1. Project Data

Summary project data			
GEF project ID		3627	
GEF Agency project ID		n/a	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		IFAD	
Project name		Promotion of Sustainable Forest and Land Management in the Vietnam Uplands	
Country/Countries		Vietnam	
Region		Asia	
Focal area		Multi Focal Area (Land Degradation and Biodiversity)	
Operational Program or Strategic Priorities/Objectives		LD-Strategic Program 2 *Supporting Sustainable Forest Management in Production Landscapes*; BD-Strategic Program 4 *Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity; BD-Strategic Program 5 Fostering Markets for Biodiversity Goods and Services*	
Executing agencies involved		Department of Forestry, Ministry of Agriculture and Rural Development, Vietnam	
NGOs/CBOs involvement		Common Interest Groups (CIGs) – beneficiaries; Centre for Agrarian Systems Research and Development (CASRAD) - consultations	
Private sector involvement		None	
CEO Endorsement (FSP) /Approval date (MSP)		July, 2009	
Effectiveness date / project start		October, 2010	
Expected date of project completion (at start)		June, 2013	
Actual date of project completion		December, 2013	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.10	0.10
	Co-financing		
GEF Project Grant		0.65	0.65
Co-financing	IA own	4.49	4.48
	Government	0.39	0.31
	Other multi- /bi-laterals	0.05	0.10
	Private sector		
	NGOs/CSOs	0.05	0.94
Total GEF funding		0.75	0.75
Total Co-financing		4.98	5.83
Total project funding (GEF grant(s) + co-financing)		5.74	6.58
Terminal evaluation/review information			
TE completion date			
TE submission date			
Author of TE			
TER completion date		February 2014	

TER prepared by	Ritu Kanotra
TER peer review by (if GEF EO review)	Shanna Edberg

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	N/A	MS	N/R	MS
Sustainability of Outcomes	N/A	S	N/R	ML
M&E Design	N/A	N/R	N/R	MS
M&E Implementation	N/A	U	N/R	U
Quality of Implementation	N/A	MU	N/R	MU
Quality of Execution	N/A	S	N/R	MS
Quality of the Terminal Evaluation Report	N/A	N/R	N/R	S

3. Project Objectives

3.1 Global Environmental Objectives of the project:

As stated in the Project Document (PD), the Global Environmental Objective of the project is to promote sustainable forest and land management (SFLM) practices in Vietnam. Bac Kan Provice, the site of the project, was selected due to its high percentage of forested lands (87%) and is home to several sites of international importance for biodiversity and forest conservation. The main threats to biodiversity in the area come from habitat fragmentation, forest clearance for agriculture, large-scale infrastructure development, illegal hunting, over exploitation of non-timber forest products and livestock grazing.

3.2 Development Objectives of the project:

As stated in the Project Document (PD), the Development Objective of the project was to promote forest and biodiversity conservation and sustainable forestland management practices in selected districts on Bac Kan Province of Vietnam. The GEF-IFAD project, Promotion of Sustainable Forest and Land Management in the Vietnam Uplands, was designed to complement the IFAD/Government of Vietnam financed 'Pro poor Partnerships for agro forestry development project' (3PAD). While the 3PAD was to create the institutional, investments, technological and sociological environment necessary to support pro poor growth in the Bac Kan rural economy, the GEF grant was to used to broaden the project's focus and approach from the perspective of environmental management, land degradation and biodiversity conservation.

The project was structured as follows to integrate into the overall 3PAD project:

Component 1. Sustainable and Equitable Forest Land Management.

The project interventions were to support rapid assessments to identify important areas for biodiversity conservation and watershed protection to guide government authorities in the ongoing process of forest land allocation. The assessments were to be done at both a macro level for purposes of conservation policy and zoning and at the micro level (commune and /or village levels). The outputs would feed into other two sub components (Forest Land Use Planning and Allocation and Forest land Management) activities. No GEF funds were allocated to these other two sub components of 3PAD project.

Component 2: Generating Income Opportunities for the Poor

No GEF resources were allocated for this project component.

Component 3: Innovative Environmental Opportunities

Main activities included promotion and dissemination of new alternatives for Sustainable Land use Management (SLM) and bioenergy and for assessment of options for Payment for Ecosystem/Environmental Services (PES) through pilot projects, including for Reducing Emissions from Deforestation in Developing Countries (REDD), catchment protection for erosion control, water resources management and, potentially, development of eco tourism opportunities.

Majority of GEF resources were allocated to this component in support of all three of the 3PAD's sub components. GEF resources were to be used to test and pilot appropriate options for: (i) alternative, sustainable livelihoods; (ii) SFM/SLM (e.g. Fodder crops, agroforestry, NTFPs, sloping agricultural land technology) and; (iii) sustainable bio-energy to reduce dependence on fuelwood from forests. Other areas of intervention were to develop and test Payment for Ecosystem Services (PES) scheme that would benefit local communities. Third area of support was to deepen the focus in eco tourism promotion and development towards greater inclusion of the poor in Ba Be National Park.

Component 4: Project Management

Basic costs of all the project management were to be covered by IFAD/GoVN and additional resources from the GEF resources primarily to support regular monitoring of the project in terms of meeting environmental targets and securing global environmental benefits, including technical support to PMU for M&E and environmental protection, environmental training for project staff and partners and, environmental monitoring.

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

No.

4. GEF EO 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**

Vietnam is considered one of the ten centres of high or mega biodiversity in the world. The project districts in Bac Kan Province, in particular, are also endowed with high level of biological diversity in ecosystems, species and genetic resources. Pristine forests of Ba Be national Park and Kim Hy Natural Reserve in the province are home to a number of globally threatened species of mammals and birds. But baseline analysis suggests that limited resources for protection combined with a lack of sustainable livelihood options for local communities put flora and fauna in the conservation areas under heavy threat from communities living within and adjacent to these areas. As per project document (PD), the project was designed to be consistent with some of the recent national-level policies of GoVN and its international commitments to address the interlinked issues of forest/biodiversity protection and poverty reduction. The proposed project is consistent with the main national strategies for development, the Socio- economic Development Plan 2006-2010, and the Strategic Orientation for Sustainable Development in Vietnam (Vietnam's Agenda 21). Vietnam also ratified the Convention on Biological Diversity (CBD) and the Convention on International Trade of Endangered Species (CITES) in its commitment to conserve its rich and unique biodiversity. A series of national laws, either developed or revised recently, such as Law on Forest Protection and Development (2004), the law on Environmental Protection (2005) and Biodiversity Conservation Law (2008) amongst others, legalized the commitment of the government to protect biodiversity resources within the broader framework of sustainable development in Vietnam (PD, 20).

The project was designed to contribute in the deliverance of global environmental benefits under two GEF Focal Areas of Land Degradation and Biodiversity, with indirect benefits in terms of climate change. GEF financing was to support the Strategic Objective 2 of the Land Degradation Focal Area, *To Upscale SLM Investments that Generate Mutual Benefits for the Global Environment and Local Livelihoods*, which prioritizes those areas where investments in SLM will be most cost-effective, in terms of mutual benefits for the global environment and local livelihoods. The GEF grant was also to support Strategic Objective 2 in the Biodiversity Focal Area, *To Mainstream Biodiversity in Production Landscapes/ Seascapes and Sectors*. Under BD-SP5*, Fostering Markets for Biodiversity Goods and Services*, the IFAD-GEF project will support the pilot-testing for designing and implementing payment for environmental services (PES) schemes to compensate forest resource managers and users for off-site ecological benefits.

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

The TE assigns the effectiveness of the project to be moderately satisfactory and this TER concurs with the rating. This TER has based it ratings on assessment of only those activities and outcomes that were directly related and integrated into the ones supported through GEF funding.

The project made significant contributions in terms of establishing the enabling conditions for Sustainable Land Management (SLM) and biodiversity contribution through participatory forest management/biodiversity conservation plans completed with the support of the project. The project also successfully introduced and piloted a significant number of Sustainable Land management (SLM) options including the improved systems for animal husbandry and conservation of sloping lands, bio-

energy applications, particularly improved stoves; PES pilots, that include participatory forest protection, one of which has significant potential for replication and; eco-tourism. These interventions have the potential for achievement of long-term goals of biodiversity conservation and improvement in household incomes.

However, the goals regarding community forests management (CFM) and mainstreaming biodiversity and watershed management into sustainable land management and planning were only partially achieved due to lack of enabling policies at the provincial and national level. The TE also notes that measures taken for environmental monitoring of the project were 'ad hoc' lacking systematic analysis. Some of the targets related to completion of certain activities were achieved to the extent of only 80%. The TE attributes this to the fact that the project involved a range of activities that varied in complexity (like PES, eco tourism) and were new and innovative from the local perspective, and so not all of the activities were feasible for the project implementers and supervisors. As TE notes, '*in order to accomplish all the 32 sub activities mentioned in the project document, would have required greater investment in time and resources than were available through the project*'.

Attainment of activities and objectives, component wise:

Component 1: Sustainable &Equitable Forest Land Management

This component sought the equitable allocation of the forestlands and forest resources within the communities, so that sustainable management procedures could be defined and put in operations subsequently. The project made significant contribution in terms of ensuring equitable allocation of forestlands, achieved through trainings and empowering communities (trainings organized in 20 communes as compared to the target of 25) to find their own solutions, led to reallocation of land with minimal conflict. Capacity building and trainings on participatory approaches to forestland use allocation were organized at all levels (Provincial, 3 Districts and 20 communes) – 390 staff/individuals trained in Participatory Forest Land Use Allocation and 50 people were trained in use of professional software for land use management. Forest management planning was completed in all 20 communes through trainings, technical assistance and guidance throughout the planning process

Another aspect central to the subcomponent (1.3) supported through GEF was mainstreaming biodiversity and watershed management concerns into the land use and forest management planning undertaken through the project. Trainings and awareness generation on such issues resulted in micro planning carried out through a participatory forest management/biodiversity conservation planning exercise that was completed in 15 communes and 45 villages, identifying 43,200 ha (target of 25 communes) of forests with high biodiversity value that were also mapped with development of plans for their protection and management. According to the TE, project also supported implementation of protected area management plans in Ba Be National Park and Kim Hy Nature Reserve. A Provincial Peoples Committee decision (1718/2012/QD-UBND) on the regulation, management and, control of the use of chainsaws in protected areas and national parks in the province was approved as a result of project interventions in Kim Hy Nature Reserve (TE 15).

The TE notes that biodiversity conservation aspects were strongest for 28% of forestlands that were zoned as conservation forests (i.e., Special Use and Protection Forests). However, the project faced challenges in mainstreaming biodiversity into the sustainable land management agenda in the remaining 72% zoned as production forests. In the production forests, land was allocated to communes and households, with little attention to the potential biodiversity values and management alternatives to encourage the maintenance of patches of natural vegetation, especially NTFPs. Sites visited by the TE

mission found a common practice of native vegetation being cleared for development of agroforestry plantations. This, according to the TE, could be due to the lack of enabling policies to direct provincial reforestation funds towards native reforestation and also lack of information on the tradeoffs in biological values of short rotation monoculture of commercial species like Acacia mangium versus short rotation monoculture of native species promoted under the project.

In addition, Community Forestry Management (CFM), which was to be one of the principal instruments for achievement of component objectives, faced obstacles due to number of regulatory barriers that greatly inhibit the ability to profit from forest tenure rights. The TE refers to the studies by Rights and Resource Initiative (RRI) and The Centre for People and Forests (RECOFTC) that found significant policy, institutional and regulatory barriers to developing community and smallholder forestry in Viet Nam, which according to the TE, couldn't be addressed within the scope of this project (TE, 12).

Component 2: Generating Income Opportunities for the Rural Poor

No GEF resources were allocated for this component.

Component 3: Innovative Environmental Opportunities

According to the TE, almost 36 communes received direct technical support and training on issues related to innovative environmental options, Payment of Environmental Services (PES), community based ecotourism and other Sustainable Forest Management (SFM)/ Sustainable Land Management (SLM) practices as per details given below.

- Trainings were conducted in 4 communes to strengthen community involvement and develop their own voluntary guidelines and policies to regulating PES schemes. GEF funds were also utilized for testing Payment of Ecosystem Services (PES)- two types of pilots (direct and indirect) were tested in 5 villages in 4 communes (target of 3 pilot sites in three districts). TE notes that despite PES being piloted in only half the number of communes as compared to the project's target, it left valuable lessons for the Province and its relevant agencies (DARD, DoNRE) for future work in this direction. Funds collected as payments at the community level were used for various forest management/conservation and community development related activities such as reforestation, forest patrols, agroforestry and sanitation/solid waste management.

- Eco tourism was promoted through the development and implementation of a Pro-poor Ecotourism Strategy and a plan for Ba Be National Park as per the expected output in the project document. Capacity building for pro poor involvement in ecotourism and trainings were organized in 3 communes (target of 3 communes) for development of eco-tourism activities. The TE notes significant increase in park visitation and employment generation as a result of project activities (TE, 29).

- Out of 1500 Common Interest Groups (CIGs) formed under the project, almost 173 CIGs in 26 communes (target of 15 communes) were trained and engaged in improved fodder/animal husbandry system as sustainable livelihood options for sloping lands management (TE, 44). According to the TE, activities associated with the introduction of the improved fodder/animal husbandry systems were most successful. The systems introduced were relatively new to Vietnam but involved international experts who brought knowledge and expertise and importing high quality seeds through the funds from the project greatly helped in the success of this intervention. As a result of these interventions, the project developed a well-established framework for the replication, expansion and up scaling of the improved fodder/animal husbandry systems. In terms of bio-energy, the project focused on improved stoves (910 stoves) that utilize 40-60% less fuelwood and biogas units (63 units) that were adopted by only better

off households with a 50% subsidy from the project. Project design also proposed work on the development of Non Timber Forest Produce (NTFP) options, which were very relevant and useful, but were not taken up.

- According to the TE, a number of other SLM options (such as, promotion of shifting from maize to fodder crops; use of minimum tillage methods and compost) were also initiated (amongst 2,000 HHs in 36 communes) under the project but these were still in the 'farmer validation and adaption' stage at project closing. But, as the TE notes, critical mass of experience, knowledge, trained individuals and promotional/education material developed during the project would serve as a valuable asset for promotion of these SLM options in the second phase of 3PAD project (TE, 29). Capacity for Sustainable Land Management/Sustainable Forest Management (SLM)/(SFM) practices was also enhanced through community based and school capacity building programs in 60 elementary and secondary schools in 3 Districts (TE, 44).

Component 4: Project Management

Additional resources from GEF were included in Component 4 (Project Management) primarily to support regular monitoring of the project in terms of meeting environmental targets and securing global environmental benefits. This component also supported training of Project staff on environmental management that helped them in supporting project activities. These trainings were crucial as project staff lacked previous experience on some of the interventions/approaches that were newly introduced through the project. Trainings were also conduced on environmental monitoring and protection measures at the commune level. But the participatory M&E system of environmental monitoring was not implemented. The TE notes that although a large number of environmental studies were conducted during the project, but these were primarily '*one-off, static analysis that cannot be substituted for an M&E system'* (TE, 34). The TE opines that the project management also lacked interest in monitoring global environmental benefits due to the scale at which various activities were undertaken and it would have been premature to assess impact within in the three years of project duration.

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

The TE didn't provide a rating but based on the evidence in the TE, this TER assigns a rating to efficiency of the project as 'moderately satisfactory'.

During design, the GEF project was fully integrated into the 3PAD project, thus the cost of Project Implementation was to be fully met by co –financing, with GEF resources assigned under project management for strategic guidance and monitoring activities rather than management and administration. But, according to the TE, project implementation had a continuous struggle due to the weak institutional capacities at all levels among all the project actors. The project overestimated the available capacity and the line agency responsiveness as a result of which Project management Unit (PMU) had to take up an active role in project implementation. The line agencies were unable to implement the project components and activities on their own despite it being their responsibility. Frequent staff turnover at District and Commune levels throughout the project duration was another contributing factor to the PMU's expanded role and increased cost. As a result, project management

costs increased by 64% overall for the project, while the GEF portion of those costs rose more than 90% from the original proposal.

But, overall, the project was able to implement within its original three-year time frame (though the closing date was extended due to late start up) and largely deliver on its objectives despite unfavorable conditions created by the low institutional capacity environment. The project engaged some international experts and consultants to seek their guidance on some of the activities, and was able to partner well with IFAD, ICRAF, other NGOs and donor agencies in the region to support its activities in the field in a cost effective manner (TE, 33). TE opines that project management partnered well with IFAD and did a credible job of utilizing its limited discretion of making minor adjustments as needed, in Vietnam's otherwise centralized political authority and decision-making structures.

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

The TE assessed sustainability aspect of the project to be 'satisfactory'. This rating is assigned on the basis of assessment of sustainability of major outcomes achieved under the project. But the TE didn't particularly assess sustainability along the four dimensions required under this TER. This TER has drawn information/evidence from various relevant sections of the TE, to assign the overall rating to sustainability as 'moderately likely', as described in the section below:

Financial resources: Moderately likely

The TE didn't assess and assign a rating to this aspect. But this TER, based on the evidence in the TE, assesses the possibility of available financial resources for sustaining significant outcomes achieved under project as 'moderately likely'. This is in part also due to the umbrella project (3PAD) having presence in the area for two more years to further consolidate outcomes achieved through the project. In addition, most of the significant outcomes generated through the project are likely to be financially sustainable due to the self-initiative and interest of communities, who perceive tangible benefits out of such outcomes, as detailed below:

- Ecotourism at Bab Be Lake - is well launched and run by, what the TE describes as, dynamic private sector and community entrepreneurs. TE notes that the 'growth in the recent years and evidence of continued private investment in tourism infrastructure by community members demonstrate financial viability and a level of profitability sufficient to incentivize further investments' (TE, 36).
- Voluntary PES model – is well established due to identification of economic incentives that form the basis of mutually beneficial relationship between the upstream and downstream communities. TE notes that recent growth of tourism at Bab Be Lake is likely to reinforce the willingness to pay on the part of the downstream tourism providers and increase the availability of funds to broaden participation among upstream communities in the project area.
- Improved fodder/animal husbandry model for SLM in the uplands – though still early in the process, but the level of interest, uptake and commitment by producer households raising livestock is significant. Costs of entry into the system are low and tangible, with direct benefits beginning to accrue within in one growing season. The benefits from this system provide an

incentive to the community to reduce annually cropped sloping in favor of more stable and sustainable use.

As mentioned in the Project Document, Forestry development in Viet Nam relies mainly on state budget without mobilizing funds from non-state actors, especially private sector. The project was expected to encourage private sector investments in forestry sector. While the project was able to mobilize support from community through various initiatives described above, private sector investments were still missing due to factors, which according to the TE, were beyond the scope of the project to address.

Sociopolitical – Likely

The TE didn't assign a rating to the social or political risk that can affect the sustainability of the project outcomes. Based on the information in the TE narrative, this TER assesses sociopolitical sustainability of outcomes as likely. Project supported local dialogue and used participatory methodologies, involving the local stakeholders that resulted in less conflicting situations with high level of ownership amongst the target group as compared to traditional top down approach. For instance, methodology adopted under the project led to redistribution of forests land – a potentially conflictive scenario, with minimal conflicts. Similarly, discussions at the commune and village forest management meetings led to the identification of forest lands with high biodiversity value and preparation of plans for protection of areas falling under communities' jurisdiction. These plans had high level of acceptance from the community as were approved by each of the participating communes' Commune People's Committees (CPCs) (TE, 25). The TE confirms that, training of the project staff on participatory processes, also changed their attitude and facilitated the process of community dialogue and participatory planning, reducing the chances of socio political risks to the sustainability of project outcomes.

Institutional Framework - Moderately Likely

The TE didn't assess a rating for this aspect. Based on the evidence in the TE, this TER assigns rating to institutional framework as 'moderately likely'.

TE notes presence of a robust support system, in terms of capacity of relevant agencies (DARD, DoNRE) and other local stakeholders involved as well as their learning experience acquired through the project, that greatly enhances the chances to sustain and expand the improved fodder system applications, Payment of Environmental Services (PES), ecotourism in future. Project enhanced capacity of the project staff and community members at the District and Commune-levels in successfully adapting to the participatory processes and new technologies promoted under the project. But the TE opines that while such training measures were foreseen and implemented through the project, project management still struggled with the weak institutional capacities at all levels. The Project Management Unit (PMU) had to take active role as an executor, creating a parallel execution structure that weaken the potential for sustaining and replicating project outcomes through responsible line agencies. TE notes that the PMU has started to work on an exit strategy in the second phase of 3PAD project.

Environmental – Likely

The TE didn't assign a rating to the likelihood of environmental risks to project outcomes. Based on the information in the PD and TE, this TER assigns it a rating of 'likely'. According to the project document (PD), actions proposed under the project were designed keeping in view the potential dangers of climate change in Vietnam. The project design had incorporated appropriate measures to minimize the risks from climate change including review of climate change scenarios for the project regions and careful

selection of sites in relation to risks from extreme events. Most of the interventions under the project were designed to respond to potential dangers posed by climate change. TE confirm that relevant action taken under the project, in terms of agriculture and SLM technologies, adequately respond to dangers of climate change at the project sites.

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?

As per the details in the TE, total co-financing realized under the project was about 15% higher than the agreed amount. The co-financing was critical for achievement of GEF objectives. The additional funds were required to meet the staff cost of Project Management Unit (PMU) that had to take more active role in project implementation than had been originally contemplated. Increase in cost was also due to difficulty of access in the project area increasing the costs of participatory processes. As per cost accounting details in the TE, increase in cost was met through additional funds from ICRAF and cash contributions from the beneficiaries. However, the TE doesn't explain the reason that beneficiaries made contributions in cash while the project had provision for in kind contribution from them.

Overall, the co-financing supported activities were well integrated in the project, with GEF investment contributing to generate global environment benefits, particularly on biodiversity and forest conservation, through the IFAD supported project interventions which otherwise focused more on livelihood issues.

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?

According to the TE, the Project completion was delayed by six months, which didn't seem to impact on project's outcomes and/or sustainability in any significant way.

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:

The project was designed in line with the national priorities to address the interlinked issues of forest/biodiversity protection and persistent poverty among ethnic minority groups who rely upon use of forestlands and its resources for their subsistence. These priorities continued to be relevant throughout the implementation of the project, as also reflected in various policies adopted by the Country since the start of the project. According to the TE, the Government of Vietnam signed additional international agreements and commitments that reinforce project's relevance into the future. For instance, in 2010, the Ministry of Agriculture and Rural Development in Vietnam took various measures to promote REDD + mechanisms at national level. Ba Be Lake, one of the project sites, was designated, as a RAMSAR site in 2011, which would further support the forest/biodiversity measures taken under the project. Vietnam also became the first South-Asian country to implement a national policy on Payment for Environmental Services (PES) that would facilitate continuation and replication of PES pilot initiatives taken under 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 Satisfactory**

The TE didn't assess a rating for M&E design at entry. Based on the review of M&E design in the project document and some evidence in the TE, this TER assigns it a rating of 'moderately satisfactory'.

Project design included M&E plan that covered aspects such as semi annual technical reviews and annual technical reviews; environmental monitoring; periodic monitoring of the progress of the project and evaluations. The logframe of the project defines the baseline situation against each component, key indicators and methods of measurement and verification. However, most the indicators included in the logframe were impact rather than progress indicators. As TE also notes, indicators selected were ambitious and difficult to achieve within the given three years of time frame of the project. Also, some of the indicators selected were not specific and could be difficult to track and measure. For instance, the proposed indicator of 'diversity and abundance of aquatic biodiversity, indicative of watercourse siltation due to soil erosion and land degradation within southern catchment of Ba Be Lake' was poorly conceived. M&E plan included types of M&E outputs to be generated during project, time frame with assigned responsibilities assigned to agencies/individuals and the budget.

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

The TE assesses the M&E implementation to be 'unsatisfactory' and this TER concurs with the rating.

According to the TE, IFAD in 2012 and 2013 rated M&E moderately unsatisfactory due to gaps such as project impact surveys lacking the appropriate tools to measure results; an activity oriented rather than results based approach; lack of annual M&E plan and sufficient financial allocations to enable the M&E section to undertake its work in an organized/planned and self-reliant manner; weak M&E capacity at district and commune levels that was insufficiently linked to province level M&E system; and an unreliable internet based MIS system that was designed without attention to the unreliable and inadequate IT infrastructure in the districts and communes.

According to the TE, the monitoring system was also not systematically implemented, was rather ad hoc and without any follow up. Although the project produced various environmental studies these were one off, static analyses that cannot be substituted for an M&E system.

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 Unsatisfactory**

The TE assesses the quality of project implementation as 'moderately unsatisfactory' and this TER concurs with the rating.

The PMU staff was appreciative of the support received from IFAD and through the IFAD supervision missions, and was particularly appreciative of IFAD's responsiveness in difficult situations when PMU required assistance to work out the possible solutions. But TE notes that project staff would have liked to have more field visits from IFAD, especially in areas where the project was introducing innovations from the perspective of local people. PMU acknowledged their lack of clarity on how to integrate bio diversity aspects into the project, which according to discussions of project staff with TE mission would have been addressed if a 'GEF person' also accompanied the IFAD supervision missions.

Review of the IFAD supervision reports by the TE mission revealed that attention to the project implementation and goals was variously weak or largely mechanical. As TE notes, these reports had more of a mechanistic review of activities and inputs with no reference to their contribution to achievements of project's desired goals and outcomes. Supervision reports missed important areas like discrepancies in the M&E system between the original plan and its actual implementation and issues related to project design e.g., underestimation of the policy and regulatory barriers to Community Forestry management (CFM) that led to discrepancies in achievement of relevant outcomes in the field. TE opines that IFAD supervision mission missed opportunities during MTR to make adjustments in some of the overly ambitious and unrealistic aspect of project design to aspects where greatest strengths and opportunities existed.

However, the limited resources available to IFAD for supervision didn't allow the level of engagement expected and desired by the project management. The resources allocated to IFAD for supervisions didn't contemplate the level of specialized and technical support required by the project. The project design also failed to take into account certain difficulties that were likely to be faced for project of this nature. For instance, issues such as project areas lacking year round road access; ethnic minorities having strong production traditions and cultural preferences; significant areas with low productivity; limited capacity of government staff particularly for introduction of Sustainable Land Use Management (SLM) approaches and appropriate technologies. These were among the factors mentioned in annual progress reports, and by the MTR team and evaluations.

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

The TE assesses quality of project execution to be ‘satisfactory’. This TER assesses quality of project execution to be 'moderately satisfactory’

The project management structure involved local authorities (DPCs and CPCs) and line agencies (DARD, DPI, DONRE) responsible for execution of the activities, with the Project management Unit (PMU) to function as a technical secretariat to primarily handle financial management, procurement, administration and monitoring and evaluation. However, given the limited capacity of the partners and their initial ability to assume expected roles, PMU had to take on the additional responsibility for providing technical support to the partners and implementation as well. According to the TE, project was implemented within its original time frame and largely delivered on its objectives despite unfavorable conditions created by the low institutional capacity environment. PMU had good capacity for adaptive management and work within the limits posed by Viet Nam’s centralized political authority and decision-making structures. As the TE notes, project management partnered well with IFAD to agree upon needed adjustments and flexibility offered by the GEF grant allowed for activities otherwise not have been possible or unlikely. The project management has also been successful in developing partnerships with various donors to support additional activities that contributed towards meeting the project’s overall objectives.

However, IFAD supervision missions and MTRs brought out certain issues in their last mission due to which management’s performance was rated as moderately satisfactory. These issues include failure of the project management to implement an institutional exit although it was stipulated in the project document, thus putting project sustainability at risk; continued weakness of project M&E system and training programs and short term consultancies needing considerable improvement in terms of relevance, content, delivery and sequencing.

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 below that this is indeed the case. 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.

Project didn’t undertake environmental monitoring. In addition, as TE also notes, given the scale and time frame of the project, it is unlikely that project would have made any significant change in the environmental status. But such impact may be visible once second phase of the umbrella project of 3PAD is over. This project corresponded to first three years of the 3PAD project of total duration of six years.

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.

Changes in the well-being of the people who benefitted from pro poor livelihoods supported under the project hasn't been documented and reported by the TE, except that establishment of women's embroidery group in Ba Be lake led to an increase in average incomes of the participating families by about VND 10million/year (approx USD 500). IFAD supervision in 2013 estimated that 917 poor and near poor households benefited from tourism related activities, with employment in tourism related activities increased by 35% from previous years (TE, 31).

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

Some of the capacity building/training initiatives taken during the project and that have the potential to bring about positive environmental changes in the future are listed below:

- Capacity building and trainings on participatory approaches to forestland use allocation were organized at all levels (Provincial, 3 Districts and 20 communes) – 390 staff/individuals trained in Participatory Forest Land Use Allocation and 50 people were trained in use of professional software for land use management. Forest management planning was completed in all 20 communes through trainings, technical assistance and guidance throughout the planning process (TE, 43).

- Awareness generation on the importance of biodiversity, biodiversity hotspots and watershed management though 'learning by doing' and facilitating Participatory forest management/biodiversity conservation planning in 15 communes and 45 villages. The process resulted in identification of 43,200 ha of forest with high biodiversity values. These forests were mapped and plans were developed for their protection and management (TE, 43).

- Almost 36 communes received direct technical support and training with knowledge and capacity on issues related to innovative environmental options, Payment of Environmental Services (PES), community based ecotourism and forestland management (TE, 44).

- More than 1500 Common Interest Groups (CIGs) were formed during the project, with almost 173 CIGs in 26 communes (target of 15 communes) trained and engaged in improved fodder/animal husbandry system as sustainable livelihood options for sloping lands management (TE, 44).

- Capacity for Sustainable Land Management/Sustainable Forest Management (SLM)/(SFM) practices was also enhanced through community based and school capacity building programs in 60 elementary and secondary schools in 3 Districts (TE, 44).

- Capacity for community involvement in PES strengthened in 4 communes through trainings on guidelines regulating PES schemes and facilitating communities to develop their own voluntary policies and guidelines (TE, 44).

b) Governance

- A Provincial Peoples Committee decision (1718/2012/QD-UBND) on the regulation, management and, control of the use of chainsaws in protected areas and national parks in the province was approved as a result of project interventions in Kim Hy Nature Reserve (TE 15).

- More than 1500 Common Interest Groups (CIGs) were formed during the project (TE, 44).

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.

None.

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.

According to the TE, recent assessment of the project by IFAD in 2013 note that the project's potential to impact policy has yet not been realized. Plans to replicate environmental innovations under component 3 and replicate the processes and procedures detailed in the participatory land allocation manual developed under the project are yet to materialize (TE, 37).

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.

- Need for realistic project designs that are grounded in local experience, capacities and the practical potential for improvement within the implementation periods.

- The project's weakness in monitoring global environmental benefits is a cautionary note on matching available resources (both time and financial) to a project's monitoring ambitions. For projects with small size and short duration, measuring aspects such as 'improved ecosystem' function may not be feasible.

- For projects of small size and duration, it is more relevant to measure intermediate targets such as improvement in systems, processes, capacities and thus enabling conditions (e.g. how protected area conservation is improved, how habitat conservation is improved) versus attempting to measure improvement to ecosystem services (e.g. number of species).

- Alternative types of PES that are initiated in response to local conflicts that stem from felt externalities and that rely on direct, negotiated arrangements between involved parties have more potential as compared to traditional, centrally driven models relying on payment schemes beyond the project's control or ability to influence.

- Projects of this nature must create spaces and conditions for people to communicate and learn from each other. Hence, it is important to target communication to local leaders with simple messages; having project staff with local language skills is critical for local people to express their concerns to the project staff.

- Objectives of changing people's behavior and traditional practices may not be realistic within the time horizons of most projects unless people have strong incentives that the project can bear (e.g., sustainable, economic incentives) and people perceive tangible benefits in the short term to maintain their interest in participation.

- Sustainability of such projects ultimately rests on buy-in from local people that requires close and continuous contact between project implementers and communities – to be ensured through presence in the community, systematic follow up, horizontal dialogue, flexibility to respond to local needs and, usefully, cross visits to provide concrete examples in practice and to develop knowledge within the community.

- Conflicts are inevitable and may be common. A project must provide for the capacity, flexibility and local knowledge to work through and resolve them.

9.2 Briefly describe the recommendations given in the terminal evaluation.

No recommendations are provided in the TE.

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 EO 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?	TE provides a complete analysis for achievement as well as non-achievement of objectives, and also assessment of relevant outcomes and impacts.	**S**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The ratings are substantiated with sufficient and convincing evidence; report is internally consistent with each section well written providing complete details.	**S**
To what extent does the report properly assess project sustainability and/or project exit strategy?	TE makes assessment of overall sustainability of major outcomes achieved under the project. But it didn't provide ratings or made assessments along four dimensional of sustainability separately as a result aspect such as socio political and environmental risks to sustainability were not covered adequately.	**MS**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Lessons learned are drawn from evidence given in the relevant sections of the report and are presented in a comprehensive manner	**S**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	TE provides adequate details of actual project cost and co financing used.	**S**
Assess the quality of the report's evaluation of project M&E systems:	The TE adequately covers aspects related to implementation of M&E system.	**S**
Overall TE Rating = 5.1		**S**

(0.3(5+5)) +(0.1*(4+5+5+5))=5.1

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