in forest watershed planning regulations, and develop technical guidelines and training materials to build capacity; (2) Consider a landscape approach when implementing agroforestry initiatives in local communities; and (3) Develop biodiversity friendly incentive mechanisms, e.g., an incentive that encourages organic coffee production.

11. Program managers should take steps to secure further support for community based forest and watershed management, by exploring entry through emerging issues, including food security and climate change. For example, food security and the REDD+ program are extensively addressed draft 2016-2020 UNDP Indonesia Country Program Document.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF IEO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The report presents its assessment of project outcomes in a clear and systematic manner. In terms of effectiveness, the report does not consider all of the expected results under the project and it relies largely on flawed indicators to support its analysis. Relevance, efficiency, and impact are satisfactorily addressed.	**MS**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is internally consistent. The evidence presented could have covered more of the expected results. The ratings are moderately inflated.	**MS**
To what extent does the report properly assess project sustainability and/or project exit strategy?	The report satisfactorily assessed project sustainability.	**S**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons learned are comprehensive and supported by the evidence provided.	**S**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report includes actual project costs and co-financing.	**S**
Assess the quality of the report's evaluation of project M&E systems:	The report adequately assesses the quality of M&E at entry and M&E implementation, although its rating are moderately inflated.	**MS**
Overall TE Rating		**MS**

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).

Midterm Review (2012).