Terminal Evaluation Report

October 2015

Strengthening Community Based Forest and Watershed Management

GEF Project ID: 3443

UNDP PIMS ID: 4032

Country:	Indonesia
Region:	Asia and the Pacific
GEF Funding Cycle:	GEF-4
Focal Areas:	Multi-focal: Land Degradation (LD) and Biodiversity (BD)
Strategic Programmes:	LD-SP2, BD-SP4, BD-SP5
Implementing Agency:	United Nations Development Programme (UNDP)
Executing Agency:	Ministry of Environment and Forestry

Prepared by:

James Lenoci

Contract No. UNDP-IC/079/2015 (UNDP Indonesia)

Terminal Evaluation Opening Page:

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GEF Project ID:	3443
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Focal Area:	Multi-focal: Land Degradation (LD) and Biodiversity (BD)
Strategic Programmes:	LD-SP2, BD-SP4, BD-SP5
CEO Endorsement Date:	06 May 2009
Project Start Date:	Prodoc signature: 20 Oct 2009 First Cash Disbursement: Mar 2010
Project Closing Date:	Original: Jul 2014 Actual: Mar 2015 (operational)
Implementing Agency:	United Nations Development Programme
Implementation Modality:	National Implementation
Executing Agency:	Ministry of Environment and Forestry
Other Partners Involved:	Regional Watershed Management Agencies
Project Cost:	USD 49,450,000
GEF Project Grant:	USD 7,000,000 (excluding the USD 95,000 PPG grant)
Cofinancing, Pledged:	USD 42,450,000
	Government: USD 41,000,000
	UNDP: USD 500,000
	ICRAF: USD 750,000
	Ford Foundation: USD 200,000
TE Timeframe:	July-August 2015
Evaluator:	James Lenoci
TE Reporting Language:	English

The evaluator would like acknowledge the feedback provided by the National Project Director, Project Leader, National Project Manager, Head of Sub Directorate of Forestry and Water Resource Conservation at Bappenas, staff member of GEF Operational Focal Point Office, regional watershed management agency directors, regional facilitators, field facilitators, other members of the project management unit. Special thanks are also extended to the staff of the UNDP Country Office, the UNDP-GEF Technical Advisor, participating consultants, and the stakeholders among the local communities during the field mission. The evaluator also extends his gratitude to the national consultant, Ashadi, who translated and facilitated the questionnaire survey, provided support during the field mission, and translated some key deliverables.

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Executive Summary

Exhibit 1: Project Summary Table				
Project Title: Strengthening Community Based Forestry and Watershed Management			**at endorsement (USD million)**	**at completion (USD million)**
GEF Project ID:	3443	**GEF financing:**	7.0	6.887
UNDP Project ID:	4032	**IA own:**	0.50	0.522
Country:	Indonesia	**Government:**	41.0	83.1
Region:	Asia and the Pacific	**Other:**	0.95	0.502
Focal Areas:	Land Degradation and Biodiversity	**Total co-financing:**	42.450	84.100
Strategic Programmes:	LD-SP2, BD-SP4, BD-SP5	**Total Project Cost:**	49.450	90.987
Executing Agency:	Ministry of Environment and Forestry	**Prodoc Signature (date project began):**		20 Oct 2009
Other Partners Involved:	Regional Watershed Management Agencies	**(Operational) Closing Date:**	Proposed: Jul 2014	Actual: Mar 2015

Notes: Total expenditures based upon figures through 30 June 2015. IA (UNDP) cofinancing based upon figures through 30 Jun 2015. Government and Other cofinancing contributions based upon year-end 2014 figures.

Project Description

The "Strengthening Community Based Forest and Watershed Management" (SCBFWM) project was designed to enhance and scale-up the Government of Indonesia's programmes on community-based forest and watershed management, by addressing inequitable distribution of benefits from forest resources and lack of coordination among stakeholders and sectors, as major underlying causes of land and forest degradation. Implementation of the SCBFWM project included multi-stakeholders partnerships as well as local community-based organizations.

Under the support of the Global Environment Facility (GEF) and UNDP, the project aimed to produce global environmental benefits within the context of sustainable development and forest and watershed management through maintaining and/or restoring ecosystem services, such as water and soil retention, carbon sequestration and biodiversity conservation in the selected critical watersheds. As a result of reduced erosion and sedimentation and improved hydrological functions, the trend with respect to land degradation would be improved.

Terminal Evaluation Purpose and Methodology

This terminal evaluation was conducted to provide conclusions and recommendations about the relevance, efficiency, effectiveness, sustainability, and impact of the project. The evaluation also aimed to identify lessons from the Project for future similar undertakings, and to propose recommendations for ensuring the sustainability of the results. The evaluation was an evidence-based assessment and relied on feedback from persons who have been involved in the design, implementation, and supervision of the project, review of available documents and records, and findings made during field visits.

Summary of Findings and Conclusions

<u>Major Achievements</u>

By the end of the project, a combined total of 223,570 ha of land within six critical watersheds in Indonesia are under enhanced, participatory management.

The project was successful in facilitating CBFWM policies and regulations on both national and subnational levels, including the following:

- ✓ 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 Watershed Management;
- ✓ Village Regulations on Water conservation, Forest and Land Management approved in each of the 6 demonstration areas: 2 villages in Gopgopan, 2 villages in Tulis, 2 villages in Way Besai, 4 villages in Jangkok , 10 villages in Besiam, and 11 villages in Miu.
- ✓ 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.

Over the five year period of 2010 through 2014, the project provided varying levels of support to a total of **148 community based organisations (CBOs)** having a combined membership of more than **3,815 people**, in the demonstration areas, covering 9 districts in 6 provinces. Training and small grants with a total value of USD 1,021,228 were extended to the CBOs for activities such as agroforestry, drinking water supply, utilisation of non-timber forest products for alternative sources income, etc. As part of the grant agreements, the CBO members agreed to plant tree seedlings with the six critical watersheds in the demonstration areas. A total of 2,624,550 seedlings were planted; assuming 70-80% survival and coverage of 400 trees/ha, the planted trees are expected to result in **6,561 ha of increased forest area**.

Government cofinancing contributions, exceeding USD 80 million, were roughly double the pledged amount. The project management unit, including the regional and field facilitators, were made up of highly qualified professionals, the project manager is an experienced forestry expert with long-standing experience in watershed management, and high level officials within the Ministry of Environment and Forestry were actively involved in the project, at all levels. The project also produced numerous high quality knowledge products, and they were very proficient in using the project website to disseminate information and lessons learned.

Key Shortcomings

As the project was implemented by the Ministry of Forestry, before merging with the Ministry of Environment in 2014, and field sites were chosen in forested, upland ecosystems, the involved stakeholders were, unsurprisingly, predominantly from the forestry sector. Although this was a multi-focal area project, including both land degradation and biodiversity, the design did not sufficiently accommodate cross-sectoral stakeholder involvement. And, biodiversity was not effectively integrated into project design or implementation.

The terms deforestation and forest degradation were mistakenly used interchangeably logical results framework, meaning that the measure of change in the trend or severity of deforestation was inappropriately intended to represent reduction in forest degradation. While monitoring and evaluation on an activity level was satisfactory, results based monitoring and evaluation was not.

The demonstration areas were selected in six areas with diverse biophysical and socio-economic conditions. The regional dimension of the project was indeed reflected in the expenditures incurred; e.g., 24% (USD 1.7 million) of the GEF grant was spent on travel related costs (Atlas category 71600). Clearly, there is a concern regarding the efficiency of resource utilisation, considering that the estimated travel costs in the indicative budget presented in the project document were only 5% of the total. The modality of the project could be better justified if the realised benefits and lessons learned of implementing the demonstrations in six different regions were better documented. For example, the impact of the project might have been better if the resources were focused on one entire watershed, rather than addressing sub watersheds in 6 different regions. Resources were spread thin under the modality deployed by the project.

While sub watershed management plans sponsored by the project are scientifically sound, albeit they do not sufficiently address biodiversity conservation, but the potential replicability in other sub watersheds is questionable, due largely to the associated cost. There are several thousand sub and micro watersheds in the country; and it seems unlikely that the local authorities can finance such plans without external support.

Evaluation Ratings

Detailed ratings are tabulated below in **Exhibit 2**.

Exhibit 2: Evaluation Rating Table

Criteria	Rating	Comments
1. Monitoring and Evaluation (M&E)		
M&E Design at Entry	Moderately Satisfactory	The M&E plan was reasonably well put together, using the template for GEF-financed project, and the indicative M&E budget of USD 570,225, which is more than 8% of the total GEF grant, was substantial. There were fundamental flaws with respect to interchanging the terms deforestation and forest degradation in the logical results framework, and inadequate representation of the biodiversity dimension of the project. There was insufficient focus on the M&E plan at the inception workshop, and the project proceeded with a few unclear and unachievable indicators. Activity level monitoring was satisfactory, but results based monitoring was moderately satisfactory. No monitoring data were collected for national level indicators, and the single biodiversity indicator was largely overlooked.
M&E Plan Implementation	Moderately Satisfactory	
Overall Quality of M&E	Moderately Satisfactory	
2. Implementing Agency (IA) and Lead Implementing Partner (Executing Agency - EA) Execution		
Quality of IA (UNDP) Execution	Satisfactory	UNDP's wealth of experience on land degradation and biodiversity projects in Indonesia and globally, and their favourable standing with the Government was a strong comparative advantage. Participation by Ministry of Environment and Forestry was consistent, and high level officials were actively involved in all aspects of the project. Stakeholder participation was primarily forestry-centred, and there was inadequate participation by biodiversity enabling stakeholders. And, there was insufficient follow up by the IA and EA with respect to shortcomings in results-based monitoring.
Quality of EA (Ministry of Environment and Forestry) Execution	Satisfactory	
Overall IA-EA Execution	Satisfactory	
3. Assessment of Outcomes		
Overall Quality of Project Outcomes	Satisfactory	By the end of the project, a combined total of 223,570 ha of land within six critical watersheds in Indonesia are under enhanced, participatory management. More than 2.6 million tree seedlings planted in these areas by members of community based organisations (CBOs) are expected to lead to an estimated 6,561 ha of rehabilitated land.

Exhibit 2: Evaluation Rating Table		
Criteria	**Rating**	**Comments**
Relevance	Relevant	The Project is relevant across a number of criteria. With respect to national development priorities, the design of the project was made to complement a USD 300 million government programme on rehabilitating forest and land within critical watersheds. The project also aligned with GEF-4 strategic programmes, particularly with respect to Land Degradation Strategic Program 2 (LD-SP2), "Supporting Sustainable Forest Management in Production Landscapes", With respect to UNDP priorities in Indonesia, the project was relevant with regard to Country Programme Outcome 2.1, "Enhanced capacity of the Government of Indonesia to manage natural resources and energy", under Country Programme Document 2011-2015.
Effectiveness	Satisfactory	**Land Degradation**: The achievement towards project outcomes with respect to land degradation was satisfactory. The project was particularly effective with respect to influencing the regulatory framework associated with forest and watershed management.
	Moderately Unsatisfactory	**Biodiversity**: Although this was a multi-focal area project, biodiversity was insufficient integrated into project design, and achievement towards the single indicator formulated for biodiversity was unsatisfactory. Connectivity zones linking protected areas in the demonstration areas were not delineated, i.e., no baseline was established, and project activities did not sufficiently address the aim to restore critical habitats within these connectivity zones.
Efficiency	Moderately Satisfactory	With respect to incremental cost criteria, the project addressed some of the key barriers associated with forest and watershed management in Indonesia. Government cofinancing contributions were significant, essentially twice as much as pledged, albeit contributions have not been disaggregated for community forestry initiatives. Financial control was generally good, with financial delivery rates consistently greater than 95%. There was, however, insufficient monitoring on travel costs, which ended up totalling 24% of the total GEF funds expended. Also, in the opinion of the TE evaluator, engaging a significantly higher number of CBOs than planned reduced overall efficiency, by spreading resources too thin. The moderately unsatisfactory performance with respect to achievement of the biodiversity outcomes further diminishes project efficiency.
4. Sustainability		
Overall Likelihood of Risks to Sustainability	Moderately Likely	Government on community forestry has been significant over the past 20 years and it is set to expand, with the optimistic targets set in the current 2015-2019 medium term development plan. There are a number of functional governmental incentive programmes in place, and with the right level of facilitation, many community based organisations (CBOs) are poised to benefit from these programmes. Socio-economic circumstances, including poverty, remain a challenge. In fact, on a national scale, deforestation rates have been on an increasing trend between 2009 and 2013[1]. The project made substantive contributions to the regulatory framework associated with participatory forest and watershed management, with
Financial	Likely	
Socio-Economic	Moderately Likely	

[1] UNDP Indonesia, 2015. The 2014 Indonesia Forest Governance Index, Executive Summary. Data illustrated in the chart obtained from the Indonesian Ministry of Forestry's regular monitoring of forest cover

Exhibit 2: Evaluation Rating Table		
Criteria	**Rating**	**Comments**
Institutional Framework and Governance	Moderately Likely	regulations developed in passed both on a national and subnational level. In terms of governance, forest governance analyses[1] have concluded unacceptable conditions in Indonesia.
Environmental	Likely	The project facilitated extensive outreach to the local communities among the six provinces where the demonstration activities were carried out; enhancing environmental awareness in the process. Impacts from climate change, invasive species, agricultural and urban pollution are formidable challenges, but there are increasing focus and financing committed by the Government of Indonesia and the donor community.
5. Impact		
Environmental Status Improvement	Negligible	The 2.6 million tree seedlings planted by members of community based organisations (CBOs) within the six demonstration watersheds are expected to lead to an estimated 6,561 ha of rehabilitated land.
Environmental Stress Reduction	Minimal	The amount of land under enhanced, participatory management totals 223,570 ha.
Progress towards stress/status change	Significant: LD Negligible: BD	The substantive contribution with respect to national and subnational regulatory frameworks is considered by the evaluator a significant impact with respect to progress towards stress/status change, in terms of land degradation (LD). For biodiversity (BD), a negligible impact rating is applied.
6. Overall Project Results	**Satisfactory**	The project was successful in strengthening the enabling conditions required to facilitate participatory forest and watershed management in Indonesia. The multi-focal area project was imbalanced toward land degradation, while biodiversity was ineffectively included in project design and implementation.

Recommendations

The recommendations compiled below in **Exhibit 3** have been formulated based upon the findings of the terminal evaluation (TE).

Exhibit 3: Recommendations Table		
No.	**Recommendation**	**Responsible Entities***
Actions to follow up or reinforce initial benefits from the project		
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: a. Land area in Indonesia under community management. This is a national level indicator; b. Previously barren land planted by community groups in Indonesia during the final year of the project; and c. The number of applications for HKm permits that cover areas which straddle administrative borders in Indonesia. This is a national level indicator.	PMU
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	PMU

[1] Ibid.

Exhibit 3: Recommendations Table		
No.	**Recommendation**	**Responsible Entities***
	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 organisations, etc., should be assessed and documented in an informative knowledge product.	PMU
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.	PMU
5.	Disaggregate project cofinancing into funds that were specifically expended for community forestry. For example, the one billion trees (OBIT) programme, which is included among the list of government cofinancing initiatives, also includes industrial forest concessions (HTI).	PMU
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.	Subnational administrations, BPDAS, PMU
7.	Prepare a sustainability strategy for the watershed training programme. The strategy should include (1) identification of possible strategic institutional partners; (2) compilation of trained trainers; (3) discussion of possibilities for creating a certification programme for watershed managers; (4) recommended actions to achieve institutionalisation of the training programme; and (5) estimation of costs required to further develop and maintain such a programme.	PMU, MoEF
8.	With the aim of institutionalising 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 programmes; the facilitators could help identify viable initiatives to direct CSR funds, and earn a fee for that particular service.	PMU
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.	PMU
10.	Biodiversity conservation should be better integrated into forest and watershed	MoEF, BPDAS, Subnational

Exhibit 3: Recommendations Table		
No.	**Recommendation**	**Responsible Entities***
	management policies and programmes. Some examples include: a. Incorporate the ecological flows assessment[1] in forest watershed planning regulations, and develop technical guidelines and training materials to build capacity; b. Consider a landscape approach when implementing agroforestry initiatives in local communities; and c. Develop biodiversity friendly incentive mechanisms, e.g., an incentive that encourages organic coffee production.	Administrations
Proposals for future directions underlining main objectives		
11.	Programme 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+ programme are extensively addressed draft 2016-2020 UNDP Indonesia Country Programme Document.	MoEF, UNDP
BPDAS: Regional Watershed Management Agencies; MoEF: Ministry of Environment and Forestry; PMU: Management Unit; UNDP: United Nations Development Programme;		

[1] Ecological flows assessment is a method of determing the flow regime required to maintain specified features of an ecosystem

Abbreviations and Acronyms

Exchange Rates on 30 June 2015: Indonesian Rupiah (IDR): USD = 13,333

BD	Biodiversity
APR	Annual Project Report
AWP	Annual Work Plan
BAPPENAS	*Badan Perencanaan Pembangunan Nasional* (National Development Planning Agency)
BPDAS	*Balai Pengelolaan Daerah Aliran Sungai* (Watershed Management Regional Offices)
CSR	Corporate Social Responsibility
CBFWM	Community Based Forest and Watershed Management
CIFOR	Centre for International Forestry Research
CO	Country Office
DAS	*Daerah Aliran Sungai* Catchment Areas/Watershed
FSP	Full-Sized project Proposal
FAO	Food and Agriculture Organization
FORDA	Forest Research Development Agency
GEF	Global Environmental Facility
GEF SGP	Global Environment Facility Small Grants Programme
HKm	*Hutan Kemasyarakatan* Community Forestry
HTI	*Hutan Tanaman Industri* (Industrial Timber Estate)
IA	Implementing Agency
ICRAF	World Agroforestry Centre
KPH	*Kesatuan Pemangkuan Hutan* (Forest Management Unit)
LD	Land Deforestation
MDG	Millineum Development Goal
M&E	Monitoring and Evaluation
MoEF	Ministry of Environment and Forestry
NRP	National Reforestation Program
NPD	National Project Director
NPM	National Project Manager
NTB	*Nusa Tenggara Barat* (West Nusa Tenggara)
NTT	*Nusa Tenggara Timur* (East Nusa Tenggara)
NGO	Non-Governmental Organization
OBIT	One billion trees programme
PES	Payment for Ecosystem Services
PIR	Project Implementation Review
PSC	Project Steering Committee
PMU	Project Management Unit
REDD+	Reducing emissions from deforestation and forest degradation
RPJM	*Rencana Pengelolaan Jangka Menengah* (Medium Term National Development Plan)
SCBFWM	Strengthening Community Based Forest and Watershed Management
STAP	Scientific and Technical Advisory Panel
ToR	Terms of Reference
TRAC	Target for Resource Assignment from the Core (UNDP funds)
UNCCD	United Nations Convention on Combating Desertification
UNDP	United Nation Development Programme
UNV	United Nations Volunteers
WWF	World Wide Fund for Nature

1. INTRODUCTION

1.1. Purpose of Evaluation

Evaluations for UNDP Supported GEF financed projects have the following purposes:

- ✓ To promote accountability and transparency, and to assess and disclose the extent of project accomplishments;
- ✓ To synthesize lessons that can help to improve the selection, design and implementation of future GEF financed UNDP activities;
- ✓ To provide feedback on issues that are recurrent across the UNDP portfolio and need attention, and on improvements regarding previously identified issues;
- ✓ To contribute to the overall assessment of results in achieving GEF strategic objectives aimed at global environmental benefit;
- ✓ To gauge the extent of project convergence with other UN and UNDP priorities, including harmonization with other UN Development Assistance Framework (UNDAF) and UNDP Country Programme Action Plan (CPAP) outcomes and outputs.

1.2. Evaluation Scope and Methodology

The terminal evaluation (TE) was an evidence-based assessment and relied on feedback from persons who have been involved in the design, implementation, and supervision of the project, and also review of available documents and findings made during field visits.

The overall approach and methodology of the evaluation followed the guidelines outlined in the UNDP Guidance for Conducting Terminal Evaluations of UNDP-supported, GEF-financed Projects[1].

The evaluation was carried out by one international consultant with the assistance of a national consultant[2], and included the following activities:

- ✓ A TE mission in Indonesia was carried out from 28 June to 10 July 2015; the itinerary is compiled in **Annex 1**;
- ✓ As a data collection and analysis tool, an evaluation matrix was adapted from the preliminary set of questions included in the TOR (see **Annex 2**). Evidence gathered during the fact-finding phase of the TE was cross-checked between as many sources as practicable, in order to validate the findings'
- ✓ Key project stakeholders were interviewed for their feedback on the project; interviewed persons are listed in **Annex 3;**
- ✓ The evaluator completed a desk review of relevant sources of information, such as the project document, project progress reports, financial reports and key project deliverables. A complete list of information reviewed is compiled in **Annex 4**;
- ✓ Field visits were made to two of the six pilot areas. A summary of the field visit is presented in **Annex 5;**
- ✓ Survey questionnaires were developed for obtaining information from areas not visited during the mission. The questionnaires and the results of the survey are included in **Annex 6**;

[1] Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects, 2012, UNDP.

[2] Due to misaligned recruitment and availability constraints, the national consultant carried out a desk review and prepared a separate evaluation report during March-April 2015. The national consultant also supported the international consultant during the TE mission in June-July.

- ✓ The project logical results framework was also used as an evaluation tool, in assessing attainment of project objective and outcomes (see **Annex 7**);
- ✓ A compilation of actual financial expenditures is included in **Annex 8**, and available cofinancing information is summarized in **Annex 9**.

The GEF Tracking Tool for Biodiversity Projects was updated by the PMU with assistance of external consultants over the course of the midterm review, and the filled-in tracking tool is annexed in a separate file to this report.

The rationale for implementing the utilized evaluation methodology is described as follows. For Output 1, which involved facilitating development of community based watershed management plans and capacity building of community based organizations (CBOs) for participating in the implementation of the developed plans, the evaluation focused on reviewing the completed management plans, assessing how the priority actions in the management plans have been operationalized by subnational administrations, reviewing available information regarding the activities completed by the supported CBOs, interviewing representatives of the CBOs in the field, and surveying other CBOs that could not be visited during the TE mission.

For Output 2, the evaluation methodology included reviewing training curricula, training records, and evidence of training programmes being institutionalized by national and subnational administrations. Also, the accessibility and relevance of government incentive programmes were evaluated, to assess the sustainability of community based watershed management in the pilot areas moving forward.

With respect to Output 3, the relevant policy and legislative frameworks facilitated over the course of the project were evaluated by interviewing officials who were involved in the drafting of the policy documents and national and subnational stakeholders who are tasked with implementation. Also, through interviews and desk review, an evaluation of the coordination mechanisms for enabling community based watershed management was carried out.

1.3. Structure of the Evaluation Report

The evaluation report starts out with a description of the project, indicating the duration, main stakeholders, and the immediate and development objectives. The findings of the evaluation are broken down into the following sections in the report:

- ✓ Project Formulation
- ✓ Project Implementation
- ✓ Project Results

The discussion under **project formulation** focuses on an evaluation of how clear and practicable were the project's objectives and components, and whether project outcomes were designed according to SMART criteria (see **Exhibit 4**).

Exhibit 4: SMART Criteria	
S	**Specific**: Outcomes must use change language, describing a specific future condition
M	**Measurable**: Results, whether quantitative or qualitative, must have measurable indicators, making it possible to assess whether they were achieved or not
A	**Achievable**: Results must be within the capacity of the partners to achieve
R	**Relevant**: Results must make a contribution to selected priorities of the national development framework
T	**Time- bound**: Results are never open-ended. There should be an expected date of accomplishment

Source: Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects, 2012, UNDP

Also, the section on project formulation covers whether or not capacities of the implementation partners were sufficiently considered when designing the project, and if partnership arrangements were identified and negotiated prior to project approval. An assessment of how assumptions and risks were taken into account in the development phase is also included.

The report section on **project implementation** first looks at how the logical results framework was used as an M&E tool during the course of the project. Also, the effectiveness of partnerships and the degree of involvement of stakeholders are evaluated. Project finance is assessed, by looking at the degree of cofinancing that was materialized in comparison to what was committed, and also whether or not additional or leveraged financing was secured during the implementation phase. The cost-effectiveness of the project is evaluated by analysing how the planned activities met or exceeded the expected outcomes over the designed timeframe, and whether an appropriate level of due diligence was maintained in managing project funds.

The quality of execution by both the implementing agency and the lead implementing partner (executing agency) is also evaluated and rated in the project implementation section of the report. This evaluation considers whether there was sufficient focus on results, looks at the level of support provided, quality of risk management, and the candour and realism represented in the annual reports.

The project implementation section also contains an evaluation and rating of the project M&E system. The appropriateness of the M&E plan is assessed, as well as a review of how the plan was implemented, e.g., compliance with progress and financial reporting requirements, how were adaptive measures taken in line with M&E findings, and management response to the recommendations from the midterm review.

In GEF terms, **project results** include direct project outputs, short- to medium-term outcomes, and longer term impact, including global environmental benefits, replication efforts, and local effects. The main focus is at the outcome level, as most UNDP supported GEF financed projects are expected to achieve anticipated outcomes by project closing, and recognizing that global environmental benefit impacts are difficult to discern and measuring outputs is insufficient to capture project effectiveness.

Project outcomes are evaluated and rated according to relevance, effectiveness, and efficiency:

Relevance: The extent to which the activity is suited to local and national development priorities and organizational policies, including changes over time. Also, relevance considers the extent to which the project is in line with GEF Operational Programs or the strategic priorities under which the project was funded.

Effectiveness: The extent to which an objective has been achieved or how likely it is to be achieved.

Efficiency: The extent to which results have been delivered with the least costly resources possible; also called cost effectiveness or efficacy.

In addition to assessing outcomes, the report includes an evaluation of country ownership, mainstreaming**, sustainability** (which is also rated), catalytic role, mainstreaming, and impact.

With respect to **mainstreaming**, the evaluation assesses the extent to which the Project was successfully mainstreamed with other UNDP priorities, including poverty alleviation, improved governance, the prevention and recovery from natural disasters, and gender.

In terms of **impact**, the evaluator assessed whether the Project has demonstrated: (a) verifiable improvements in ecological status, (b) verifiable reductions in stress on ecological systems, and/or (c) demonstrated progress towards these impact achievements.

Finally, the evaluation presents **recommendations** for reinforcing and following up on initial project benefits. The report concludes with a discussion of **lessons learned** and **good practices** which should be considered for other GEF and UNDP interventions.

1.4. Ethics

The evaluation was conducted in accordance with the UNEG Ethical Guidelines for Evaluators, and the evaluator has signed the Evaluation Consultant Code of Conduct Agreement form (**Annex 10**). In particular, the evaluator ensures the anonymity and confidentiality of individuals who were interviewed and surveyed. In respect to the UN Declaration of Human Rights, results are presented in a manner that clearly respects stakeholders' dignity and self-worth.

1.5. Audit Trail

As a means to document an "audit trail" of the evaluation process, review comments to the draft report are compiled in **Annex 11**, along with responses from the evaluator. Relevant modifications to the report are incorporated into the final version of the TE report.

1.6. Limitations

The evaluation was carried out in June-July 2015; including preparatory activities, field mission, desk review, and completion of the evaluation report, according to the guidelines outlined in the Terms of Reference (**Annex 12**).

With respect to the logical results framework, there was only one objective level indicator and there were no indicators formulated at the outcome level. For terminal evaluations, the focus is typically at the outcome level[1], but as there are no outcome level indicators for this project, the evaluation was based upon indicators and associated targets at the output level.

The project was operationally closed in April 2015 and remains administratively open until the end of July. The national consultant recruited to support the terminal evaluation was appointed in March, whereas the appointment of the international consultant was made later in April. Due to availability constraints, the international consultant could only start the evaluation mission in late June. But, in order to fulfil the signed contract, the national consultant carried out a desk review and prepared a separate evaluation report by the end of April. The national consultant supported the international consultant during the TE mission in June-July, but the misaligned recruitment resulted in some limitations on how much time the national consultant could assist in desk review. As the majority of documentation was produced in Indonesian Bahasa language, there were some limitations with respect to language. The national consultant did, however, translate sections of key documents requested by the evaluator.

Some of the members of the project steering committee slated for interviews during the TE mission were unavailable. The evaluator assumes that the information obtained through the completed interviews with other members was sufficiently representative.

The evaluator visited two of the six pilot areas. Directors of each of the six regional watershed agencies, along with the six regional project facilitators employed by the project, presented results of the work in their areas during the 30 June to 01 July workshop held in Bogor. Also,

[1] As stated in the UNDP-GEF terminal evaluation guidance document: "*For UNDP supported GEF financed projects, the main focus of attention is at the outcome level, recognizing that global environmental benefit impacts are often difficult to discern and gauging outputs is straightforward but not sufficient to capture project effectiveness. Most UNDP supported GEF financed projects are expected to achieve anticipated outcomes by project closing*." Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects, 2012, UNDP

questionnaire surveys were sent out engaged community based organizations (CBOs) in each of the six pilot areas. Feedback from the CBOs was limited, but the evaluator assumes that the information provided was sufficient to draw conclusions about the overall performance of the local capacity building and site activities facilitated by the project.

1.7. Evaluation Ratings

The findings of the evaluation are compared against the targets set forth in the logical results framework, and also analysed in light of particular local circumstances. The effectiveness and efficiency of project outcomes are rated according to the 6-point GEF scale, ranging from Highly Satisfactory (no shortcomings) to Highly Unsatisfactory (severe shortcomings). Monitoring & evaluation and execution of the implementing and executing agencies were also rated according to this scale. Relevance is evaluated to be either relevant or not relevant.

Sustainability is rated according to a 4-point scale, ranging from Likely (negligible risks to the likelihood of continued benefits after the project ends) to Unlikely (severe risks that project outcomes will not be sustained). Impact was rated according to a 3-point scale, including significant, minimal, and negligible. The rating scales are compiled below in **Exhibit 5**.

Exhibit 5: Rating Scales

Ratings for Effectiveness, Efficiency, M&E, IA & EA Execution	Sustainability Ratings:	Relevance Ratings:
6. Highly Satisfactory (HS): The project had no shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency	**4: Likely (L)** Negligible risks to sustainability	**2. Relevant (R)**
5: Satisfactory (S): There were only minor shortcomings	**3. Moderately Likely (ML):** Moderate risks to sustainability	**1. Not relevant (NR)**
4. Moderately Satisfactory (MS): There were moderate shortcomings	**2. Moderately Unlikely (MU):** Significant risks to sustainability	**Impact Ratings:**
3. Moderately Unsatisfactory (MU): The project had significant shortcomings	**1. Unlikely (U):** Severe risks to sustainability	**3. Significant (S)**
2. Unsatisfactory (U): There were major shortcomings in the achievement of project objectives in terms of relevance, effectiveness, or efficiency		**2. Minimal (M)**
1. Highly Unsatisfactory (HU): The project had severe shortcomings		**1. Negligible (N)**
Additional ratings where relevant: **Not Applicable (N/A)** **Unable to Assess (U/A)**		

Source: Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects, 2012, UNDP

2. PROJECT DESCRIPTION

2.1. Project Start and Duration

Key project dates are listed below:

PIF Approval:	04 October 2007
PPG Approval:	17 December 2007
GEF CEO Endorsement:	06 May 2009
GEF Agency (UNDP) approval:	20 October 2009
Government approval (Ministry of Forestry):	20 October 2009
Project inception workshop:	25-26 August 2009
Project registration (Ministry of Finance):	February 2010
First cash disbursement:	March 2010
Project start:	March 2010
Midterm review:	June-July 2012
Project completion (original)	March 2015
Project completion (actual)	July 2015
Terminal evaluation	June-July 2015

The project identification form (PIF) was approved in October 2007, but, in fact, according to interviewed governmental stakeholders, the project was first conceptualized in 2003, following the 2002 World Summit on Sustainable Development, when governments called on the GEF to become a financial mechanism of the UNCCD. Later in 2002, the GEF adopted a decision to designate land degradation as its fifth focal area.

The project concept went through a few iterations and budget adjustments, and later a decision was made to design the project under a multiple focal area arrangement, including biodiversity in addition to land degradation. The decision to include biodiversity was partly because of limited funding available under the land degradation focal area at that time.

The GEF PPG grant was approved in December 2007, and roughly 18 months later, in May 2009, the developed project document was endorsed by the GEF CEO. The originally planned completion date for the 5-year full size project was August 2014, assuming a start date of July 2009. The project inception work inception workshop was held on 25-26 August 2009. The project manager was not appointed at that time, but he did participate in the workshop as a staff member of the Ministry of Forestry. The Government (Ministry of Forestry) UNDP approved the project document a few months after the inception workshop, in October 2009. The project was registered with the Ministry of Finance and the project account was opened in February 2010. The first cash disbursement was made the following month, March 2010, and this is considered the start date of the project. The Project Board agreed to an 8-month extension of the project end-date, to March 2015, from the original date of July 2014 indicated in the project document.

The midterm review was completed in June-July 2012, which roughly coincides with the midterm of the project implementation timeframe. The terminal evaluation was completed in June-July 2015, finalising the report in August.

2.2. Problems that the Project Sought to Address

Land and forest degradation have been concerns in Indonesia for decades. Clearing of forest lands, especially for industrial crops, combined with periodic droughts has resulted in extensive reduction of soil and water retention capacities and widespread impacts to biodiversity, through habitat loss and disruption. In 1990, the Government of Indonesia designed "protected forests", in an attempt to reverse the trend of uncontrolled deforestation that was leading to widespread erosion. Forced eviction of farmers from forest lands in the early 1990s was met with contentious interactions with forest-dependent communities.

The Government realised that a more collaborative approach was needed with these communities, and starting in 1995, community forestry as a policy was initiated, with the objective of engaging communities in state forests that had not been allocated concessions or did not have utilisation permits. The Government formulated a community forestry programme called *Hutan Kemasyarakatan* (HKm), which was implemented on a pilot scale from 1995 to 2007 in three provinces (Lampung, West Nusa Tenggara, and Yogyakarta). After the success of the pilot implementation, Ministry of Forestry later designated community forestry working areas for each district in December 2007. This policy was further strengthened by SK Bupati (District Head's Decree) on business permit for community based forestry to local forest community groups in each district.

There have been a number of community based forest and watershed management projects implemented in the country, with varying levels of success, but at the time of preparation of this project, there remained a number of barriers restricting the overall effectiveness:

Institutional inertia

Support to the development of CBFWM represents a change from the "business as usual" scenario, and therefore requires action on the part of relevant government agencies. Implementing CBFWM in some cases requires modifications to local regulations, or adjustments to land use plans. However, the relevant subnational administrations often have no incentive to initiate such changes. Furthermore, replication and scaling up of successful CBFWM requires concerted efforts on the part of local government agencies to assist communities. Again, no incentive exists for such action.

Local institutions fail to counteract short term financial interests

As many of the communities living in forested or partially forested watersheds are relatively poor, there are strong pressures, often triggered by external individuals, to undertake activities that generate quick financial returns that compromise longer term economic benefits from sustainably managed natural resources.

Incomplete administrative coordination

Administrative boundaries rarely coincide with watershed boundaries, and neighbouring administrations (provinces and districts) often have different land use plans or priorities. Therefore, improved forest management may be possible only in a part of a watershed, which limits the environmental benefits that can be generated. This is complicated by conflicting land use planning among different levels of government.

In many cases, land use classification by the national government does not correspond with the classification used by local governments, leading to uncertainty over the appropriate land use, which can be exploited by those wishing to manage the land inappropriately.

Limited legal and policy support to CBFWM

National laws and local regulations are not always consistent in terms of where CBFWM is feasible, or what form it takes. For example, the Forestry Law UU 41/1999 prohibits commercial activities in "*cagar alam*" (nature reserves). But a number of districts, for example Wonosobo in Central Java and W. Lampung in Lampung province, have passed *Perda* (Regional Regulations) that supported CBFWM in state forests.

2.3. Immediate and Development Objectives of the Project

The project was designed to enhance and scale up the Government's programs on participatory forest and watershed management, by addressing uneven distribution of benefits from forest resources and lack of coordination among stakeholders and sectors, as major underlying causes of land and forest degradation. With respect to the Government of Indonesia's ultimate goal to eliminate land and forest degradation in the country, the project was designed to address deforestation on up to 500,000 of forest land, and to strengthen enabling conditions to ensure replication and scaling up after project closure.

Realisation of the project objective would produce local and global environmental benefits within the context of sustainable development as well as forest and watershed management, through maintaining and/or restoring ecosystem services, such as water and soil retention, carbon sequestration, and biodiversity in the selected critical watersheds.

2.4. Baseline Indicators Established

Under the "business-as-usual" baseline scenario, efforts to rehabilitate degraded forests through programmes such as the National Movement on Forest and Land Rehabilitation (known as the "*Gerhan*" Programme) had been implemented without synergizing to watershed management or forestry biodiversity conservation initiatives.

Government policies on participatory forest management have been in place since 1995, but due to "top-down" centrally designed and government run programmes have had limited success in mobilising communities to participate in meaningful forest protection and restoration. Ineffective coordination between national and subnational governmental administrations has compounded the efforts to fulfil the community and social forestry policy objectives.

The baseline scenario predicated a continued loss of critical ecosystem services such as soil retention, water supply and biodiversity provision, at both the overall national level as well as in each of the six targeted watershed.

2.5. Main Stakeholders

A stakeholder analysis was carried out during the project preparation phase, and the list below from the project document indicates the key stakeholders and their envisaged roles and responsibilities on the project.

Stakeholder group	Roles and responsibilities in the project
Government agencies	
Ministry of Forestry (incl. BPKH, *BPDAS, BKSDA and National Park*), District office of forestry	• Project implementation agency: authorized for field operation based on their technical capacity • Project implementation unit at all project sites, including authority for watershed management
Ministry of Agriculture, District office of agriculture, District	• Synergizing program and budget to SCBFWM at several

office of plantation and forestry, District office of animal husbandary	project sites • Particular focus on agriculture and agroforestry program development, such replantations, land and water conservation
Ministry of Public Works included National Movement of Water Saving Partnership program or *Gerakan Nasional Kemitraan Penyelamatan Air* /GNKPA program	• Synergizing program and budget to SCBFWM at project sites • Particular focus on development of structural measures for water conservation, flood/sediment control and utilization
Ministry of Marine and Fishery	• Support to synergize program in dowstream areas and agrosilvofishery activities
Central office of trade	• Support toward marketing of agriculture and forest products (timber from community forest/non state forests) • Updates market price level to the farmer
Central Office of Tourism	• Support toward project implementation in sites that have potentials for developing a riverine ecoturism
Local Goverments	• Synergize program and budget to SCBFWM at grass root levels to trickle up to province project sites level
Ministry of Environmental, *Bappedalda*	• Synergize program and budget to SCBFWM at project sites related to environmental issues
Bappenas, Bappeda	• Coordinate budget and programs from government offices (central, province and district levels)
Private Sector	
PT TPL (Toba Pulp Lestari), PT Inalum	• Provide support to reforestation activities in areas surrounding the potential project sites in North Sumatra Province
Indonesia Power, PLTA Company or Electric Plan use of Water Resource	• Provide support to activities on water resources preservation • Maintain availability of adequate quantity or volume of water in a number of sites
Perum Perhutani, PT Perkebunan	• Provide support toward community-capacity building and community empowerment processes in potential project sites in Central and East Java provinces
Pertamina (state mining company), PT Sampurna	• Provide support to community-capacity building and community empowerment eforts through corporate social responsibility (CSR) activities
HPHTI or *Hak Pengusahaan Hutan Industri* or Concession Holders of Plantation Forestry for Industry	• Provide support to community-capacity building and community empowerment processes in project sites
Local Drinking Water Companies (*Perusahaan Daerah Air Minum*/PDAM)	• Provide potential support toward project implementation, in line with the development of PES or RES scheme at downstream areas at potential project sites o PES :Payment for Environmental Services or *Pembayaran untuk Jasa Lingkungan*) o RES: Rewards for Environmental Services (*Imbal Jasa Lingkungan*)
Scientific Communities	
World of Agroforestry (ICRAF)	• Support toward project monitoring, using ICRAF tools, e.g. TUL-SEA/Trees To multi-Use Landscape- South East Asia such as Rapid Hydrology Asessment (RHA), Rapid Tenure Appraisal (RATA), Rapid Biodiversity Appraisal (RABA), etc at all sites and particularly for RUPES or Rewarding to Upland People for Environment Services is potencial project to support SCBFWM project implementation in West Lampung
National Universities	• Expertise and experience of staffs (lecturers and researchers) of each university to support: o project development and implementation o updates of scientific data and information

UNDP	
Environment Unit; UN Joint Programme in NTT, UN REDD and Climate Change, CSO Project, Access to Justice project, and Community Based Monitoring Project	GEF implementing agency, senior supplier; Strengthen coordination and lessons learned for identification of best practices for up-scaling of SCBFWM project
NGOs	
Konsepsi (Funding: The Ford Foundation), few local NGOs	• Support to project implementation in NTB
TNC (The Nature Conservancy)	• Support to project implementation in Central Sulawesi
WWF-Indonesia	• Support to project implementation in Lampung, West Kalimanantan, Central Kalimantan, NTB and NTT
Local NGOs	• Support to project implementation in Lampung
Others	
USAID Environmental Services Program	• Policy support on conservation, watershed management and ecosystem rehabilitation in a number of locations, including North Sumatra and Java.
BKPEKDT (*Badan Koordinasi Pelestarian dan Ekosistem Kawasan Danau Toba*/Lake Toba Area Ecosystem and Conservation Coordination Agency)	• Presence/Operational in 9 districts/cities in DAS Asahan • Since 6 June 2004, collaborates with the Asahan Authority on the lake water quality and quantity improvement and also the clarity of community access to BKPEKDT
Forum DAS (FORDAS)	• Support to project planing and implementation

The direct beneficiaries of the community based forest and watershed management promoted by the project are the local communities in the demonstration areas, represented by community based organisations, customary communities, farmer groups, and women groups.

2.6. Expected Results

The incremental costs of the GEF-funded project were anticipated to complement ongoing Government programmes by realizing the following expected results:

- ✓ Development of a replicable model of participatory watershed and forestry management that is initiated and articulated by local communities;
- ✓ Strengthened inter-sectoral and inter-agency coordination for more effective implementation of participatory watershed and forestry management; and
- ✓ Improved enabling environment, including incentive programs, extension advisory services, etc., for supporting participatory watershed and forestry management.

The results were envisaged to be underpinned by an accessible knowledge management system, which would consolidate best practices and lessons learned, provide opportunities for continued capacity development, and be maintained through sustainable partnerships with governmental and non-governmental organisations, including the UNDP, World Agroforestry Centre (ICRAF), the Centre for International Forestry Research (CIFOR), among others. Replication of the participatory watershed and forestry management demonstrated on the project would be facilitated by this knowledge management system and an overall strengthened enabling environment.

2.7. Budget and Finance Breakdown

The total cost for project endorsed by the GEF CEO was USD 49,545,000, which includes GEF grant of USD 95,000 for the PPG phase and USD 7,000,000 for the implementation, and a total of USD 42,450,000 in cofinancing to support implementation. The breakdown of the budget and finance for the project implementation is outlined below in **Exhibit 6**.

Exhibit 6: Breakdown of Project Budget and Financing			
Component	**GEF Grant** ***Prodoc Budget % of Total***	**Committed Co-Financing**	
		Source	**Value**
Output 1: Six critical watersheds with diverse ecological and socio-economic conditions demonstrate improved management using CBFWM	USD 4,115,818 59%	Government, In-Kind UNDP, TRAC ICRAF Ford Foundation	USD 35,950,000 USD 100,000 USD 750,000 USD 200,000
Output 2: Governmental agencies provide support to the development of CBFWM initiatives	USD 1,187,810 17%	Government, In-Kind	USD 2,000,000
Output 3: Coordination among and between different levels of government generates consistent policies and programmes that support CBFWM/PHBM (joint forest Management)	USD 996,939 14%	Government, In-Kind UNDP, TRAC	USD 1,850,000 USD 400,000
Project Management	USD 699,433 10%	Government, In-Kind*	USD 1,200,000
Total:	**USD 7,000,000**	**Government, In-Kind** **UNDP, TRAC** **ICRAF** **Ford Foundation**	**USD 41,000,000** **USD 500,000** **USD 750,000** **USD 200,000**

Source: Project Document

*Government cofinancing for project management was not specifically broken down in the project document; the evaluator deducted the indicative cofinancing from the other components from the total government cofinancing of USD 41 million indicated in the project document.

3. FINDINGS

3.1. Project Design / Formulation

3.1.1. Analysis of Logical Results Framework

The first impressions upon review of the logical results framework were that the project objective and outcome are not clearly elaborated.

The single objective-level indicator, "*Overall decrease in trend and/or severity of deforestation in six critical watersheds in Indonesia*", does not match the wording of the project objective: "*to support effort in reducing forest and land degradation in order to restore watershed functions and ecosystem services*". The terms deforestation and forest degradation are interchanged, whereas in fact, there are clear distinctions between the two. **Deforestation** involves a decrease in the area covered by forest, and **forest degradation** does not involve reduction in forest area, but rather a thinning of the canopy and decrease in the quality of one or more of the forest ecosystem components, such as vegetation layer, soil, fauna, etc.[1] This means that the measure of change in the trend or severity of deforestation is inappropriately intended to represent reduction in forest degradation.

The objective level indicator also does not reflect the incremental added value of the GEF funding. For example, there is no indication that the support is through community based management, and it is unclear which watershed functions and ecosystem services are targeted. Similarly, the stated outcome ("*forest and land degradation reduced and watershed functions and ecosystem*

[1] Reference: FAO Global Forest Resources Assessment, 2000.

services restored") is lacking specifics, and there were no performance indicators or targets developed to enable measurement against the intended reduction in forest and land degradation and restoration of watershed functions and ecosystem services.

There were eight, end-of-project "key impact indicators" outlined in the project monitoring and evaluation plan:

Key Impact Indicator No. 1: Area of land under community-based management

Key Impact Indicator No. 2: Previously barren land planted by community groups in Indonesia during the final year of the project

Key Impact Indicator No. 3: Proportion of land in the six demonstration sites that is rehabilitated and appropriately managed

Key Impact Indicator No. 4: Proportion of (a) women and (b) the landless involved in community groups across the 6 demonstration sites

Key Impact Indicator No. 5: Average monthly household income generated from community-managed areas

Key Impact Indicator No. 6: The amount of funding provided to support community-based management of natural resources in the 6 provinces in which the demonstration sites are located

Key Impact Indicator No. 7: The number of applications for HKM permits that cover areas which straddle administrative borders in Indonesia

Key Impact Indicator No. 8: A set of improved legal and policy instruments drafted and communicated among law and policy makers at provincial and district levels

Many of these key impact indicators are shared among the output level indicators established for the following three project outputs, except for biodiversity, which is not represented among the key impact indicators (there is one biodiversity output level indicator, associated with improving connectivity between protected areas):

Output 1: Six critical watersheds with diverse ecological and socio-economic conditions demonstrate improved management using CBFWM

Output 2: Governmental agencies provide support to formulate to the development of CBFWM initiatives

Output 3: Coordination among and between different levels of government generates consistent policies and programmes that support CBFWM actions

The project was designed as a demonstration of community based natural resource management. This is evidenced by the fact that 59%, which is more than USD 4 million of the USD 7 million GEF project grant was allocated for Output 1. The first indicator under Output 1 is associated with a reduction in the rate of encroachment in forest lands in the demonstration areas. Measurability of this indicator is a concern, as data were not available.

One of the aims under Output 1 was to strengthen the capacity of community based organisations (CBOs), in order to better support forest and watershed management. This is not sufficiently reflected in the output level performance indicators. Increase in household income generated by community managed areas was one of the indicators under Output 1. It would have been more practicable to integrate some type of sustainability structure into this indicator. For example, independent proposal writing and other fund-raising capacity might have been better indicators. And, the administrative proficiency, including financial management skills, is as important as

technical knowledge. And, it would have been advisable to link the implementation of the watershed management plans with participation of the CBOs.

Output 1 also has an indicator associated with biodiversity conservation, specifically "*reforestation of critical habitats leads to improved connectivity between PAs in key watersheds*". There was no baseline delineation of connectivity zones linking protected areas. And, this indicator was not sufficiently represented at the activity level, and the selection of the particular districts and sub-districts to focus on did not seem to address how this indicator could be achieved. For example, only one of the six demonstration areas is located near a protected area.

Another shortcoming with respect to the performance indicators under Output 1 is that they do not include any reference to watershed functions or ecological services. Soil and water conservation within the upstream reaches of the six demonstration watersheds were primarily addressed. The government incentives and the main community based watershed management activity was tree planting. This should have been reflected in the results framework.

For Output 2, there was only one output-level indicator established, which calls for an increase in the amount of funding provided through government programmes to support community-based management of natural resources in the 6 provinces where the demonstration sites are located. Activities under this output included development of CBFWM training programme, which is not reflected in the output level performance indicator, only at the activity level. And, there is no representation of the effectiveness of the government-financed incentive mechanisms which were also included among the activities of this output. The incentives were largely in place before the project, so it would have been more sensible to assess the effectiveness in terms of community driven natural resource management.

As a measure of improved coordination among governmental stakeholders, the first output level indicator under Output 3 calls for number of applications for HKM permits that cover areas which straddle administrative borders in Indonesia has increased by 30% compared with the number at the beginning of the project. This was meant to be a national level indicator, but monitoring and reporting documented in project progress reports are focused on the areas where the demonstration sites were implemented.

3.1.2. Assumptions and Risks

Assumptions made in the project design are included in the logical results framework, and were exclusively associated with external factors; e.g., government commitment to support CBOs remains strong (Activity 1.8), political stability and law and order are maintained (Activity 3.3).

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One of the assumptions included in the logical results framework, under Output Nos. 2 and 3 stated the following: "continuous political support for decentralisation". In fact, passing of Law 23/2014 on Regional Governance in 2014 is an indication that the Government is trying to scale back decentralisation, and the law represents a significant risk regarding the level of autonomy and discretionary spending by subnational administrations, possibly impacting the implementation of the activities planned under the watershed management plans developed during the project. This issue was not addressed in the risk management section of the 2014 annual report.

A risk analysis was included as an annex to the project document, and a discussion of relevant risks was included in the annual progress reports.

The two highest rated risks, both assigned a medium-high rating, were the following: (1)Changing of policy under the new government that potentially effect to the activities being outlined under the projects, and (2) Slow progress at one or more sites hampers overall project performance.

These two risks were not included in the risk management sections of the annual progress reports.

Upon review of the annual reports, the narrative discussions of several of the risks were essentially the same from year to year. For example, the following risk description was included in annual reports for years 2013 and 2014:

> *"Climate condition has reduced production of almost all agricultural products in several project areas. In rainy season, natural disaster of flash floods, landslides, road and river bank sliding such as in Lampung, Central Java and Central Sulawesi (landslide in Banjarnegara 2014, flash flood occurred in October 2013 on Salua Village Central Sulawesi). These natural disaster caused road and bridge damage in some part project areas, destroyed houses, kill human beings, flash away agricultural crops and tree seedlings planted by CBO. The project could provide guidance, facilitation, meeting and discussion how to mitigate impact of climate change and other hazard."*

The mitigation strategy is open ended, indicating that the project could provide guidance, etc. Similarly, there was a risk identified in the Jangkok watershed, regarding the conflict of forest status in Sesaot. The description of this risk remained unchanged from 2010 through 2014, and there is no information in the annual reports indicating whether there has been a mitigation attempted by the Ministry of Forestry or other stakeholders.

In summary, risk management does not seem to have been an active part of project management. Mitigation plans were general, no ownership was assigned for the identified risks, and limited follow up was reported.

3.1.3. Lessons from other Relevant Projects

Land degradation and forest management have high-level attention in Indonesia for many years, and there have been considerable resources, both from the central government and international donors spent on these topics. Lessons from the extensive number of interventions carried out in Indonesia were insufficiently assessed as part of the project document development. The project document includes only broad reference to lessons from other relevant projects, e.g.:

> *The level of government recognition, involvement and commitment is important in determining the likely success of CBFWM. Lessons from previous attempts to promote CBFWM have indicated that, whatever the level of involvement envisaged for government partners, successful implementation of the locally-developed participatory management plan arising from Output 1.3 depends on recognition or endorsement (as appropriate) by local government.*[1]

The World Bank, for example, has funded a number of watershed management projects in Indonesia. One of the larger ones, running from 1994-2000 was the National Watershed Management and Conservation project. (Project ID: 003985). The performance of this World Bank project was rated unsatisfactory, and there were lessons learned documented in the completion report[2] that are relevant for the subject project. For example, there was insufficient stakeholder involvement in planning project activities, such as conservation. Also, the replicability of management plans developed was questioned due to their complexity. And, due to weak

[1] Source: project document, p. 51, under Activity 1.4 description.

[2] World Bank, June 2000. Project completion report, National Watershed Management and Conservation Project (Indonesia), Project ID P003985

monitoring and evaluation, particularly regarding socio-economic aspects, project interventions could not be adequately assessed.

There have been other documented lessons learned, for example, in a 2007 report by Suhardi et al.[1], of community based forest management interventions in different regions of Indonesia. For example, it would have been advisable to integrate lessons learned regarding regional suitability of species with respect to soil type, pest control, etc.

In summary, there was limited evidence available indicating that lessons from other relevant projects were considered in the design of the project.

3.1.4. Planned Stakeholder Participation

The project had an ambitious stakeholder involvement plan, including national and subnational governmental agencies, non-governmental organizations, private sector operators, and academia. Such broad stakeholder participation is expected for a multi focal area project involving land degradation and biodiversity conservation.

The Ministry of Forestry was the lead implementing partner, and staff from the Directorate General of Watershed Management and Social Forestry (PEPDAS) coordinated the work from the central level, and the regional Watershed Management Agency (BPDAS) offices were the key implementing partners for supporting the field level activities. Other ministries, including Ministry of Environment (before merging with Ministry of Forestry in 2014), Ministry of Agriculture, and Ministry of Public Works, also participated as members of the Project Board. Subnational administrations (SDPK) were extensively involved in the demonstration activities in the six critical watersheds. Local and international NGOs supported some of community based organisations (CBOs), both indirectly, under cofinancing arrangements, and directly as part of project activities. With respect to sustainability of project results, the role of NGOs in facilitating implementation of the community based watershed management plans is uncertain. Much of the focus is on extension services, which tend to be under staffed due to funding constraints, and less attention given to utilising NGOs to assist in mobilising the relevant communities.

Stakeholder participation was not as inclusive as envisaged, however. For example, biodiversity enabling stakeholders, such as national park management authorities, had limited involvement. In Palu, where the Lore Lindu National Park is located near the demonstration communities, there was some participation with national park management authority, with respect to community based support to park management, including patrolling. But, there could have been more synergies. For example, with respect to planning of project activities, there was limited evidence that protected area managers were consulted in designing the reforestation activities in order to improve connectivity between protected areas. In fact, the process of selecting the project sites also did not seem to reach out to conservation stakeholders. And, incentives for biodiversity friendly activities, e.g., pesticide free agriculture, could have been considered as a way to mainstream biodiversity into the land rehabilitation policy frameworks.

According to the project document, the Forestry Research and Development Agency (FORDA) was supposed to take the biodiversity and ecology consideration of integrated watershed management in a landscape context - but there was no evidence that FORDA fulfilled this function.

[1] Suhardi, Eny Faridah, and Handojo HN, 2007. Rehabilitation of Degraded Forests in Indonesia

With respect to assessing the trends with respect to forest deforestation in the 6 demonstration areas, the project team evaluated publicly available satellite imagery and made professional judgements with respect to changes realised. There was limited evidence of involving stakeholders from the provincial and/or district forestry services offices responsible for monitoring forest cover. Comparing provincial level trends to changes on the site level would have added value to the project monitoring & evaluation efforts.

The establishment and strengthening of watershed management forums was a good way to encourage cross-sectoral stakeholder involvement. For example, representatives from the District Agricultural Services authority participated on the forums in the two areas visited during the TE mission. But the involvement was mostly limited and there less direct involvement in the implementation of the project. One reason for this can be attributed to site selection for the demonstrations. For the most part, upstream reaches of sub watersheds were chosen, except for the Jangkok watershed plan, which covered upstream to downstream stretches. As primarily a land degradation project, with the Ministry of Forestry as the lead implementing partner, it is understandable that the site activities be carried out among forest ecosystems. With respect to watershed management, however, there are significant environmental pressures within the downstream reaches, where agriculture and urban development are intensive. Achieving more engaged stakeholder involvement, e.g., from the agricultural and infrastructure development sectors, might have been realized if there were more activities focused on lowland reaches of the watershed.

3.1.5. Replication Approach

As indicated earlier, the project had a strong replication dimension. With nearly 60% of the project budget allocated for the demonstration activities in Output 1, the intention was that the lessons learned through those activities, together with the strengthened capacities achieved through Output 2 and the government incentives showcased in Output 3, would lead to replication elsewhere in the regions where the demonstrations were carried out and also in other parts of Indonesia.

One of the key aspects to the replication strategy was the functioning of watershed management fora, which was addressed in both Activity 1.8 and Activity 3.2. Lessons learned from the process of demonstrating implementation of government incentives and collaboration with Government programmes such as GERHAN and HKm, were meant to help stimulate replication.

It might have been advisable to include a specific replication target in the logical results framework. This would have provided an opportunity to assess what barriers remain to replicate the community based natural resource model implemented on the project. And, furthermore, it would have been advisable to define the “model” that was intended to be replicated.

3.1.6. UNDP Comparative Advantage

The UNDP comparative advantage as implementing agency was based on their extensive experience working in Indonesia and their favourable standing among national stakeholders. Also, through UNDP’s large portfolio of GEF-financed land degradation and biodiversity projects, the agency has built up a considerable track record in implementing GEF projects

In addition to these factors, UNDP has extensive experience in advocating sustainable human development, including issues associated with social, gender mainstreaming, and indigenous people. Fr example, UNDP has extended significant support the Indonesian government in achieving the millennium development goals (MDGs).

3.1.7. Linkages between Project and other Interventions

The closest linkages between the project and other interventions were with government initiatives, including the Community Forestry Programme or *Hutan Kamasyarakatan* (HKm), which began in 1998 and aims to transfer management of cultivated state-owned protection forests to communities. There were also linkages with some of the non-governmental cofinancing partners. The Ford Foundation supported community forest groups (HKm group) in NTB, strengthening their capacities in providing collaborative forest management services. And, the World Agroforestry Centre (ICRAF) financed applied research in Lampung, NTB, and Central Java, with respect to agroforestry and rewarding upland poor for environmental services (RUPES).

The Canadian International Development Agency (CIDA) has funded a concurrent project in Indonesia with similar objectives. The approx. USD 19.5 million project (ID: A031866-001), entitled "Environmental Governance and Sustainable Livelihoods", has been operating in 10 sub-watersheds in two provinces in Sulawesi. Although there were no direct linkages, Bappenas sponsored a comparative assessment of the CIDA and GEF funded projects, in order to determine how to best direct governmental support moving forward for community based natural resource initiatives.

3.1.8. Management Arrangements

The actual project organisation was more or less the same as envisaged at the time of project design; organisation structure is copied below in **Enclosure 7**.

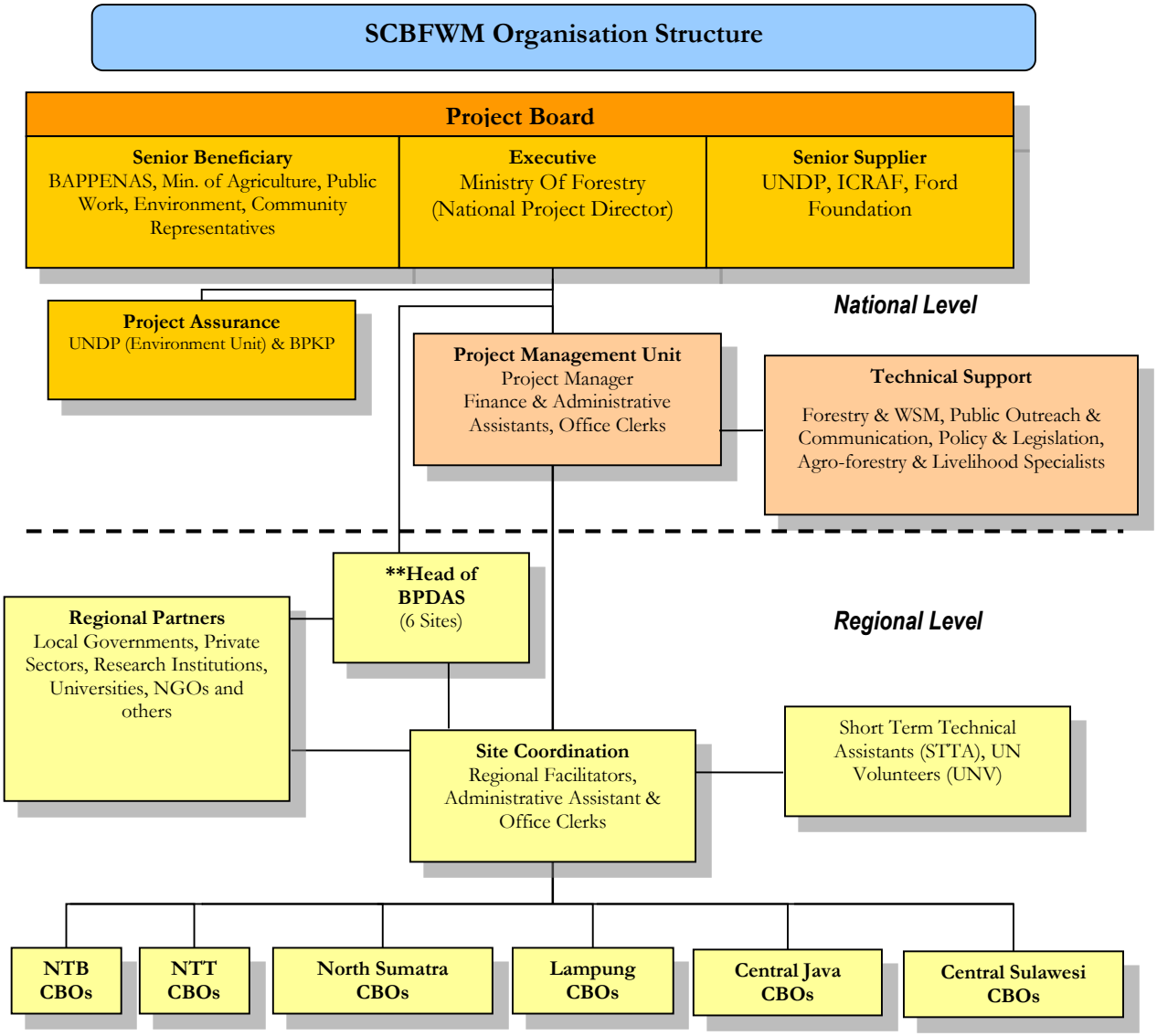

Exhibit 7: Project Organisation Chart[1]

The project inception workshop was held in August 2009, about a half a year before the project management unit was established in February-March 2010. Even though the project manager attended the inception workshop, as a staff member of the Ministry of Forestry, it was unfortunate that management arrangements were not in place at the time of the workshop. For example, there might have been more discussion regarding shortcomings of some of the output level indicators.

With respect to technical support, the project manager also acted as chief technical advisor, with support from the UNDP-GEF regional technical advisor and a number of national experts/consultants, hired to support various project activities. There was no participation by international consultants, with the exception of the midterm reviewer and the terminal evaluator. There is a large pool of national expertise in Indonesia on a wide range of topics, including forest and watershed management, and biodiversity conservation. The project might have benefited with input of international best practice with respect to mainstreaming of biodiversity into the forestry sector.

[1] Source: project document

UN Volunteers (UNV) personnel were not employed, but field facilitators (short-term technical assistants in the organisation chart) were appointed as planned to support the demonstration activities among the target communities.

3.2. Project Implementation

3.2.1. Adaptive Management

The original project objective and the three outputs remained unchanged throughout the implementation timeframe. There were no adjustments made to the logical results framework during the inception phase or later during the project, including after the midterm review. There were concerns raised in the midterm review regarding weak adaptive management, and management responses were implemented to address some of the issues. For example, consultants on gender mainstreaming and biodiversity conservation were hired, in order to improve the integration of these two aspects into the project.

There were other adaptive measures implemented over the course of the implementation phase. For example, the number of community based organisations (CBOs) that were established and/or strengthened under the activities of Output 1 was considerably more than the number targeted. The target was 10 CBOs for each of the six demonstration areas, but there were more than twice that amount by the end of the project, nearly 150. According to feedback obtained during TE interviews, a considerable proportion, maybe as high as 50%, of CBOs could potentially continue with activities facilitated during the project lifespan. But, involving such a large number of CBOs does not necessarily increase the probability that CBO activity will be sustained after project closure. Resources were spread a bit thin, the grants extended to the CBOs were modest, averaging about USD 2,000 per year. In the opinion of the TE evaluator, providing more support to a smaller number of CBOs would have resulted in an increased probability for sustaining their activities.

The project took advantage of having a GIS expert on the team, by tasking him using available satellite imagery to develop land cover maps and also to assess improvements in the demonstration areas as a result of the sponsored tree planting. The project team produced large scale GIS ground cover maps, which provide local watershed planners with valuable site specific baseline tools.

One important adaptive management measure was the use of media, e.g., by inviting journalists to visit the sites. These events have generated widespread reporting across a wide spectrum of media. One line of evidence of the effectiveness of the media coverage is the fact that the project's work in the province of Central Sulawesi was highlighted by the Indonesia President during his opening speech at the Forest Asia Summit held in Jakarta in May 2014.

3.2.2. Partnership Arrangements

As the project was run under a national implementation modality (NIM), the signed project document was formalized the partnership arrangement between the UNDP as implementing agency, with the executing agency, the Ministry of Environment and Forestry. The work activities completed under the three outputs were arranged through contracts with service providers or individual consultants, and mostly based upon competitive bidding. For the demonstration activities under Output 1, the project facilitated partnerships with the community based organisations (CBOs) and subnational authorities, NGOs, and private sector operators.

One of the most productive partnerships was between the Ministry of Forestry's Directorate of Planning and Evaluation of Watershed Management and Project Management Unit (PMU). This partnership was facilitated by the fact that the PMU was housed within the Ministry of Forestry offices, allowing for day-to-day, regular interaction. The project supported the Ministry in advancing policy and regulatory developments, including the Government Regulation No. 37 of 2012 on Watershed Management. There were eight ministerial decrees following approval of this regulation.

The project had an effective partnership with Bappenas, the National Development Planning Agency, specifically Directorate of Forestry and Water Resource Conservation. Officials from this directorate regularly participated in project workshops and meetings, including membership on the project board.

With respect to the activities completed at the 6 demonstration areas, partnerships with the regional watershed management agencies (BPDAS) were productive in facilitating watershed management planning and liaison with subnational administrations. The developed watershed management plans in the six demonstration areas provide more systematic guidance with respect to inter-sectoral coordination than what was in place beforehand. The roles and responsibilities of the watershed management forum in these areas are outlined, and several agencies and organisations were involved in the process of developing the plans.

There were a number of potentially scalable and replicable partnership arrangements facilitated during the community based natural resource management activities under Output 1. For example, the State electricity company PLN (*Perusahaan Listrik Negara*) had been working with communities in the province of Lampung through their corporate social responsibility (CSR) programme, e.g., providing incentives to villages in the form of micro size hydropower plants in turn for assisting the company in reducing siltation within the reservoirs supporting PLN's larger portfolio of hydropower plants. The project facilitated a partnership between PLN and BPDAS; prior to the project, PLN was working directly with the communities and did not have contact with the regional watershed management agency, BPDAS. This partnership enables PLN to better align their CSR activities with the strategic priorities for the watershed.

As outlined in Section 3.1.4, Stakeholder Participation, there were a number of NGOs that assisted in facilitating the CBO capacity building activities. There is limited evidence, however, that sustained partnerships have been formed between the NGOs and the CBOs within the six demonstration areas.

The project has been unable to date to facilitate a partnership with a training organisation or academic institution to incorporate the watershed management training modules into their programmes of work or curricula.

3.2.3. Feedback from M&E Activities used for Adaptive Management

The project board meetings were the main decision-making mechanisms used for adaptive management. The project board met on an annual basis. Based upon review of the meeting minutes, participation was generally good, with consistent leadership by the head of the board, the national project director.

Project implementation reviews (PIRs) were completed on an annual basis, reflecting the progress made by the end of June of the respective year long period. The evaluator found the PIRs to be sufficient with respect to detail, and input was provided by the national project director, the UNDP project officer, the national project manager, and the UNDP-GEF regional technical advisor.

Starting in 2013, the project was producing quarterly monitoring reports (QMRs) and internal project assurance reports (IPARs), using templates provided by UNDP. These reports addressed more activity level issues, and were a good management tool for documenting issues and adaptive measures.

3.2.4. Project Finance

Financial Expenditures

The total cost expended for project implementation through 30 June 2015 was USD 6,887,434 (see **Exhibit 8**).

Exhibit 8: Actual Project Expenditures through 30 June 2015

Component	**GEF Grant** *Prodoc Budget % of Total*	**Actual Expenditures** *through 30 Jun 2015 % of Total*
Output 1: Six critical watersheds with diverse ecological and socio-economic conditions demonstrate improved management using CBFWM	USD 4,115,818 59%	USD 4,060,550 59%
Output 2: Governmental agencies provide support to the development of CBFWM initiatives	USD 1,187,810 17%	USD 1,185,908 17%
Output 3: Coordination among and between different levels of government generates consistent policies and programmes that support CBFWM/PHBM (joint forest Management)	USD 996,939 14%	USD 971,550 14%
Project Management	USD 699,433 10%	USD 669,426 10%
Total:	**USD 7,000,000**	**USD 6,887,434**

Source of project budget: Project Document; Source of actual expenditures: combined delivery reports (UNDP)

Thus, as of 30 June 2015, there was a remaining balance of USD 112,566.

As shown above in **Exhibit 8**, the breakdown of costs by output is essentially the same as the indicative budget calculation made in the project document, with 59% of the actual expenditures spent on activities under Output 1, 17% for Output 2, 14% for Output 3, and 10% for project management.

When looking at the pattern of spending over the project's lifespan, the actual distribution over time was fairly steady for the 5 full years of implementation, between 2010 and 2014. For example, costs incurred for activities under Output 1 exceeded USD 700,000 each of those 5 years (see **Exhibit 9**).

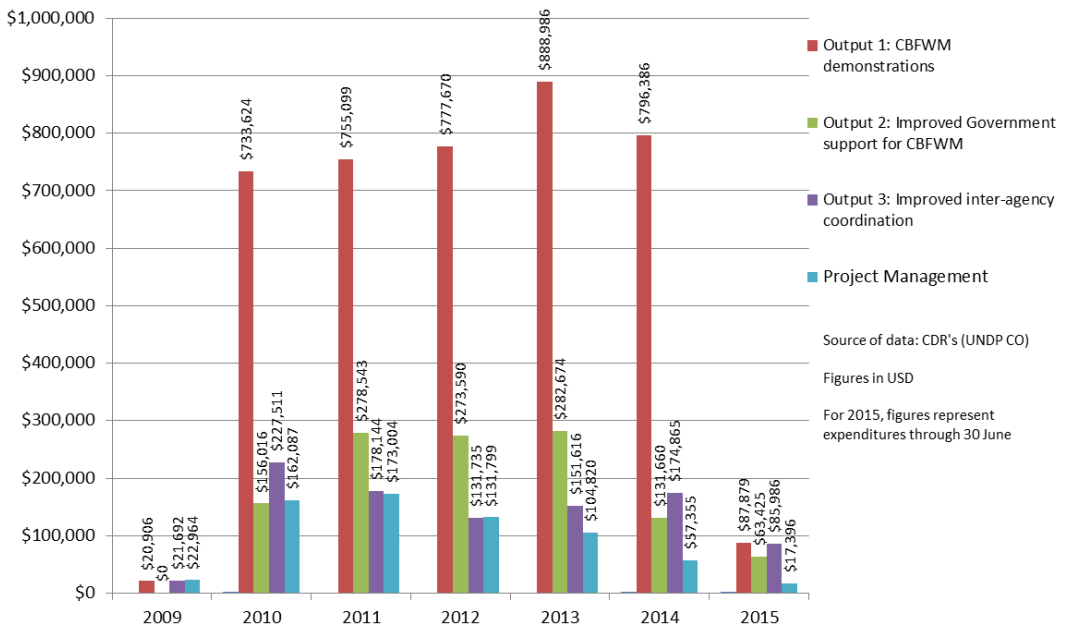

Exhibit 9: Distribution of Expenditures by Output, 2009-2015

Spending distributions for the other outputs was similar as for Output 1, except for project management costs, which decreased in 2013 and 2014. In fact, project management costs in 2014 were only USD 57,355, which is a bit less than the 5% of the total expenditures for that year.

A detailed breakdown of financial expenditures, broken down by output and Atlas code is compiled in **Annex 8**, and the categories having the most substantive costs incurred are graphically illustrated below in **Exhibit 10**.

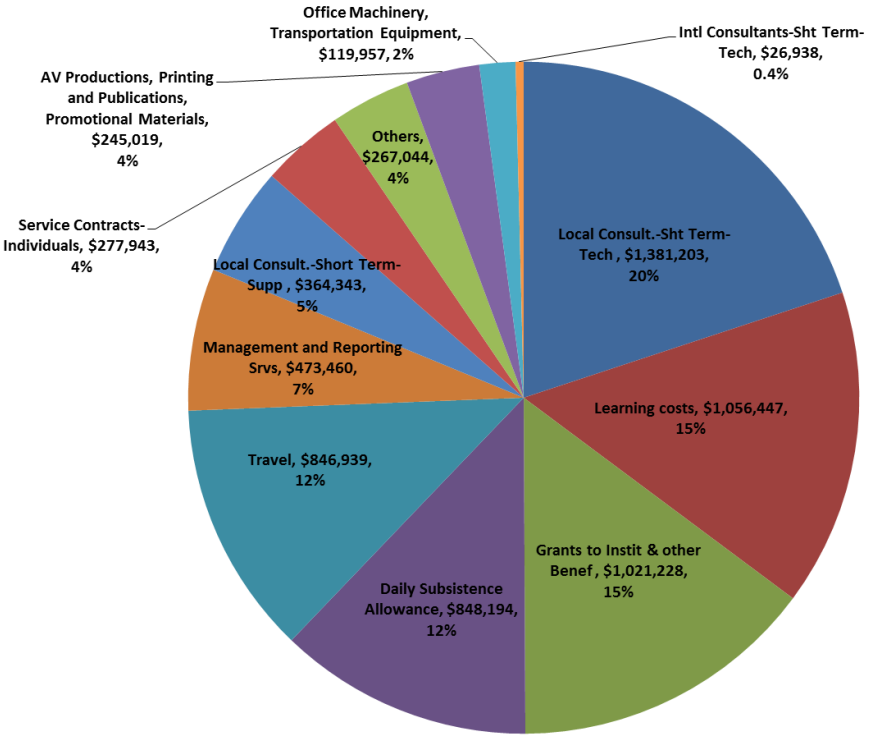

Exhibit 10: Expenditure Distribution by Atlas Category

As shown in **Exhibit 10**, 20% of the total costs expended, or USD 1,381,208 was for local technical consultants. Grants extended to community based organisations totalled slightly more than USD 1 million, or 15% of the total costs incurred. A similar amount of money was spent on "learning

costs", which is a category used for training workshops and associated expenses. Travel costs, including items falling under the Atlas 71600 series, including daily subsistence allowance, represented 24%, approximately USD 1.7 million. The amount of money allocated in the indicative budget presented in the project document was a bit less than 5% of the GEF grant; according to GEF-4 policies, travel costs cannot exceed 5% of the total. It seems that the estimated travel costs were insufficient to support this project, which was implemented in 6 different provinces, and, in many cases, in remote communities.

According to the project fixed asset register, which contained 267 items, the total acquisition value for 12 motorcycles (2 per demonstration area), office furniture, computer hardware and software, and some monitoring equipment, such as cameras and GPS units, was USD 121,349. This sum closely matches with the combined total (USD 119,957) for the Atlas categories of office machinery and transportation equipment; the slight discrepancy is likely attributable to differences in exchange rates applied. The final transfer of these assets will need to be arranged prior to the administrative closure of the project.

The UNDP arranged 3 independent financial audits of the project, for calendar years 2010, 2011, and 2014. According to the project manager, audits were not made for 2012 and 2013 because the two consecutive years of 2010 and 2011 had concluded low levels of risk. Through a memorandum of understanding with UNDP, the State owned auditing organization, BPKF, completed the three audits. The most recent one, for calendar year 2014, was reviewed by the TE evaluator during the TE mission. The report was in Bahasa language, but the national consultant provided some onsite translation, and concluded that the audit report contained 4 recommendations, each rated as medium priority: (1) UNDP should prepare a standard operating procedure (SOP) for payment of staff and consultants which is based on additional criteria than filled in timesheets, (2a) if the amount of working hours is less than 40 hours per week, payment should be reduced accordingly, and (2b) time recording by fingerprinting reader, (3) UNDP should evaluate annually the SOPs, to incorporate lessons learned, changed circumstances, etc., and (4) UNDP should develop a SOP for quarterly internal monitoring report. There was a minor financial audit finding, of one additional DSA being paid, due to the staff member returning one day earlier from an event, while the DSA was pre-paid. The project manager confirmed that the over-paid DSA was paid pack to the project.

Cofinancing

According to records maintained by the project management team, the total amount of cofinancing realized was USD 84.1 million, which is nearly twice as much as the USD 42.45 million pledged (see **Annex 9** for cofinancing details). The vast majority of cofinancing was contributed by government funding: USD 83.076 million, or 98.8% of the total cofinancing. Among the government cofinancing contributions included more than USD 70 million from the regional watershed management agencies (BPDAS) in the six demonstration areas, and a large part of these funds were for tree planting initiatives sponsored by the central government. While part of the BPDAS funding is associated with community related forestry, much of the tree planting funding is not. It would be advisable to disaggregate the cofinancing, indicating funds that are specifically for community related forestry interventions.

Among the other cofinancing partners, contributions from UNDP, from TRAC funds, slightly exceed the USD 0.5 million pledged. The cofinancing sum from the Ford Foundation matched the USD 0.2 million committed at the time of project document approval, whereas funding from the World Agroforestry Centre (ICRAF) was USD 0.302 million, compared to the USD 0.75 million outlined in their cofinancing commitment.

3.2.5. Monitoring & Evaluation

Overall Quality of Monitoring & Evaluation is rated as: Moderately Satisfactory

Supporting Evidence:

- \+ PIR reports contained feedback from key stakeholders and provided detailed summaries of project performance;
- \+ The quarterly and annual progress reports were informative, and reported issues related to M&E and other project performance aspects;
- \+ Adjustments were made following recommendations made in the midterm review;
- \+ The GEF tracking tool for biodiversity projects was completed;
- – No outcome level indicators were formulated, and biodiversity was under-represented in the logical results framework;
- – The inception workshop was held several months before the project management unit was appointed;
- – Results based monitoring was fairly weak during the implementation phase;
- – The terms deforestation and forest degradation were used interchangeably at the objective level indicator for the project;

Monitoring & Evaluation design at entry is rated as: Moderately Satisfactory

The monitoring and evaluation (M&E) plan was systematically prepared, using the standard GEF template. The budget allocated for the M&E plan was USD 570,225, which is more than 8% of the USD 7 million GEF grant. This is an above average M&E budget; typical allocations range between 3 and 5%.

There were fundamental flaws with respect to interchanging the terms deforestation and forest degradation in the logical results framework, and inadequate representation of the biodiversity dimension of the project.

Implementation of Monitoring & Evaluation Plan is rated as: Moderately Satisfactory

The project did a good job with activity level monitoring and reporting, producing informative quarterly and annual reports, as well as annual project implementation reviews (PIRs). The PIRs included detailed narrative discussion, but unclear reporting on the results level.

The GEF tracking tool for biodiversity (BD) projects was completed at project entry, at midterm, and at the end of the project. The land degradation tracking tool was not filled in, as this tool was introduced for GEF-5 projects and required for projects approved after December 2010. One inconsistency was observed in the terminal assessment of the BD tracking tool: 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. Also, it would 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

The inception workshop was held in August 2009, nearly six months before the project management team was appointed and the project officially started implementation in March 2010. This is considered a significant shortcoming.

Monitoring was satisfactory on the activity level, but there were shortcomings with respect to monitoring of results. And, assumptions made with respect to some of the indicators, were not clearly reported. For example:

- The definition of encroachment and how the indicator on encroachment would be measured, should have been articulated in the monitoring and evaluation plan;
- Regarding the indicator of achieving improved connectivity of protected areas, there were no baselines established, and site selections were not based upon this criteria;
- The target of having 39 applications for HKm permits that cover areas which straddle administrative borders in Indonesia, is also based on a national scale, and, again, there was no evidence any monitoring made in the progress reports;
- In the "Impact Measurement Table", which was part of the M&E plan in the project document, there was a key impact indicator of 939,430 ha of area of land under community based management by project closure. This is a national level target, but there was no evidence of compiling information and reporting on progress during the implementation phase of the project.
- Similarly, there was a target of achieving 58,766 ha of previously barren land planted by community groups in Indonesia during the final year of the project. There was no report on this target;

There were several adjustments made in response to the midterm review recommendations, including:

- ✓ Sustainability concerns were addressed by preparing exit strategies for the activities facilitated at the 6 demonstration areas. And, the project team further developed a database on the CBOs that were engaged in the project;
- ✓ The project team made efforts to rationalize costs spent on grants to CBOs, focusing on those that have a high potential (however, by project closure, 148 CBOs were engaged, compared to the target of 60);
- ✓ In cooperation with the UNDP CO and in consultation with the Gender Working Group of the Ministry, a consultancy was concluded for preparing gender action plans for the demonstration areas;
- ✓ A consultant was also appointed to help strengthen the biodiversity conservation dimension of the project. A strategy for biodiversity mainstreaming was prepared; training on conservation was delivered to some of the CBOs; and the biodiversity dimension of some of the activities implemented by the CBOs was highlighted, e.g., conservation of endemic species (Yogyarkarta), conservation of medicinal plants in NTT, etc.

3.2.6. Implementing Agency (IA) and Executing Agency (EA) Execution

Overall IA-EA Execution: Satisfactory

Supporting Evidence:

+ UNDP's wealth of experience on land degradation and biodiversity in Indonesia and globally,

and their favourable standing with the Government was a strong comparative advantage;

+ Project management was solid, with the same national project manager on board throughout the entire implementation time period;
+ Proactive support from the UNDP-GEF regional technical advisor;
+ Quarterly and annual reports contained candour accounts of project performance;
+ High level officials of Executing Agency (Ministry of Environment and Forestry) were activity involved in the project, at all levels;
− Stakeholder participation was primarily forestry-centred, and biodiversity enabling stakeholders were under-represented;
− With respect to supervision, there were some shortcomings with respect to flagging the issue of weak results based monitoring.

Quality of Implementing Agency (UNDP) Execution is rated as: Satisfactory

This project was an important part of the GEF-financed project among the country portfolio, during the time of implementation, and the UNDP country office was actively involved throughout the process, including participation in Project Board meetings, providing input and recommendations in the project implementation reviews, and supporting procurement of certain support. The UNDP-GEF regional technical advisor for biodiversity was also proactively engaged in the process, providing valuable guidance at design phase and throughout the implementation timeframe. There could have been better oversight with respect to results based monitoring, and also with respect to travel expenditures.

Quality of the Executing Agency Execution is rated as: Satisfactory

This project was run under a national implementation modality, with the Ministry of Environment and Forestry (Ministry of Forestry until 2014) acting as executing agency. The national project director, project director, and national project manager are all highly qualified forestry professionals, with long-standing experience in watershed management. High level officials from the Ministry were actively involved in the project, at all levels.

Stakeholder participation was primarily forestry-centred, which is unsurprising, because merger of the Ministry of Forestry with the Ministry of Environment only happened in 2014, the last full year of project implementation.

3.3. Project Results

3.3.1. Overall Results (Attainment of Objective and Outcome)

Attainment of the Project Objective and Outcome is rated as: Satisfactory

Project Objective: to support effort in reducing forest and land degradation in order to restore watershed functions and ecosystem services

As there was only one objective level indicator and no outcome level indicators, the assessment regarding achievement towards results was based upon the objective level indicator and the set of 11 key impact indictors presented in **Exhibit 11**, which were targeted for year 5 of the project.

With respect to the project objective, there are inconsistencies between the objective level indicator and the wording of the objective itself. The measure of change in the trend or severity of

deforestation is inappropriately intended to represent reduction in forest degradation, which is the essence of the project objective. And, the indicator does not reflect the community driven dimension that was the underlying aim of the project.

Baseline deforestation based upon analysis of available satellite imagery for the period of 2004-2009 was estimated to be 956 ha/year, which is an average figure for the six demonstration sites. Over the period of 2010-2014, a total of 2,624,550 trees were planted in the demonstration sites, and assuming a survival rate of 70-80% and average coverage of 400 trees per hectare, the planted trees will lead to 6,561 ha of rehabilitated area. Analysis of available satellite imagery from 2013 revealed an estimated 295 ha of combined increase in forest area for the six demonstration sites; this represents about 74 ha/year.

With respect to the key impact indicators, the achievement towards the targeted results is rated as **Satisfactory (see Exhibit 11).** It is noted, however, that 3 of the 8 indicators could not be assessed due to a lack of data, and biodiversity is not represented among these key impact indicators.

Exhibit 11: Achievement towards Key Impact Indicators

Key Impact Indicator	Target (Year 5)	TE Comments	TE Rating	Rating Score
Key Ind. No. 1: Area of land under community-based management	939,430 ha	This is national level indicator. There is no available data on achievement towards this indicator.	**Unable to assess**	-
Key Ind. No. 2: Previously barren land planted by community groups in Indonesia during the final year of the project	58,766 ha	A total of 2,624,550 trees were planted in the demonstration sites; assuming a survival rate of 70-80% and average coverage of 400 trees per hectare, the planted trees are estimated to lead to 6,561 ha of rehabilitated area. This is 11% of the target. Note: the evaluator is uncertain if this is meant to be a national level indicator (indicated as site level in prodoc, but the wording of the indicator infers national level).	**Unable to assess**	-
Key Ind. No. 3: Proportion of land in the six demonstration sites that is rehabilitated and appropriately managed	24%	The estimated 6,561 ha of rehabilitated area represents 3% of the combined total 223,570 ha of the six sub watersheds in the demonstration areas. Considering that sub watershed management plans have been developed, the area can be assumed to be under enhanced management.	**Moderately satisfactory**	**75**
Key Ind. No. 4: Proportion of (a) women and (b) the landless involved in community groups across the 6 demonstration sites	(a) 30% (b) 25 %	End of project achievement reported as follows: 21%, women involvement 8.4%, landless farmer involvement	**Moderately satisfactory**	**75**
Key Ind. No. 5: Average monthly household income generated from community-managed areas	Rp.635,470	Household incomes were independently surveyed by external consultants, as part of a participatory project impact assessment. Referenced to control households, the targeted households had increased monthly income in all six demonstration areas, ranging from 40% more in the DAS Palu to 146% more in Sub-DAS Tulis. Adjusting for inflation, these income levels exceed the target of IDR 635,470.	**Satisfactory**	**85**
Key Ind. No. 6: The amount of funding provided to support community-based management of natural resources in the 6 provinces in which the demonstration sites are located	USD 5,214,300	Based upon the 2014 annual progress report, a cumulative total of USD 72 million has been disbursed by the Government of Indonesia for programmes in the 9 districts and 6 provinces of the demonstration areas. While some of these programmes clearly support community based natural resource management, not all do. For example, the one billion trees (OBIT) programme includes industrial forest concessions (HTI). It would be advisable to disaggregate the figures reported, separating out community based forestry interventions.	**Satisfactory**	**85**
Key Ind. No. 7: The number of applications for HKM permits that cover areas which straddle administrative borders in Indonesia	39	This was a national level indicator. There was no information available regarding the number of HKm permit applications requested in Indonesia for areas that straddle administrative borders.	**Unable to assess**	-
Key Ind. No. 8: A set of improved legal and policy instruments drafted and communicated among law	1 set drafted in 4 out of 7 districts; drafts in others	The project made substantive contributions with respect to national and subnational legal and regulatory frameworks regarding soil and water conservation and watershed management, including the following: national (1 law, 1	**Highly satisfactory**	**90**

Exhibit 11: Achievement towards Key Impact Indicators				
Key Impact Indicator	**Target (Year 5)**	**TE Comments**	**TE Rating**	**Rating Score**
and policy makers at provincial and district levels		government regulation); provincial (2 endorsed regulations, 1 draft regulation); district (1 endorsed regulation, 1 draft regulation, 2 draft technical support documents); village (endorsed regulations in 31 villages).		
		Average TE Rating:	**Satisfactory**	**82**
Note: the TE rating scores are based upon the judgement of the evaluator, according assessed achievement towards each key impact indicator, using the following qualitative rating scale: Highly satisfactory: 90-100, Satisfactory: 80-89; Moderately Satisfactory: 70-79; Moderately Unsatisfactory: 60-69; Unsatisfactory: 50-59; Highly unsatisfactory: <50.				

Achievement towards project outputs:

The results of the assessment of achievement towards project outputs are discussed below, and the completed qualitative evaluation is compiled in **Annex 7**.

Output 1: Six critical watersheds with diverse ecological and socio-economic conditions demonstrate improved management using CBFWM

Indicative budget in project document: USD 4,115,818
Actual cost incurred on this outcome (through 30 June 2015): USD 4,060,550

Achievement of Output 1 is rated as Moderately Satisfactory.

Nearly 60% of the implementation budget was allocated for this output, which was focused on demonstration of CBFWM within six watersheds/sub watersheds with different biophysical and socio-economic conditions, spread out across 9 districts in 6 provinces. The locations of the demonstration areas are shown below on the map in **Exhibit 12**.

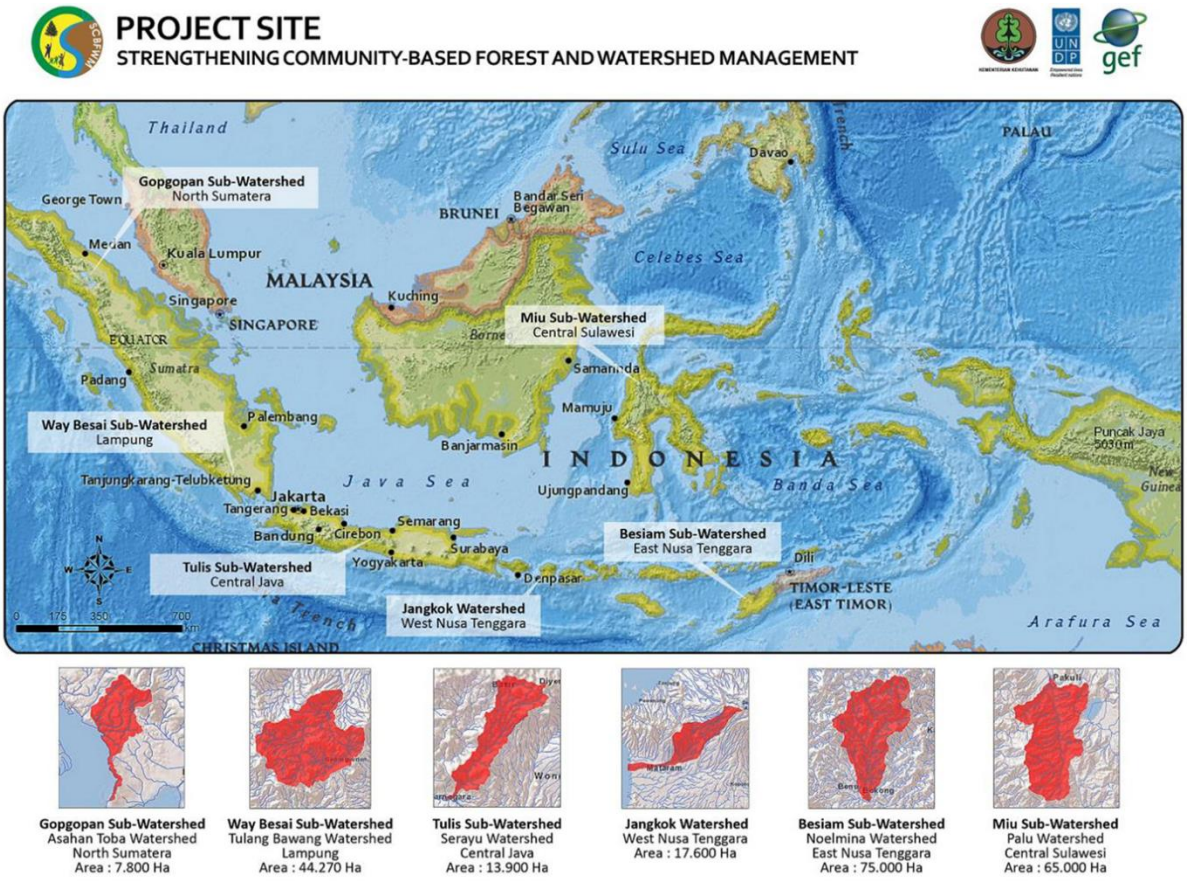

Exhibit 12: Map showing Locations of Project Sites

The project facilitated development of six sub watershed management plans, covering a combined land area of 223,570 ha. The main watersheds extend across much larger catchment areas, totalling 1,878,440 ha (see **Exhibit 13**).

Exhibit 13: Information on Project Demonstration Areas

Sub Watershed	Sub Watershed area, ha	Number of CBOs Involved	Watershed	Province
Gopgopan	7,800	22	Asahan Toba	North Sumatra
Way Besai	44,270	49	Tulang Bawang	Lampung
Tulis	13,900	18	Serayu	Central Java
Jangkok	17,600	29	Jangkok	West Nusa Tenggara
Besiam	75,000	12	Noelmina	East Nusa Tengarra
Miu	65,000	18	Palu	Central Sulawesi
Total	**223,570**	**148**		

The status of the watershed management plans are as follows:

- ✓ Lampung Province: Micro Watershed Management Plan for Way Besai Micro Watershed, Lampung Barat District (approved by district administration);
- ✓ Central Java Province: Tulis Sub Watershed Management Plan, pending approval by the head of Regional Development Planning Agencies for Banjarnegara and Wonosobo Districts;
- ✓ Nusa Tenggara Barat (NTB) Province: Joint approval of the Jangkok Integrated Watershed Management Plan, signed by the NTB provincial governor, Lombok Barak district administrator, and Mataram city mayor;
- ✓ Nusa Tenggara Timur (NTT) Province: Integrated Watershed Management Plan for Besiam sub Watershed, signed in 2014 by the head of districts of Timor Tengah Selatan and Kupang;
- ✓ Central Sulawesi Province: Integrated Watershed Management Plan for the Miu sub watershed, signed on 27 June 2014 by the Head of the District of Sigi; and

Discussion:

The project team made a broad assumption that encroachment is measurable by change in forest cover. It would have been advisable to provide a definition of this term in the monitoring and evaluation plan.

Achievement of this indicator was based on the same criteria used for the objective level indicator, i.e., the tree seedlings planted by the project and analysis of available satellite imagery.

Household incomes were independently surveyed by external consultants, as part of a participatory project impact assessment. Referenced to control households, i.e., ones without having members of the engaged community based organizations, the targeted households had increased monthly income in all six project areas, ranging from 40% more in the DAS Palu to 146% more in Sub-DAS Tulis (see **Exhibit 14**). Based upon findings during the TE mission, the activities carried out by the members of the CBOs are contributing to their livelihoods, but many of these activities cannot be classified these as “jobs”. In many cases, the activities are not carried out on a regular basis, but rather when they receive a grant or order. But some of the activities, e.g., honey production, did not exist before the project, so there in this sense there has been new livelihood alternatives introduced through project support. The issue is sustainability. While there seem to

have been increases in household income, the sustainability of maintaining the increased income depends upon the CBOs ability to continue fund-raising.

Exhibit 14: Post-Project Household Income Survey Results of Demonstration Areas

Household (HH) Income	Household Income (IDR/Household/month)					
	Gopgopan	Way Besai	Tulis	Jangkok	Besiam	Miu
Baseline (2010)	IDR 736,462	IDR 635,470	IDR 904,263	IDR 680,528	IDR 335,603	IDR 531,374
Baseline (2014) adjusted for inflation*	IDR 1,008,953	IDR 870,594	IDR 1,238,840	IDR 932,323	IDR 459,776	IDR 727,982
Project-engaged CBO (2014)	IDR 1,914,230	IDR 2,579,134	IDR 3,669,494	IDR 1,465,788	IDR 2,043,873	IDR 1,396,363
Increase in HH income from inflation-adjusted baseline*	90%	196%	196%	57%	345%	92%
Control CBO (not engaged by project)	IDR 1,063,596	IDR 2,165,029	IDR 2,347,667	IDR 1,091,633	IDR 1,614,185	IDR 1,181,417
Additional HH income compared to control CBO	IDR 850,634	IDR 414,105	IDR 1,321,827	IDR 374,154	IDR 429,688	IDR 214,946
	-115%	-65%	-146%	(+55%)	-128%	-40%

Notes:
Participary project survey made in 2014 by national consultants: Christine Wulandari, C. Kukuh Sutoto, Irkhamiawan Maruf, Dyah Dwi Listyaningsih
*Cumulative inflation rate, based upon average annaul inflation rates in Indonesia between 2009 and 2014 is 37% (www.inflation.eu)

During the lifespan of the project field interventions, from 2010 through 2014, a total of 148 community based organisations (CBOs) were engaged. Among these, there were 19 women CBOs and 6 women sub-CBOs, and the total number of women in these organisations represents approximately 21% of the total. There was lower inclusion by landless farmers; a total of 513 individuals, which is 8.4% of the total.

Based on evidence obtained during TE field visits and interviews, the sustainability of the CBOs is largely dependent upon the internal capacity of the CBO to secure funding, the cohesiveness of the CBO, i.e., the level of interest among the members, and the opportunities available to the CBOs, which are partly dependent upon the connections the CBOs have and the location of the CBOs, e.g., the CBOs located in remote villages have inherent challenges associated with logistics. It was clear that the project field facilitators played an important role, helping the CBOs with proposal writing and administrative tasks associated with grant funding. Since the project has closed, there seems to have been a general drop in activity.

There are some impressive results among the CBOs engaged on the project. For the case of the Hintuwu Jaya 2 CBO in the Sigi District of Palu Province, under a national government programme administered by the Forestry and Estate Services Department, the CBO was awarded processing equipment and funding for a building, including 2,500 m^2 drying space for coffee processing, with a 300 kg/h capacity. The CBO provided the land as a cofinancing contribution. The value of the grant is IDR 500 million. In the short term, the CBO plans to run the equipment from their own production, and if they are successful, they would start buying raw coffee materials from other farmers, and in the longer term, they hope to form a cooperative. The role of the SCBFWM project with respect to this grant was assistance with proposal preparation and also sponsoring workshops.

Another positive example of CBO empowerment, this case for one of the women's groups, is the MALETI CBO, based in the Lampung Barat District in Lampung Province. This CBO had a total turnover in 2014 IDR 1.8 billion, the organization has about IDR 400 million in assets, and their net income in 2014 was about IDR 200 million, which means approximately IDR 700,000 distributed to the 91 members. The CBO has obtained a license for selling their products, they have a bar-code machine, and they have obtained halal certification. In addition to coffee, they are also working

with other non-timber forest products, including palm sugar (1,000 palm sugar seedlings were distributed to the CBO members).

Some of the other CBOs visited had less pronounced levels of success, and several of them stressed uncertainty of their viability project closure. These less capacitated CBOs seemed very much dependent on local government agencies to provide them direct funding. Further capacity building with respect to proposal writing and financial management is required for the majority of CBOs interviewed.

With respect to the single biodiversity indicator, calling for improved connectivity linking protected areas, the achievement reported in the annual progress reports and PIRs reflect the total number of trees planted, some of which were planted within the buffer zone of the Lore Lindu protected area in the province of Lampung. And strengthening of CBO capacity was also indicated as a contribution to achievement towards this indicator.

The aim of improving connectivity between PAs as a result of reforestation of critical habitats was not sufficiently addressed during the project. Firstly, there were no baselines established, i.e., connectivity zones linking PAs were not defined. Stakeholder involvement and activities carried out in the demonstration areas also were not designed or implemented to adequately capture this indicator. As this was the only biodiversity indicator for the project, the lack of focus on this aspect is considered a significant shortcoming.

This indicator should have been clarified at project inception or at midterm, and project activities should have been designed/adapted accordingly.

Output 2: Governmental agencies provide support to formulate to the development of CBFWM initiatives

Indicative budget in project document: USD 1,187,810
Actual cost incurred on this outcome (through 31 Dec 2014): USD 1,185,908

Achievement of Output 2 is rated as Satisfactory.

Based upon the 2014 annual progress report, a cumulative total of USD 72 million has been disbursed by the Government of Indonesia in the forestry sector over the period of 2010-2014, on programmes including KBR, DAK, Bansos PPMBK, OBIT, PDAS, HKm, and Village Forest, etc.). While some of these programmes clearly support community based natural resource management, not all do. For example, the one billion trees (OBIT) programme includes industrial forest concessions (HTI).

Based upon interviews during the TE mission, the evaluator confirmed that the Government has allocated substantial funding for community based forest management programmes, and hence this indicator is rated as satisfactorily achieved. It would be advisable, however, to disaggregate the figures reported, separating out community based forestry interventions.

Output 3: Coordination among and between different levels of government generates consistent policies and programmes that support CBFWM actions

Indicative budget in project document: USD 996,939
Actual cost incurred on this outcome (through 31 Dec 2014): USD 971,550

Achievement of Output 3 is rated as Satisfactory.

The first indicator under this output was meant to reflect national level circumstances, specifically the number of community forestry (HKm) permits issued for areas that straddle administrative

borders. Thus, demonstrating improved coordination among governmental bodies. The monitoring data included in the annual progress reports and PIRs are on a local level, i.e., the districts where the six demonstration sites are located. And, it is also unclear whether the achievements reported are for areas that straddle administrative borders.

The project made substantive contributions with respect to national and subnational legal and regulatory frameworks regarding soil and water conservation and watershed management, including the following:

- ✓ 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 Watershed Management;
- ✓ Village Regulations on Water conservation, Forest and Land Management approved in each of the 6 demonstration areas: 2 villages in Gopgopan, 2 villages in Tulis, 2 villages in Way Besai, 4 villages in Jangkok , 10 villages in Besiam, and 11 villages in Miu.
- ✓ 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.

3.3.2. Relevance

Relevance is rated as: Land Degradation: Relevant; Biodiversity: Not Relevant

The Project was relevant across a number of criteria. The project was designed to complement the USD 300 million Government programme to rehabilitate degraded forest and land distributed in 282 prioritized watersheds located in 400 districts, across 33 provinces. The project is highly relevant with respect to the current, 2015-19 medium term national development plan (RPJMN), which includes a target of 12.74 million hectares of forest areas to be allocated for social forests, such as village forest (*hutan desa*), community forest (*hutan kemasyarakatan*), community timber plantation (*hutan tanaman rakyat*), customary forest (*hutan adat*), and partnership (*kemitraan*).

The project is closely aligned with the GEF-4 Strategy on Land Degradation[1], specifically Strategic Program 2 (LD-SP2), "*Supporting Sustainable Forest Management in Production Landscapes*"; the project was particularly relevant in regard to strengthening the national enabling policy and institutional environment for management forest and woodland resources. The aim to improve biodiversity connectivity between protected areas addressed the strategic focus of LD-SP2, to avoid further degradation and forest fragmentation, thus restoring the integrity of forest ecosystems. The project design, however, did not sufficiently elaborate this strategy, and improved connectivity between protected areas was unsatisfactorily realised. In this context, the project was not relevant with respect to Strategic Program 4 ("S*trengthening the Policy and*

[1] GEF, September 2007. Land Degradation Focal Area Strategy and Strategic Programming for GEF-4

Regulatory Framework for Mainstreaming Biodiversity") under the GEF-4 Biodiversity Strategy. Although the project sponsored studies on how to best mainstream biodiversity conservation in the six demonstration areas, these did not translate into policy or regulatory reform. Biodiversity conservation is considered within the integrated watershed management plans facilitated by the project, but there were no explicit advances made in terms of biodiversity mainstreaming policies, e.g., incentives for biodiversity-friendly coffee.

The project is partly relevant with respect to the GEF-4 Biodiversity Strategic Program 5, "Fostering Markets for Biodiversity Goods and Services". The activities completed in the demonstration areas by the community based organisations (CBOs) included sustainable exploitation of non-timber forest products, and there were payment for ecosystem services schemes developed involving supply of drinking water in return for rehabilitation of specified land within the six critical watersheds.

The UNDP Country Programme Document for 2011-2015[1] also has development objective that is consistent with goal of the project, specifically into Country Programme Outcome 2.1, "*Enhanced capacity of the Government of Indonesia to manage natural resources and energy*", and under this outcome, Output 2.1.1 is most relevant: "*Sound policies and guidelines to better manage environment and natural resources in priority sectors developed and increased local participatory in planning and decision- making process*"

The project is more relevant with respect to the current UNDP Country Programme Document, for 2016-2020[2], specifically Strategic Plan Outcome #1, "*Growth and Development are Inclusive and Sustainable, Incorporating Productive Capacities that Create Employment and Livelihoods for the Poor and Excluded*". Forest governance is specifically addressed in this outcome, including Output 3-10, calling for "*improved local forest management capacity through establishment of conservation forest management units (CFMU) and legal auditing system to monitor and identify violations in issuance of forest licenses*".

3.3.3. Efficiency

Efficiency is rated as: Moderately Satisfactory

Supporting Evidence:

+ The GEF funding addressed some of the key barriers associated with community based watershed and forestry management;
+ Government cofinancing contributions considerably exceeded the pledged sums;
+ Financial controls were generally good, with financial delivery rates exceeding 95%;
+ Moderately high inflation of the Indonesia Rupiah over the course of the project implementation allowed for more efficient use of the USD-based GEF grant funds;
− Extending relatively low-value grants to a large number of CBOs, in the opinion of the evaluator, diminished overall project efficiency;
− Government cofinancing contributions for community forestry initiatives were not closely aligned with project activities;
− Biodiversity conservation objectives were not integrated into the watershed management

[1] UNDP Indonesia, Country Program Document, 2011-2015 (13 July 2010)

[2] UNDP Indonesia, Country Programme Document, 2016-2020 (9 June 2015)

plans, and improvements to biodiversity connectivity between protected areas were not realised;

- Travel costs amounted to 24% of the total amount of GEF funds expended;

From an incremental cost analysis perspective, the project was reasonably efficient in addressing the main barriers holding back progress with respect to community based forest and watershed management (CBFWM). One of the barriers was inconsistent legal frameworks, i.e., discrepancies in the legal arrangements associated with CBFWM in some regional regulations as compared to national ones. Among the 6 demonstration areas, regulations were passed on community driven integrated watershed management, but it would have also been advisable to carry out a comprehensive review of subnational regulations, and advocating for removing or updating those regulations that are counterproductive or inconsistent with respect to enabling community participation in natural resource management and also with regard to biodiversity conservation.

The project was moderately effective in realising the intended project outcomes; the lack of focus on increasing biodiversity connectivity between protected areas diminished the overall project effectiveness, which also decreases project efficiency, i.e., how efficient available resources were utilised to achieve the intended project outcomes.

Overall efficiency is, however, bolstered, by the strong financial controls implemented throughout, with financial delivery rates exceeding 95%. With respect to time, the project was essentially run in 5 years, as planned. The closure date was 8 months later than the originally planned July 2014, but this is due to the project effectively starting in March 2010, when registration was completed, the project management unit assembled, and the first cash disbursement received by the executing agency.

There was, however, insufficient control on travel costs, which ended up totalling 24% of the total GEF funds expended. This rate significantly exceeds the 5% maximum allowable threshold for travel costs, set by the GEF Secretariat.

The moderately high rates of inflation, which over the course of the project from 2009 to 2014 was cumulatively 37%[1], enabled for more efficient utilisation of the USD-denominated GEF grant.

Efficiency is further enhanced by the fact that government cofinancing contributions exceeded the pledged amounts, even though, as discussed earlier in Section 3.2.4, the reported cofinancing should be disaggregated to represent community forestry funding. Also, government cofinancing initiatives were not closely aligned with project activities; e.g., the reforestation efforts completed through government-funded programmes in the same areas where the demonstration sites were located were not consolidated and compared to reforestation activities sponsored by the project.

The project set a target of establishing or strengthening 10 community based organisations (CBOs) in each of the 6 demonstration areas, resulting in total of 60 CBOs. Through the 5-year period of 2010 through 2014, the project engaged with 148 CBOs, disbursing a combined total of USD 1.02 million in grants to them, which represents an average of USD 6,886 per CBO of grant support. There are some benefits in engaging a large number of CBOs, e.g., awareness-raising efforts possibly reaches more people. But, there are downsides as well, such as insufficient assistance to achieve a catalytic effect. In the opinion of the TE evaluator, project efficiency was diminished by spreading allocated resources to such a large number of CBOs.

[1] Average annual inflation rates: 2009 (4.45%), 2010 (5.12%), 2011 (5.38%), 2012 (4.28%), 2013 (6.40%), 2014 (6.42%). Source: www.inflation.eu

3.3.4. Country Ownership

Supporting Evidence:

+ The project was designed to complement the National Movement on Forest and Land Rehabilitation (*GNRHL: Gerakan Rehabilitasi Hutan dan Lahan*) which was launched by the President of Indonesia in 2004;
+ Through the 2015-2019 national medium term development plan (RPJMN) the Indonesian government has targeted 12.7 million ha of forest areas to be allocated for social forestry management by 2019;
+ Relevant stakeholders from the Ministry of Forestry, regional BPDAS offices, subnational administrations, civil society, and academic professionals were actively involved in the project;
+ Government cofinancing commitments to the project were fulfilled, in fact, exceeded;
− The watershed management plans approved by BPDAS, a central government level agency, are not integrated into subnational programmatic planning schemes;
− Biodiversity enabling stakeholders, including protected area management authorities, had limited involvement in the project;
− Law No. 23/2014, which limits the previous broad authority extended to local administrations has created a sense of uncertainty regarding budget allocation and responsibilities for natural resource management on a subnational level;

Country ownership was evident in the fact that the project is closely aligned with the national development priorities. Firstly, the project was designed to complement the National Movement on Forest and Land Rehabilitation (*GNRHL: Gerakan Rehabilitasi Hutan dan Lahan*) which was launched by the President of Indonesia in 2004. The Government's commitment to community forestry is further strengthened in current medium term national development plan (RPJMN) for the period of 2015-2019 in which a target of 12.74 million ha is set for customary forests, community forests, smallholder plantation forests, and village forests by 2019. This has become a key focus area of the newly merged Ministry of Environment and Forestry.

With respect to the forestry sector, the key stakeholders, ranging from central level Ministry of Forestry officials, regional watershed management agencies (BPDAS), district forestry services, forest extension offices, civil society organisations, and academic professionals, participated in the project. Another line of evidence of country ownership was the final tally of government cofinancing contributions, primarily from national forestation programmes, which significantly exceeded the pledged amounts, albeit not fully disaggregated with respect to community forestry spending.

Certain stakeholder groups, including biodiversity conservation enabling stakeholders, were under-represented, however. There is also somewhat of an ownership gap with respect to the budgetary programming of the watershed management plans. As BPDAS is a central government level agency, the watershed management plans are not specific subnational administrative programmes, and budgeting is a bit fragmented.

After several years of decentralisation, the passing of Law 23/2014 by the Indonesian parliament in October 2014 signifies a reversal of sorts of some of the autonomy and discretionary spending authority extended to district level administrations. Interviewed stakeholders stressed a high

degree concern and uncertainty regarding the impacts of this law, and there is risk of certain ownership shortfalls on the subnational level for some of the community driven natural resource management initiatives sponsored by the projects.

3.3.5. Mainstreaming

For UNDP supported GEF financed projects, mainstreaming assessments as part of terminal evaluations look at how a project has addressed certain UNDP priorities, including poverty alleviation, improved governance, the prevention and recovery from natural disasters, and women's empowerment.

With an underlining objective of strengthening community management of forest and watershed resources, the project did a mainstreaming dimension, addressed in the design by aiming to improve participation of women and landless farmers in community based organisations. Gender mainstreaming is indeed an issue addressed by the Government of Indonesia, as a signatory to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Beijing Declaration and Platform for Action. The Ministry of Forestry created a gender mainstreaming working group in 2003, adopting the technical guidelines developed by the Ministry of Women's Empowerment and Child Protection, in response to Presidential Instruction No. 9/2000, which mandated all government ministries and agencies to mainstream gender issues in development of policies and programmes. The issue of gender mainstreaming was further strengthened among the development priorities outlined in the National Medium-Term Development Plan 2010-2014.

Despite the cross-cutting focus on gender mainstreaming in recent year, there remain challenges, including in the forestry sector. As outlined in a policy brief[1] published in January 2015, the community forestry regulations and the regulations on issuance of permits for harvesting non-timber forest products (NTFPs) have sufficiently not incorporate gender considerations. The project did a good job addressing this issue, by facilitating production and processing of NTFPs by women's groups in following demonstration areas:

- ✓ Lampung province: CBO Melati of Tribudisukur, CBO Melati I, CBO Kenanga, CBO Karya Mandiri, CBO Maju lestari, and CBO Dahlia;
- ✓ Central Java province: CBO Tani Asri and CBO Perkasa Dieng;
- ✓ NTB province: CBO Pade Male Baru, CBO Pede Baru Sejati, and CBO Seruni;
- ✓ NTT province: sub group of women of CBO Tunas Baru and CBO Tunas Muda;
- ✓ Central Sulawesi province: CBO Pawatua Winatu and CBO Palapi Pakuli;

One of the notable success stories, documented in project progress reports, is that of CBO KWT Melati Tribudisukur in Lampung. This CBO won a provincial level award as 2nd best farmer group for food security 2012. And, their business volume has steadily expanded, from IDR 3-5 million before the SCBFWM project started to IDR 86 million in 2012 and further to IDR 147 million in 2013.

Gender mainstreaming activities on the project increased following recommendations made as part of the midterm review. A gender expert was retained to support development of gender action plans (GAP) for the demonstration areas. Coincidentally, the acronym used for the gender

[1] FAO and RECOFTC. January 2015. Policy Brief, Understanding Women's Participation in Forestry in Indonesia. Food and Agriculture Organization of the United Nations (FAO) and The Center for People and Forests (RECOFTC), Bangkok.

action plans (GAP) facilitated by the project in the demonstration areas, including NTT, North Sumatra, Lampung and Central Java. Coincidentally, the acronym for the gender action plans is the same as the gender analysis pathway (GAP), a tool developed by Ministry of Women´s Empowerment and Child Protection in collaboration with Bappenas, the national development planning agency. The objective of gender analysis pathway is to mainstream gender issues into development planning.

There have been instances of the gender action plans being institutionalised in some of the areas. For example, the action plan for Central Java was integrated into Regional Action Plan (RAP) of Gender Mainstreaming, which was followed up by development of a Gender Budget Statement (GBS). Also, Wonosobo district drafted Guidelines for Gender Responsive Budgeting Planning for all subnational agencies in the district and the guidelines have been approved by the Head of District.

The project had satisfactory performance with respect to gender mainstreaming, although there remain several social and institutional barriers to overcome. The result with respect to landless farmers is considered only moderately satisfactory, however. The achievement towards the indicator aimed at increasing participation of landless farmers in community based organisations fell short of the targets, reaching 8.4% compared to the target of 25%. As mentioned throughout this TE report, it would be useful to assess the regional lessons learned on the project, including the issue of landless farmers.

3.3.6. Sustainability

Sustainability is generally considered to be the likelihood of continued benefits after the GEF funding ends. Under GEF criteria, each sustainability dimension is critical, so the overall ranking cannot be higher than the lowest one.

The Overall Likelihood of Risks to Sustainability is Rated as: Moderately Likely

Government on community forestry has been significant over the past 20 years and it is set to expand, with the optimistic targets set in the current 2015-2019 medium term development plan. There are a number of functional governmental incentive programmes in place, and with the right level of facilitation, many community based organisations (CBOs) are poised to benefit from these programmes.

Socio-economic circumstances, including poverty, remain a challenge. In fact, on a national scale, deforestation rates have been on an increasing trend between 2009 and 2013[1].

The project made substantive contributions to the regulatory framework associated with participatory forest and watershed management, with regulations developed in passed both on a national and subnational level. In terms of governance, forest governance analyses[2] have concluded unacceptable conditions in Indonesia.

The project facilitated extensive outreach to the local communities among the six provinces where the demonstration activities were carried out; enhancing environmental awareness in the process. Impacts from climate change, invasive species, agricultural and urban pollution are formidable challenges, but there are increasing focus and financing committed by the Government of Indonesia and the donor community.

[1] UNDP Indonesia, 2015. The 2014 Indonesia Forest Governance Index, Executive Summary. Data illustrated in the chart obtained from the Indonesian Ministry of Forestry's regular monitoring of forest cover

[2] Ibid.

Financial Risks

The Likelihood of Financial Risks to Sustainability is rated as: Likely

Supporting Evidence:

+ Government funding on community forestry continues to increase;
+ Government incentives are in place;
+ Willingness of private sector to participate;
+ Evidence that some CBOs have fund-raising capacity;
− Watershed management plans are not explicitly represented in subnational financing programmes;
− On average, CBOs have limited capacity to raise financing and to manage funds;
− Government funding for extension services cannot support intensive community facilitation;

The Government of Indonesia has invested substantive funds in the past 20 years on community forestry initiatives, and governmental spending on such programmes is expanding, as evidenced in the current, 2015-2019 medium term development plan.

The project was successful in strengthening the capacity of CBOs with respect to fund-raising, but, on average, securing financing independently remains an issue for many CBOs. There a number of government incentive programmes in place and donor funds available, but without external support, it is moderately unlikely that many of the CBOs will be able to carry out the requisite administrative and reporting steps involved with grant funding.

The project also demonstrated the willingness for the private sector to participate in CBFWM, and there are also incentive programmes, including the corporate social responsibility tax scheme, that private companies and operators have access to.

Watershed management plans are not explicitly represented in subnational financing programmes. There are certain activities that are covered under various subnational programmes, but the watershed management plans are not financed as a specific programme. This creates a certain degree of uncertainty with respect to financing, and also overall ownership

The CBFWM model demonstrated during the project depends on intensive participation by field facilitators, and after project closure, this role will be taken up by local extension service officers. Under current circumstances, extension service offices are under-funded, with one forestry officer per sub-district, which could include several villages, and it is unlikely that the officers will be able to fulfil the tasks carried out by project field facilitators, including mobilising CBOs, assisting them with proposal writing, interfacing with NGOs, etc.

Socio-Economic Risks

The Likelihood of Socio-Economic Risks to Sustainability is rated as: Moderately Likely

Supporting Evidence:

+ Expanded target for social forestry in 2015-2019 medium term development plan;
+ Non-timber forest products are increasingly evolving from subsistence-to-market production to larger scale operations, including small and medium size enterprises;
+ Subnational structures in place to support CBO's and HKm Groups (e.g., forums, extension,

etc.);

+ Reasonable likelihood that a fair proportion of the engaged CBOs will continue activities after project closure;

− Still socio-economic risks (poverty) for encroachment and unsustainable exploitation of ecosystem resources. Forest deforestation rates are on an increasing trend since 2009 in the country;

− On average, the capacities of CBOs remains limited, and they require external support;

For the past 20 years, social and community forestry policies and programmes in Indonesia have been primarily aimed at rehabilitating degraded forests to enhance the welfare of local communities, and the focus by the Government on community forestry is further expanded in current medium term development plan.

Non-timber forest products are increasingly evolving from subsistence-to-market production to larger scale operations, including small and medium size enterprises. This trend creates opportunities for local communities, albeit there will be an increased need for good governance with respect to ecosystem management, in order to ensure sustainable exploitation of these resources.

Sustainability is enhanced by the fact that there are functional subnational participatory support mechanisms in place, including stakeholder forums, extension services, etc., to facilitate cross-sectoral and community involvement of natural resource management. Based upon evidence gathered during the TE process, including field interviews, questionnaire surveys, presentations, etc., there is a reasonable likelihood that a fair proportion of the CBOs engaged by the project will continue with some of the activities demonstrated. There are concerns that the available social services, including extension offices, are insufficient to provide the CBOs the support they need.

Also, there remain formidable socio-economic challenges, including poverty, and further encroachment and other unstainable exploitation of ecosystem resources cannot be excluded. In fact, in a 2015 UNDP report on forest governance in Indonesia, annual deforestation rates have been increasing between 2009 and 2013, as illustrated below in **Exhibit 15**.

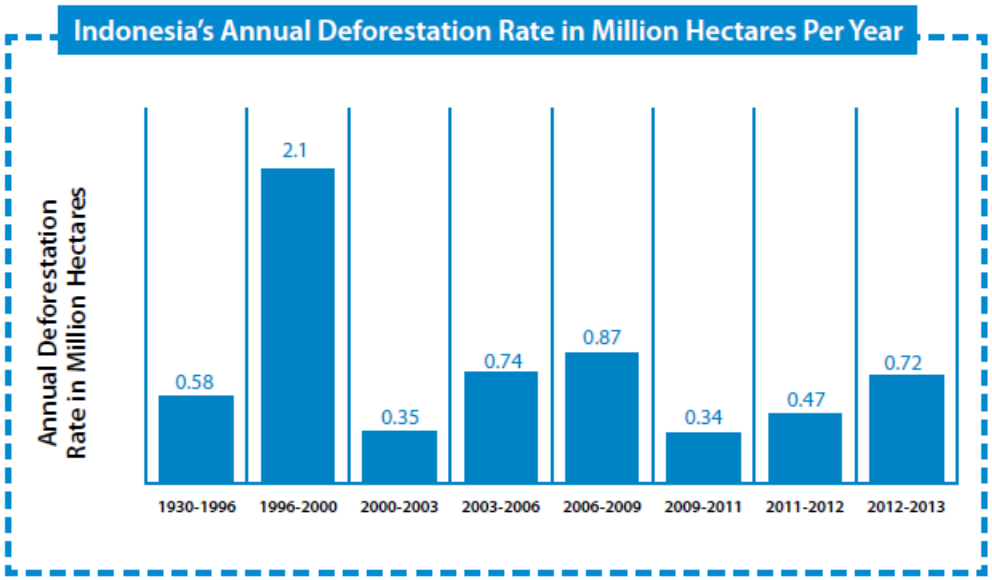

Exhibit 15: Indonesia's Annual Deforestation Rate in Million Hectares Per Year[1]

Institutional Framework and Governance Risks

The Likelihood of Institutional Framework/Governance Risks to Sustainability is rated as: Moderately Likely

Supporting Evidence:

- \+ Regulatory framework strengthened, e.g., Government Regulation 37/2012;
- \+ Completed sub watershed plans in the six demonstration areas;
- \+ Watershed management forums strengthened (inter-sectoral governance);
- \+ New GEF project on social forestry under development;
- − The Forest Governance Index score for Indonesia in 2014 was 36.14 out of a possible 100;
- − Watershed management plans are not explicitly represented in sub-national financing programmes;
- − Watershed management training modules developed by project are not yet adopted among relevant institutions.

The project has made substantive contributions to the regulatory framework associated with watershed management, including at the national level, e.g., Government Regulation No. 37/2012, and at the subnational level, with provincial, district, sub-district, and village regulations developed in passed within the six demonstration areas. Sustainability with respect to institutional framework is further enhanced by the completion of the sub watershed management plans; these provide resource managers and planners a guideline for participatory watershed and forest management moving forward. Furthermore, there is a new project being considered under GEF-6, on community forestry. Reportedly[2], a sizeable GEF grant of USD 20 million has been proposed.

With respect to governance, the project has strengthened the watershed management forums, which are important cross-sectoral governance mechanisms, on both the national and subnational levels. The project has sponsored development of a series of watershed training modules, which if widely implemented, would contribute to better natural resource governance. At project closure, however, the training modules had not been institutionalised by a training centre or academic institution.

There is somewhat of a governance gap in the way watershed management is administered. The BPDAS offices are central government level agencies, directly under the Ministry of Environment and Forestry, whereas the specific activities proposed under the plans are meant to be implemented primarily subnational administrations. Depending upon available budgets, certain activities are assigned under existing subnational programmes, for example, under the District Forestry Services. This means that a watershed management plan as whole is not an explicit subnational programme.

[1] UNDP Indonesia, 2015. The 2014 Indonesia Forest Governance Index, Executive Summary. Data illustrated in the chart obtained from the Indonesian Ministry of Forestry's regular monitoring of forest cover.

[2] Based upon personal communication with GEF Operational Focal Point Staff, Indonesian Ministry of Environment and Forestry

Across a broader perspective, forest governance remains a challenge in Indonesia. According to the 2014 Forest Governance Index[1] report, an overall score of 36.14 out 100 was applied (see **Exhibit 16**), slightly better than in 2012, but still considered unacceptable (a score of 60 is considered unacceptable). Key issues include distribution of benefits, performance in settlement of tenurial conflicts, and handling of customary forest claims in state forest areas.

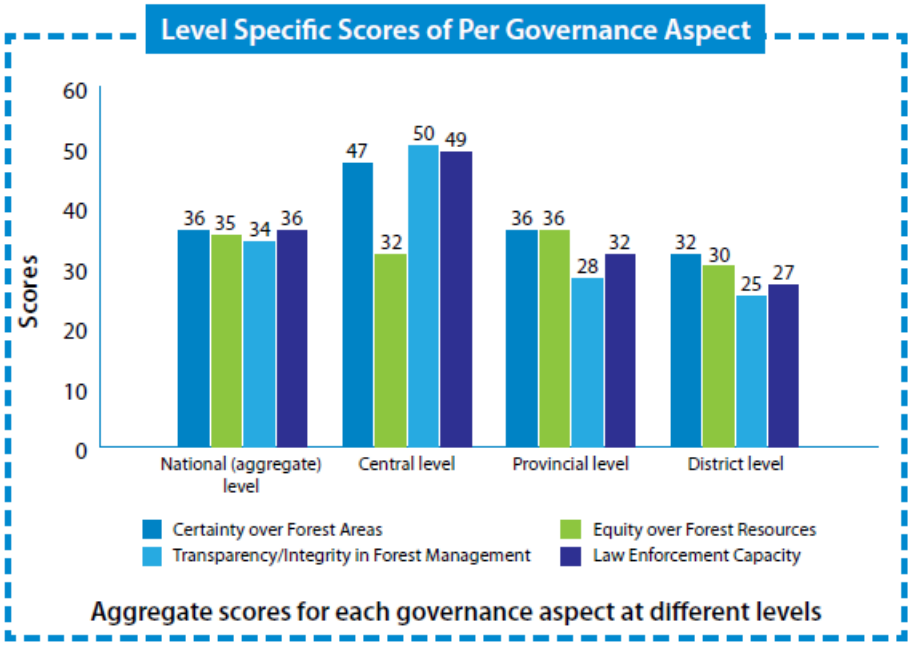

Exhibit 16: Forest Governance Index 2014 Scores[2]

Environmental Risks

The Likelihood of Environmental Risks to Sustainability is rated as: Likely

Supporting Evidence:

+ Environmental awareness increased within pilot areas;
+ Applied biological indicator to assess watershed health, and training on water quality monitoring;
+ Government and international donor support on climate change issues;
− Limited focus on downstream reaches of demonstration watersheds;
− National invasive species strategy has not yet been (but there is a GEF-funded project support development of the strategy and action plan);
− Uncertainties regarding climate change impacts.

Among the environmental risks associated with CBFWM, water quality, invasive species, and climate change issues are discussed here. Through the extensive interaction with community groups in the six demonstration areas, the project was successful in raising the environmental awareness among these communities. The project also sponsored trainings for subnational

[1] The Forest Governance Index is one of three so-called "Participatory Governance Assessment" (or "PGA") pilots supported by the UN-REDD Programme. The process builds on a truly inclusive process involving different stakeholders ranging from government, civil society, indigenous peoples and local communities, private sector and academia with a view to provide solid governance data which in turn are meant to inform policy- and decision-makers on how to realistically address the gaps, shortcomings and weaknesses found.

[2] UNDP Indonesia, 2015. The 2014 Indonesia Forest Governance Index, Executive Summary.

agency staff and some CBO members on biological monitoring of surface water resources in the six demonstration areas, as one of the activity-level indicators called for called for improvements in water quality measured by the number of species of macroinvertebrates by the end of the project. Within the upstream stretches of the watersheds addressed under Output 1, increased rates of siltation due to degraded vegetative cover within catchment areas is a significant concern Environmental pressures are more significant within the downstream stretches of the watersheds, due to intensive agricultural and urban development. Generally, there was only limited focus on downstream reaches of the watersheds.

The project did not have a specific invasive species dimension, but there is information included in the biodiversity tracking tool regarding national level progress. The Government of Indonesia does not yet have a national invasive species strategy and action plan, but a current GEF-funded project is supporting the government on developing such a strategy. The Ministry of Marine Affairs and Fisheries have already started to address invasive species, but there has been less progress with respect to the Ministry of Environment and Forestry.

Climate change impacts to ecosystem resources has been a growing concern over recent years, and the Government of Indonesia, along with the donor community, have committed significant resources on reducing emissions and implementing adaptation strategies. For example, in the UNDP country programme document for 2016-2020, one of the strategic focal areas is supporting the Government of Indonesia on their programme of reducing emissions from deforestation and forest degradation (REDD+).

3.3.7. Catalytic Role

The project design had a deliberate replication strategy, through replicable CBFWM models demonstrated in six critical watersheds. There are a few indications of replication. Firstly, there is a strong commitment by the government to expand community driven forestry management, as evidenced by the endorsement target in the 2015-2019 medium term development plan of achieving 12.74 million ha of community managed forest by the year 2019. Upon completion of a comparative study, which included assessment of the work completed on the SCBFWM project, the Ministry of Home Affairs has formulated a national programme entitled Community Empowerment in Watershed Management. The Yogyakarta provincial administration has committed to replicate the sub watershed management planning demonstrated by the project in two other sub-districts. The knowledge products developed by the project, including compendium of lessons learned by some of the engaged CBOs, can be used to inform these other initiatives. The CBO database produced by the project is another tool for supporting replication within the six provinces. The database has been distributed to the Central Forestry Extension Service Office, to the Ministry of Home Affairs, and to the District Heads (*Bupati*) in each of the project areas.

The replicability potential would be enhanced if the CBFWM model promoted by the project was more clearly described. There is frequent mention of the SCBFWM model, but, in the opinion of the evaluator, it is unclear what is specifically meant by this model. Another shortcoming with respect to the catalytic role of the project is the lack of consolidation of lessons learned with respect to the six different regions. The project made a deliberate decision to carry out demonstrations in six critical watersheds located in different regions of the country, both in terms of biophysical parameters, such as soil type, tree species planted, pest management concerns, etc., and socio-economic conditions, including average levels of education, participation by the private sector, particular traditional methods of natural resource management, etc.. The specific lessons learned in implementing these demonstrations in these regions would be useful for

governmental and project-level planners in the future for implementing scaled up or similar interventions.

3.3.8. Impact

Assessing impacts is often not particularly feasible, as realizing verifiable impacts takes time, typically longer than 5-year project implementation period. But, certain inferences can be made with respect to project impacts, as summarized in the table below.

Impact Indicator	Comments	Impact Rating
Verifiable improvements in ecological status	The 2.6 million tree seedlings planted by members of community based organisations (CBOs) within the six demonstration watersheds are expected to lead to an estimated 6,561 ha of rehabilitated land.	**Negligible**
Verifiable reductions in stress on ecological systems	The amount of land under enhanced, participatory management totals 223,570 ha, across the six critical watersheds addressed under Output 1.	**Minimal**
Progress towards stress/status change	The substantive contribution with respect to national and subnational regulatory frameworks is considered by the evaluator a significant impact with respect to progress towards stress/status change, in terms of land degradation (LD). For biodiversity (BD), a negligible impact rating is applied, as there was essentially no progress made with respect to improving connectivity between protected areas.	**Significant: LD** **Negligible: BD**

As mentioned above, it is generally too early to evaluate verifiable impacts, so the likelihood of achieving the intended impacts was estimated, using the general guidelines of the *Review of Outcomes to Impacts* (ROtI[1]) method, which applies a Theory of Change approach to assess the overall performance of environmental management projects. The first step was to evaluate relevant outcomes to impacts pathways.

The single outcome for the project, "*Forest and land degradation reduced and watershed functions and ecosystem services restored*" does not seem fully representative of the incremental reasoning of the project, in the opinion of the TE evaluator. An alternative outcome was formulated by the evaluator, to better capture the added value of this project: "*Enabling environment strengthened to support scaling up of CBFWM model developed and demonstrated by the project*". This alternative outcome is reflected in the Outcome to Impacts Pathways illustrated below in **Exhibit 17**.

Exhibit 17: Outcomes to Impacts Pathways				
Outputs	**Outcomes**	**Impact Drivers (ID) and Assumptions (A)**	**Intermediate States**	**Impacts**

[1] The ROtI Handbook, Towards Enhancing the Impact of Environmental Projects, Aug 2009, Global Environmental Facility.

Six critical watersheds with diverse ecological and socio-economic conditions demonstrate improved management using CBFWM Governmental agencies provide clear and quantifiable support to the development of CBFWM initiatives Coordination among and between different levels of government generates consistent policies and programmes that support CBFWM	~~Forest and land degradation reduced and watershed functions and ecosystem services restored~~ Enabling environment strengthened to support scaling up of CBFWM model developed and demonstrated by the project	ID: Integrated approaches to forestry management and biodiversity conservation developed ID: Implementation and mainstreaming of enabling CBFWM policies at national and subnational levels A: Stakeholder capacity is ensured through institutionalized training programmes A: Local management capacity and institutional knowledge are not lost through the departure of key personnel A: There is an increasing national and international demand for non-timber forest products	Forest and land degradation reduced and watershed functions and ecosystem services restored Biodiversity conservation is mainstreamed in forestry and watershed management planning	Ecosystem services sustainably contribute to national and subnational development priorities Globally significant biodiversity conserved

A ROtI desk assessment was then made, based on review of project deliverables and other findings of the terminal evaluation, and the results are summarized below in **Exhibit 18.**

Exhibit 18: Review of Outcomes to Impacts

Outcome	Outcome Rating (A-D)	Intermediate State (IS)	IS Rating (A-D)	Impact	Impact Rating (+)	Overall
Enabling environment strengthened to support scaling up of CBFWM model developed and demonstrated by the project	**B**	Forest and land degradation reduced and watershed functions and ecosystem services restored Biodiversity conservation is mainstreamed in forestry and watershed management planning	**C**	Ecosystem services sustainably contribute to national and subnational development priorities Globally significant biodiversity conserved		**BC**

Outcome Rating Justification: The project fulfilled the main outputs with respect to land degradation, but not biodiversity. And, the enhanced regulatory framework and lessons learned in participatory, community-driven watershed management has led to a strengthened enabling environment. Due to the national and subnational administrative structures, there are some governance gaps with respect to programming the watershed management plans.

Intermediate States Rating Justification: Government financing on community forestry is set to increase, there are several functional governmental incentive programmes in place, and national and subnational stakeholder capacity is high. The challenge is to sort out governance issues, and allocate sufficient funding for enabling stakeholders, including extension offices.

Definitions (adapted from the ROtI Handbook, Aug 2009, GEF):

Outcome Rating	Intermediate States Rating	Impact Rating
D: The project's intended outcomes were not delivered.	D: The conditions necessary to achieve intermediate states are not in place.	Rating "+": Measurable impacts or threat reduction achieved and documented within the project life-span.
C: The outcomes were partially delivered, and were not designed to feed into a continuing process after funding.	C: The conditions necessary to achieve intermediate states are not in place, but the frameworks supporting the requisite reforms are largely developed.	
B: The outcomes were partially delivered, and were designed to feed into a continuing process but with unclear allocation of responsibilities after funding.	B: The conditions necessary to achieve intermediate states are in place, with moderate likelihood that they will progress toward the intended impacts.	
A: The outcomes were delivered and designed to feed into a continuing process with specific allocation of responsibilities after funding.	A: The conditions necessary to achieve intermediate states are in place and have produced secondary outcomes or impacts, with high likelihood that they will progress toward the intended impacts.	

Overall Likelihood of Impact Achievement:

Highly Likely	Likely	Moderately Likely	Moderately Unlikely	Unlikely	Highly Unlikely
AA BA AB CA BB+ CB+ DA+ DB+	BB CB DA DB AC+ BC+	AC BC CC+ DC+	CC DC AD+ BD+	AD BD CD+ DD+	CD DD

As outlined above, the outcomes-to-impact assessment results indicate that the likelihood of impact achievement is moderately **likely**.

Government financing on community forestry is set to increase, there are several functional governmental incentive programmes in place, and national and subnational stakeholder capacity is high. The challenge will be to sort out governance issues, and allocate sufficient funding for enabling stakeholders, including extension offices. Furthermore, biodiversity conservation needs to be better mainstreamed into forest and watershed management policies and programmes.

4. CONCLUSIONS, RECOMMENDATIONS, LESSONS, GOOD PRACTICES

4.1. Conclusions

MAJOR ACHIEVEMENTS/STRENGTHS

Enhanced management of 223,570 ha of watershed ecosystems

By the end of the project, a combined total of 223,570 ha of land within six critical watersheds in Indonesia are under enhanced, participatory management.

Project objective was closely aligned national development priorities

The issue of community based forest and watershed management (CBFWM) has gained increased attention under the current government in Indonesia, as evidenced by the target included in the 2015-2019 medium term development plan of realising 12.74 million ha of forest area under social forestry arrangements by 2019. This is a significant increase from the 0.5 million ha earlier target.

Influence on CBFWM policy and regulatory frameworks

The project was successful in facilitating CBFWM policies and regulations on both national and subnational levels, including the following:

- ✓ 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 Watershed Management;
- ✓ Village Regulations on Water conservation, Forest and Land Management approved in each of the 6 demonstration areas: 2 villages in Gopgopan, 2 villages in Tulis, 2 villages in Way Besai, 4 villages in Jangkok , 10 villages in Besiam, and 11 villages in Miu.
- ✓ 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.

Strengthened CBO capacity among the six demonstration areas

Over the five year period of 2010 through 2014, the project provided varying levels of support to a total of 148 community based organisations (CBOs) having a combined membership of more than 3,815 people, in the demonstration areas, covering 9 districts in 6 provinces. Training and small grants with a total value of USD 1,021,228 were extended to the CBOs for activities such as agroforestry, drinking water supply, utilisation of non-timber forest products for alternative sources income, etc. As part of the grant agreements, the CBO members agreed to plant tree seedlings with the six critical watersheds in the demonstration areas. A total of 2,624,550 seedlings were planted; assuming 70-80% survival and coverage of 400 trees/ha, the planted trees are expected to result in 6,561 ha of increased forest area.

Consistent and effective project management and coordination

Project management was coordinated centrally, under the direction of the Directorate General of Watershed Management and Social Forestry within the Ministry of Environment and Forestry. Regional coordinators were appointed for each of the six demonstration areas, and field facilitators provided on the ground support, mobilizing communities and assisting CBOs. Good management skills, both at the national project director and project management levels, resulted in effective implementation under these geographically expansive arrangements.

Competent and proactive project management and coordination

The project management unit, including the regional and field facilitators, were made up of highly qualified professionals, the project manager is an experienced forestry expert with long-standing experience in watershed management, and high level officials within the Ministry of Environment and Forestry were actively involved in the project, at all levels.

Good financial control

The project team was implemented good financial controls, with financial delivery rates consistently >95% during the 5-year implementation period.

Government cofinancing contributions exceeded pledged amounts

Government cofinancing contributions, exceeding USD 80 million, were roughly double the pledged amount.

Proficient knowledge management

The project produced numerous high quality knowledge products, and they were very proficient in using the project website to disseminate information and lessons learned.

KEY SHORTCOMINGS

Biodiversity was not effectively integrated into the project design or implementation

There was one output-level indicator associated with biodiversity conservation, under Output 1, i.e., improvement in connectivity between protected areas, as a result of reforestation efforts within critical habitats. The activities under this output were not designed to address this indicator, and the only activity-level indicator was biological monitoring for macroinvertebrates in river waters within the six demonstration areas. There was no evidence of connectivity zones being defined at project inception or later on during implementation. Reporting on the progress toward this indicator was restricted to tree planting along river banks near the Nuraksa Grand Forest Park, Rinjani National Park in NTB, Lore Lindu National Park in Central Sulawesi, and Mutis Nature Reserve in NTT. Some additional activities were implemented following one of the midterm review recommendations, but these involved studies on mainstreaming biodiversity into local regulations and trainings delivered by a hired biodiversity consultant. But, the connectivity indicator was essentially overlooked during the course of the project.

Stakeholder involvement was limited, primarily forestry-centred

As the project was implemented by the Ministry of Forestry, before merging with the Ministry of Environment in 2014, and field sites were chosen in forested, upland ecosystems, the involved stakeholders were, unsurprisingly, predominantly from the forestry sector. Although this was a multi-focal area project, including both land degradation and biodiversity, the design did not sufficiently accommodate cross-sectoral stakeholder involvement. It might have been more effective to design activities with implementation responsibilities for protected area managers,

e.g., addressing connectivity linkages, and agricultural stakeholders, e.g., by further integrating downstream watershed reaches, where agricultural pressures on the ecosystems are most intense.

Overall project effectiveness is diminished because of fairly weak results based monitoring

Monitoring and evaluation on an activity level was satisfactory, but results based monitoring and evaluation was not. Some examples of inadequate monitoring and evaluation include:

- The definition applied for encroachment and the methods used to measure it were not clearing articulated;
- Connectivity zones between protected areas were not delineated, and there is no evidence of monitoring carried out during the implementation phase;
- There was no evidence of monitoring the number of applications for HKM permits that cover areas which straddle administrative borders (this was a national level indicator;
- There was no evidence of monitoring the area of land under community-based management in Indonesia (one of the national level key impact indicators of the project).

Regional lessons learned have not been assessed

The demonstration areas were selected in six areas with diverse biophysical and socio-economic conditions. The regional dimension of the project was indeed reflected in the expenditures incurred; e.g., 24% (USD 1.7 million) of the GEF grant was spent on travel related costs (Atlas category 71600). Clearly, there is a concern regarding the efficiency of resource utilisation, considering that the estimated travel costs in the indicative budget presented in the project document were only 5% of the total. The modality of the project could be better justified if the realised benefits of implementing the demonstrations in six different regions were documented. The lessons learned on the project regarding the unique circumstances in the six distinct 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 organisations, etc., have not been assessed. Without consolidating these lessons learned, it is raises the question of whether the project would have been more effectively designed and implemented in one region, for example, covering an entire watershed, engaging stakeholders from forested upstream reaches to more densely populated lowland ecosystems.

Unclear definition of the project "model" limits replication potential

Project reports make frequent reference to the CBFWM model promoted by the project, but it is unclear how this model is defined. Is the model the process of strengthening local community based organisations (CBOs) for more meaningful participation in natural resource management? Or, for example, is the model associated with the development of sub watershed management plans with participation of local communities? A clear definition of the model would enhance the likelihood of replication.

Questionable replicability of the developed sub watershed management plans

The sub watershed management plans developed for the demonstration areas are scientifically sound, albeit they do not sufficiently address biodiversity conservation, but the potential replicability in other sub watersheds is questionable, due largely to the associated cost. Take for example the Wey Besai micro watershed, which covers an area of less than 1,000 ha. Is the rather complex watershed management plan developed for this micro watershed a viable "model" to

promote? A similar shortcoming was highlighted in the final evaluation[1] of the World Bank funded "the National Watershed Management and Conservation project", which was implemented in Indonesia for 6 years, ending in 2000.

There are several thousand such micro watersheds in the country, and it seems unlikely that the local authorities can finance such plans without external support. Based upon interviews with BPDAS officials and subnational administration representatives, there are some preliminary plans to develop similar sub watershed management plans, but there is limited evidence so far.

Uncertain whether engaging a higher number of CBOs than planned was a more efficient strategy

The project facilitated the strengthening and/or establishment of a total of 148 community based organisations (CBOs) in the six demonstration areas. The target was 10 CBOs per area, i.e., 60 in total, so the final number is more than twice the targeted number. The average small grant issued to the 148 CBOs was approximately USD 6,900, which was distributed in annually at a rate of approximately USD 2,000 per CBO. While the higher than planned number of CBOs increases the awareness outreach in the local communities, there is a lack of evidence demonstrating the sustainability of the activities of the CBOs will be increased under by this approach. Extending higher value grants to a smaller number of CBOs might have resulted in a higher probability of sustaining the results.

The landscape approach was not sufficiently reflected among the field level interventions

The sub watershed management plans prepared in the demonstration areas were part of broader strategies for the selected six critical watersheds, but the field level interventions did not reflect a landscape approach. The question arises of in what way were the community driven, small scale field activities contributing to landscape level impacts? Tree planting, for example, was focused along river banks, which improves soil conservation. But, how do these efforts contribute to forest fragmentation, biodiversity connectivity, etc. According to the project document, the Forestry Research and Development Agency (FORDA) was supposed to take the biodiversity and ecology consideration of integrated watershed management in a landscape context - but there was no evidence that FORDA fulfilled this function.

4.2. Recommendations

ACTIONS TO FOLLOW UP OR REINFORCE INITIAL BENEFITS FROM THE PROJECT

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:
    a. Land area in Indonesia under community management. This is a national level indicator;
    b. Previously barren land planted by community groups in Indonesia during the final year of the project; and
    c. The number of applications for HKm permits that cover areas which straddle administrative borders in Indonesia. This is a national level indicator.

[1] World Bank, June 2000. Project completion report, National Watershed Management and Conservation Project (Indonesia), Project ID P003985

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 organisations, 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 cofinancing into funds that were specifically expended for community forestry. For example, the one billion trees (OBIT) programme, which is included among the list of government cofinancing 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 programme. The strategy should include (1) identification of possible strategic institutional partners; (2) compilation of trained trainers; (3) discussion of possibilities for creating a certification programme for watershed managers; (4) recommended actions to achieve institutionalisation of the training programme; and (5) estimation of costs required to further develop and maintain such a programme.
8. With the aim of institutionalising 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 programmes; 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 programmes. Some examples include:
    a. Incorporate the ecological flows assessment[1] in forest watershed planning regulations, and develop technical guidelines and training materials to build capacity;
    b. Consider a landscape approach when implementing agroforestry initiatives in local communities; and
    c. Develop biodiversity friendly incentive mechanisms, e.g., an incentive that encourages organic coffee production.

PROPOSALS FOR FUTURE DIRECTIONS UNDERLINING MAIN OBJECTIVES

11. Programme 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+ programme are extensively addressed draft 2016-2020 UNDP Indonesia Country Programme Document.

4.3. Good Practices and Lessons Learned

GOOD PRACTICES

Deployment of field facilitators to mobilise community participation

The deployment of field facilitators to mobilise community participation in the six demonstration areas was a very effective implementation modality, something that was highlighted by Bappenas in an internal comparative evaluation of community forestry interventions. The role of field facilitators was discussed frequently during the TE mission and indicated as one of the key factors in ensuring sustainability of project results.

Obliging CBOs to plant trees as a condition of receiving a small development grant

As one of the conditions of receiving small grants from the project, the community based organisations (CBOs) were obliged to plant a specified number of trees at delineated locations. This is considered good practice, an effective way of sensitizing the CBOs in routine and importance of restoring vegetative cover.

Inviting journalists to media dissemination events

The project organised several media events, for which journalists were invited to learn about the project, including the problems addressed, the strategic approach, and progress made so far. This was a practical and effective dissemination methodology, resulting in prompt reporting on the project across a number of media outlets. The Presidential press office picked up on these reports, and during his opening remarks for the Forest Asia Summit held in Jakarta in 2014, the President of Indonesia referenced the project specifically.

Maintaining a CBO database

The project developed a comprehensive database on the 148 CBOs that were engaged over the 5-year duration of the implementation phase. The database was distributed to subnational

[1] Ecological flows assessment is a method of determing the flow regime required to maintain specified features of an ecosystem

administrations and national agencies at project closure, providing them with a valuable reference for similar or follow-up activities.

Use of the project website to promote and disseminate knowledge management products

The project maintained an informative website, containing updated knowledge management products and other information regarding the project. The website has been mainstreamed by the Ministry and there was testimonial evidence provided that the site will continue to be supported by the Ministry following project closure.

Strengthening the operation of watershed forums

Strengthening of the watershed forums as part of the watershed management plan development process was a good practice for promoting cross-sectoral stakeholder involvement and helps ensure sustainability after project closure.

LESSONS LEARNED

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 a 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 is 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 utilised

The inception phase of a project should be better utilised 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.

5. ANNEXES

Annex 1: Evaluation Mission Itinerary (28 June to 10 July 2015)

Date	Activity	Resource Person
28 June 2015	International consultant arrives to Jakarta	
29 June	**Opening meeting, interviews in Jakarta**	
	Meeting/discussion with NPD/ Director of PEPDAS in Ministry of Environment and Forestry in Jakarta.	Ir. Djati Witjaksono Hadi, MSi
	Meeting/discussion with PPK and NPM in Ministry of Environment and Forestry in Jakarta	Dr Syaiful Anwar Dr.Saeful Rachman
30 June	**Workshop in Bogor**	
	Opening by NPD/Director of PEPDAS	Ir. Djati Witjaksono Hadi, MSi
	Speech form UNDP	Iwan Kurniawan
	Project Terminal Evaluation Framework	James Lenoci
	Break	
	Presentation and discussion of SCBFWM Project in North Sumatra	Head of Watershed Management Agency (BPDAS) Asahan Barumun
	Presentation and discussion of SCBFWM Project in East Nusatenggara (NTT)	Head of Watershed Management Agency (BPDAS) Benain Noelmina
	Lunch	
	Meeting/discussion with National Watershed Forum in Jakarta/Bogor	Prof. Dr. Naik Sinukaban, James Lenoci
	Presentation and discussion of SCBFWM Project in Central Sulawesi	Head of Watershed Management Agency (BPDAS) Palu Poso
	Presentation and discussion of SCBFWM Project in West Nusatenggara (NTB)	Head of Watershed Management Agency (BPDAS) Dodokan Moyosari
	Break	
	Deep discussion between PTE consultant and SCBFWM Project of North Sumatra, NTT and NTB	James Lenoci, Head of Kepala BPDASs and ex-Regional Facilitators of SCBFWM.
1 July	**2nd Day of 2-day workshop in Bogor**	
	Meeting/discussion with Head of Sub Directorate of Forestry and Water Resource Conservation of Bappenas Jakarta	Nita Kartika, James Lenoci
	Presentation and discussion of SCBFWM Project in Lampung	Head of Watershed Management Agency (BPDAS) Way Seputih Way Sekampung
	Presentation and discussion of SCBFWM Project in Yogyakarta/Central Java	Head of Watershed Management Agency (BPDAS) Serayu Opak Progo
	Break	
	Presentation and discussion of SCBFWM Project in PMU.	National Project Manager
	Deep discussion between PTE consultant and SCBFWM Project of	

	PMU, Lampung, and Central Java Follow up and closing	 James Lenoci, Head of Kepala BPDASs and NPM of SCBFWM Director of PEPDAS/NPD
2 July	**Visit to Central Sulawesi** Jakarta- Palu (GIA) Meeting/discussion with Watershed Management Agency, and ex-Regional Facilitator at Palu City	James Lenoci, Saeful Rachman, Ashadi. Head of BPDAS and staff, and ex-Regional Facilitator of SCBFWM.
3 July	**Field visit to Sigi District, Palu** Meeting/discussion with Sigi District Forestry Service, Bappeda, Bappeluh, and ex filed facilitators of the project. Field visit to project site and CBOs at Bangga, Simoro, Namo and Pakuli Back to Palu	 Head of related institutions, ex field facilitators. CBO's management and members
4 July	**Palu City** Meeting/discussion with Watershed Management Agency, and ex-Regional Facilitator at Palu City Palu-Jakarta (GIA).	
5 July	**Jakarta** Consolidation of evaluation findings	
6 July	**Jakarta** Meeting/discussion with Staff member of GEF Operational Focal Point Office Indonesia, Ministry of Environment and Forestry in Jakarta Interview/discussion with National Project Manager	 Agus Rusly, James Lenoci Saeful Rachman, James Lenoci
7 July	**Visit to Lampung** Jakarta- Bandar Lampung Meeting/discussion with Watershed Management Agency, Forestry Service and ex-Regional Facilitator at Bandar Lampung City. Bandar Lampung to project site in Sumber Jaya (Sleep in Sumber Jaya)	 James Lenoci, Saeful Rachman, Ashadi, Syaiful Anwar, Head of BPDAS and ex-Regional Facilitator of SCBFWM.
8 July	**Field visit in Sumber Jaya** Field visit to project site and CBOs at Sumber Jaya and surrounding Meeting and discussion with local stakeholders.: Forestry Service, Bappeda, Bappeluh, ex filed facilitators of the project in HKm Center Back to hotel in Sumber Jaya	 CBO management and members Head of related institutions, ex field facilitators and CBO's management
9 July	**Back to Bandar Lampung** - direct to airport. Bandar Lampung – Jakarta (GIA)	
10 July	**Jakarta** Presentation and discussion of consultant result in Jakarta Wrap up discussion with project manager	James Lenoci, Ashadi, UNDP, Bappenas, Ministry of Environment and Forestry. James Lenoci, Ashadi, Saeful Rachman
	International consultant departs Jakarta at 20.10	

Annex 2: Evaluation Matrix

Evaluation Criteria Questions	Indicators	Sources	Methodology
Relevance: How does the Project relate to the main objectives of the GEF focal area, and to the environment and development priorities at the local, regional and national levels?			
To what extent is the principle of the project in line with sub-national and national priorities?	Level of participation of the concerned agencies in project activities. Consistency with relevant strategies and policies.	Minutes of meetings, Project progress reports, national and regional strategy and policy documents	Desk review, interviews
To what extent is the Project aligned to the main objectives of the GEF focal area?	Consistency with GEF strategic objectives	GEF Strategy documents, PIRs, Tracking Tools	Desk review, interview with UNDP-GEF RTA
Effectiveness: To what extent have the expected outcomes and objectives of the Project been achieved?			
Assessment of progress made towards achieving the indicator targets agreed upon in the logical results framework (see **Annex 7**)			
Efficiency: Was the Project implemented efficiently, in-line with international and national norms and standards?			
The extent of achievement of project objective and outcomes according to the proposed budget	Percentage of expenditures in proportion with the results	Progress reports, Project Implementation Reviews	Desk review, interviews
Was the Project efficient with respect to incremental cost criteria?	Activities supported by the Project not commonly included among "business as usual" planning and development priorities	National strategies and plans	Desk review, interviews
Country Ownership:			
Are project outcomes contributing to national and regional development plans and priorities?	Plans and policies incorporating initiatives	Government approved plans and policies	Desk review, interviews
Have the relevant country representatives from government and civil society been involved in the project?	Effective stakeholder involvement	Meeting minutes, reports	Desk review, interviews, field visits
Have the recipient governments and co-financers maintained their financial commitment to the project?	Committed cofinancing realized	Audit reports, project accounting records, PIRs	Desk review, interviews
Have governments approved policies or regulatory frameworks in line with the project objective?	Plans and policies incorporating initiatives	Government approved plans and policies	Desk review, interviews
Sustainability: To what extent are there financial, institutional, social-economic, and/or environmental risks to sustaining long-term project results?			
Is there evidence financial resources are committed to support project results?	Availability and amount of national and subnational budget allocation	Progress reports, PIRs, testimonial evidence	Desk review, interviews
Has institutional capacity for CBFWM been strengthened, and are governance structures capacitated and in place?	Institutional and individual capacities	Progress reports, PIRs, testimonial evidence, training records	Desk review, interviews
Are there social or political risks that may threaten the sustainability of project outcomes?	Socio-economic risks	Socio-economic studies, macroeconomic information	Desk review, interviews
Are there ongoing activities that pose an environmental threat to the sustainability of project outcomes?	Environmental threats	State of environment reports	Desk review, interviews, field visits
Impact: Are there indications that the project has contributed to, or enabled progress toward, reduced environmental stress and/or improved ecological status?			
Has the project made verifiable environmental improvements	Impact	Progress reports, PIRs	Desk review, interviews
Has the project made verifiable reductions in stress on environmental systems	Impact	Progress reports, PIRs	Desk review, interviews
Has the project demonstrated progress towards these impact achievements?	Impact	Progress reports, PIRs	Desk review, interviews

Evaluation Criteria Questions	Indicators	Sources	Methodology
Stakeholder Involvement:			
Has the project consulted with and made use of the skills, experience, and knowledge of the appropriate government entities, NGOs, community groups, private sector entities, local governments, and academic institutions?	Active stakeholder involvement	Meeting minutes, reports, interview records	Desk review, interviews, field visits
Have relevant vulnerable groups and powerful supporters and opponents of the processes been properly involved?	Active stakeholder involvement	Meeting minutes, reports, interview records	Desk review, interviews, field visits
Has the project sought participation from stakeholders in (1) project design, (2) implementation, and (3) monitoring & evaluation?	Record of comments and response	Plans, reports	Desk review, interviews, field visits
Catalytic Role:			
Has the project had a catalytic or replication effect in the country and/or region?	Reference by other projects, programs	Interview records, project fact sheets	Desk review, interviews
Synergy with Other Projects/Programs			
Have synergies with other projects/programs have been incorporated in the design and/or implementation of the project?	Reference to other projects/programs	Plans, reports, meeting minutes	Desk review, interviews
Preparation and Readiness			
Were project objective and components clear, practicable, and feasible within its time frame?	Project efficiency, stakeholder involvement	Logical results framework	Desk review, interviews
Were the capacities of the executing institution(s) and its counterparts properly considered when the project was designed?	Project efficiency and effectiveness	Progress reports, audit results	Desk review, interviews
Were partnership arrangements properly identified and roles and responsibilities negotiated prior to project approval?	Project effectiveness	Memorandums of understanding, agreements	Desk review, interviews
Were counterpart resources, enabling legislation, and adequate project management arrangements in place at project entry?	Project efficiency and effectiveness	Interview records, progress reports	Desk review, interviews, field visits
Financial Planning			
Does the project have the appropriate financial controls allowing management to make informed decisions regarding the budget and timely flow of funds?	Project efficiency	Audit reports, project accounting records	Desk review, interviews
Has there been due diligence in the management of funds and financial audits?	Project efficiency	Audit reports, project accounting records	Desk review, interviews, field visits
Has promised cofinancing materialized?	Project efficiency	Audit reports, project accounting records	Desk review, interviews
Supervision and Backstopping			
Has GEF Agency staff identified problems in a timely fashion and accurately estimate their seriousness?	Project effectiveness	Progress reports	Desk review, interviews
Has GEF Agency staff provided quality support and advice to the project, approve modifications in time, and restructure the project when needed?	Project effectiveness	Progress reports	Desk review, interviews

Evaluation Criteria Questions	Indicators	Sources	Methodology
Has the GEF Agency provided the right staffing levels, continuity, skill mix, and frequency of field visits for the project?	Project effectiveness	Progress reports, back-to-office reports, internal appraisals	Desk review, interviews, field visits
Delays and Project Outcomes and Sustainability			
If there have been delays in project implementation and completion, what were the reasons?	Sustainability of Project outcomes	Progress reports	Desk review, interviews
Have the delays affected project outcomes and/or sustainability, and, if so, in what ways and through what causal linkages?	Sustainability of Project outcomes	Progress reports	Desk review, interviews
Monitoring & Evaluation			
Has the Project M&E plan been implemented according to plan?	Project effectiveness	PIRs, M&E reports	Desk review, interviews
Has there been sufficient focus on results-based management?	Project effectiveness	PIRs, M&E reports	Desk review, interviews
Mainstreaming			
Were gender issues had been taken into account in project design and implementation?	Greater consideration of gender aspects.	Project document, design of demonstration sites, monitoring reports, PIR's	Desk review, interviews
Were effects on local populations taken into account in project design and implementation?	Positive or negative effects of the project on local populations.	Project document, design of demonstration sites, monitoring reports, PIR's	Desk review, interviews

Annex 3: List of Persons Interviewed

Name	Position	Organisation
Ir. Djati Witjaksono Hadi, MSi	NPD/Director of PEPDAS	Ministry of Environment and Forestry
Dr. Syaiful Anwar	Project Leader	Ministry of Environment and Forestry
Dr. Saeful Rachman	National Project Manger	SCBFWM Project
Iwan Kurniawan	Project Officer	UNDP Indonesia
Dr. Naik Sinukaban	Professor	Head of National Watershed Forum
Nita Kartika	Head of Sub Directorate of Forestry and Water Resource Conservation	Bappenas
Agus Rusly	Staff member of GEF Operational Focal Point Office	Ministry of Environment and Forestry
GIS Specialist		SCBFWM Project
Financial Officer		SCBFWM Project
Head of Watershed Management Agency		BPDAS North Sumatra
Head of Watershed Management Agency		BPDAS East Nusatenggara (NTT)
Head of Watershed Management Agency		BPDAS Central Sulawesi
Head of Watershed Management Agency		BPDAS West Nusatenggara (NTB)
Head of Watershed Management Agency		BPDAS Lampung
Head of Watershed Management Agency		BPDAS Yogyakarta/Central Java

Names of CBOs and People met in Miu, Central Sulawesi
1. CBO-Hintuwua Lonca Village : Mr. Kalvin
2. CBO-Hintuwua Jaya -II Sungku Village: Mr. Yonathan Kalagi
3. CBO-Cinta Lingkungan- Simoro village: Mr. Harry Pampow, Tahrir (head of Village), Abl. Muis (secrtary)
4. CBO-Silva Suka Maju-Omu village: Mr. Aris (head of CBO) Up salon (secretary)

Names of People met in BPDAS Way Seputih-Way Sekampung Office, Lampung:
1. Mr. Musywir Ayub (Head of BPDAS)
2. Mr. Zaenal Abidin (former Regional Facilitator for SCBFWM)
3. Apriadi (BP DAS Counterpart for SCBFWM)
4. Anita Puspita Nagara (staf PLN - Lampung Province)

Names of people met in Forestry Services of Lampung Province:
1. Syaiful B. (Head of Forestry Services)
2. Eni (Staf for Forestry Services, HKm division)

Names of people met in the Field (HKm Bina Wana, Tri Budi Syukur Village, Kebon Tebu Sub District):
1. Muslich Basri (Head of Lampung Barat District)
2. Amirian (former head of Forestry Services/Agricultural Services of Lampung Barat District)
3. Gandi (field Facilitator SCBFWM)
4. Sutopo (Extension Worker)
5. Ruspendi (Head of Extension Agency of Gedung Surian Sub District)
6. Engkos Kosasih (Head of HKm Binawana)
7. Yayah Suryani (Head of CBO-woman group of Melati-Tri Budisukur)
8. Eric-Enrico (Head of Bappeda Lampung Barat)

Annex 4: List of Information Reviewed

1. Project Identification Form
2. Project Document
3. Project Inception Workshop report, Aug 2009
4. Midterm review (MTR) report
5. Management response to recommendations made in midterm review
6. Participatory project impact assessment report, 2014 (in Bahasa with summary translation by national consultant)
7. Terminal evaluation report, prepared by national consultant, Mar 2015
8. Annual Project Implementation Reviews (PIRs)
9. Quarterly Progress Reports
10. Annual Progress Reports
11. Annual Work Plans
12. Project Board meeting minutes
13. Completed GEF Tracking Tool for Biodiversity Projects
14. Combined Delivery Reports
15. Summary of project expenditures, internal files
16. Independent Financial Audit report for fiscal year 2014, BDO Associates
17. Project Asset Inventory, internal file
18. Project cofinancing records (from project manager)
19. Summary presentations from each of the 6 critical watershed demonstration areas
20. Integrated Watershed Management Plan for the Miu Sub Watershed, Palu Poso Watershed, Regional BPDAS, Ministry of Environment and Forestry, 2015-2019 (in Bahasa, with selected sections translated by national consultant)
21. Integrated Watershed Management Plan for the Way Besai Micro Watershed, Tius Watershed, Lampung Barat District, Dec 2012 (in Bahasa, with selected sections translated by national consultant)
22. Land use drawings for each of the 6 critical watershed demonstration areas
23. Working paper from SCBFWM Project GIS Specialist, Feb 2015 (in Bahasa)
24. UNDP Country Programme Document, 2011-2015
25. UNDP Country Programme Document, 2015-2020

Annex 5: Summary of Field Visits

3 July 2015, Visit the Hintuwua community based organization (CBO) in the village of Lonca the province of Palu.

The meeting was held at the CBO's meeting enclosure, which was financed by the project.

The CBO was established in 2011; due to the remoteness of this village, establishment of the CBO could not be managed in the first year of the project, 2010.

There are 137 households in the village, and the CBO has 31 members, including 6 women. The actual number of active women is more than 6, as the wives of many of the men members are participating. There is only one member per family.

There are 4 other CBO's in the village; these were not involved in the project activities.

In 2015, the CBO has received inputs from the Agricultural Extension Service as part of an integrated agricultural project. They received seeds, fertilizers, and pesticides for corn production. The village obtained a hand tractor and a corn processing machine; the CBO can use these equipment.

The CBO has not yet planted tree seedlings this year. In recent, years the CBO distributed 25,000 seedlings to the local community. There was not income earned from these activities; the recipients of seedlings can benefit from harvestable trees planted on their property.

The CBO leader received training in institutional development. There seems to have been limited other trainings, and the other members seem like they have not received any training. The CBO members indicated that training topics they are interested in include:

- Handicrafts, using some of the non-timber products, such as rattan
- Food processing;
- Cultivation of corn, cocoa, and other crops
- Leadership/management training

The CBO is convening meetings approximately once per month.

Every 3 months, the CBO is participating in FORCEMIL meetings. This forum offers the CBO to share experiences with other CBOs and also keep informed by the local governmental institutions (SKPDs). They have not prepared proposals for government programmes. The former field facilitator helped them with proposal writing and other administrative tasks. They have limited capacity on their own. The extension service representative is not as efficient as the former field facilitator; there is an agricultural extension officer assigned to this village, and he is based in the Sub-District of Kulawi.

The CBO is producing about 500 litres of honey per year. Only a limited number of members are harvesting the honey, as it is fairly dangerous works, on the local steep hillsides.

The CBO collects a one-off membership fee of IDR 50,000 per member and IDR 10,000 per month per member. The money is added to a fund, which the members can borrow from at 2% interest per loan.

The CBO purchased processing equipment for coffee at IDR 3.7 million from their own funds. They would like to increaser their activities related to coffee production, supposedly directly to local markets. Interestingly, most households are involved in cocoa production, but not as part of the CBO, rather individually.

They do not have any contacts with private sector companies. But, the village did deny a private company from obtaining a forest license concession; the concern planned to operate a saw mill and exploit some of the trees in the production forest (uncertain which authority would have issued the license, as it is prohibited to extract trees from production forests, where the main ecological function is soil and water conservation). The village had help from a Palu based NGO, Karsa; one of the project consultants working on the village regulations is a member of this NGO.

The CBO members indicated that the agricultural extension officer provides instructions for applying the pesticides they use.

With respect to wildlife conflicts, there are some problems with wild pigs and monkeys, and some eagles are attacking chickens on occasion.

3 July 2015, Visit the Hintuwu Jaya 2 CBO in the village of Sungka in the Sub-District of Kulawi, Palu Province

We met in the office of the BP3K Kulawi; this is a joint extension office for the Sub-District, and including agricultural, livestock, forestry, and fisheries functions.

The CBO first formed in 2007 under Village Decree. In 2010, the CBO was upgraded, with the help of the project, and registered with the newly formed District of Sigi.

The CBO has been involved in land rehabilitation, approximately 3 ha per year on community land, and in return to the seedlings they receive, they also planted trees along the river bank for soil and water retention.

According to their Village Regulation, if they cut down a tree on their land, they need to replace it by planting 5 seedlings.

The CBO has also been involved in agro-forestry and some conservation agricultural, including terracing.

This CBO also convenes meetings monthly, and 18 of the active members contribute IDR 25,000 per month per member into some type of raffle fund.

Under a national government programme administered by the Forestry and Estate Services Department, the CBO was awarded processing equipment and funding for a building, including 2,500 m^2 drying space for coffee processing, with a 300 kg/h capacity. The CBO provided the land as a cofinancing contribution. The value of the grant is IDR 500 million. In the short term, the CBO plans to run the equipment from their own production, and if they are successful, they would start buying raw coffee materials from other farmers, and in the longer term, they hope to form a cooperative. A 5-day management training workshop is included as part of the grant.

The SCBFWM project helped facilitate this IDR 500 million grant by sponsoring workshops and also assisting with the proposal preparation.

The project was also beneficial by providing trainings, helping the CBO promote coffee production.

The extension office also appreciates the project, as they depend very much on CBOs to help them with some of the work that they do not have capacity to do. By strengthening the capacity of the CBOs, the project has helped the extension office.

The village is within the buffer zone of the Lore Lindu National Park, but so far they have not had any collaborative activities with the park. In 2014, the CBO submitted a proposal to the park, requesting permission for extracting gaharu oil (high value, IDR 9 million per kg, used in perfume production). Saeful indicated that there is a new UNDP-GEF project, which will include this national park, along with two others.

The project also helped with facilitating preparation of the Village Regulation on Environmental Protection. Some of the items in the regulation include prohibition on poaching a large frog species (threatened?), and also prohibition on dumping rubbish in the rivers.

A total of 11 villages in the Sub-District were supported with such regulations. The Legal Department of the Sigi District was pleased with the result and took steps to replicate the formation of regulations in 139 villages in the district (there are 176 villages in all in the district).

4 July 2015, Visit the Kelompak Cinta Lingkungan CBO in the village of Simoro in the Sub-District of Gumbasa, Palu Province

The CBO was first formed in 2004, after there was a devastating flash flood in the region. The CBO worked on planting trees on the river bank, and socialized the importance of the river bank vegetation to the local communities.

During 2009, as part of the project development, the village head participated in a meeting in the district, learned of the project, and promoted the CBO in his village.

In 2010, the CBO had 10 members, all of who were men. Currently, there are 18 members, including 3 women.

In 2011, the performance on the project was unsatisfactory, and the regional facilitator considered discontinuing the cooperation with them. The village head asked for an additional year to prove themselves, and the current head of the CBO, pak Herry was appointed.

The CBO has been active in environmental education, with primary schools. And, the CBO was selected by the National Park as a pilot CBO for honey production.

Also, the head of the CBO received REDD+ training in Bogor.

From 2012-14, the CBO members planted 60,000 seedlings over a 150 ha area in the national park.

In 2013, after improving their performance, the CBO was granted IDR 50 million in small grants from the project. They used the money to buy 5 cows, and also to support the preparation of the medium term plan for the CBO.

The CBO also supported the village in preparing the village medium term development plan.

The CBO has planted approximately 1,000 seedlings, most of white teak and papaya in their 1 ha plot. They extracted the seedlings themselves from the land.

Honey production remains very modest; only 20 litres were produced last year.

Although the project grant support has been relatively small, the project has had a significant impact. For example, the Sigi District Environmental Agency awarded them a grant of IDR 90 million for a spring protection project. Trust with the local government administrations (SKPDs) has increased.

The CBO has also been able to fund activities with their own finances, including IDR 29 million for purchasing their 1 ha plot, and IDR 20 million for constructing their own building.

There are 8 other CBOs in the village; mostly working in the agricultural sector. The village head is promoting this CBO as a model to the other ones; there seems to be some sort of jealousy from the other CBOs.

The have limited proposal writing capacity. The head of the CBO participated in the project sponsored proposal writing workshop with the GEF Small Grants Programme; but the CBO did not submit a proposal in time following the workshop.

The CBO participates in FORCEMIL meetings; in fact, the forum has used their building to hold meetings.

The National Park has suggested to the CBO to convert their land to a demonstration forest, some type of ecotourism function. The CBO is considering it, even expanding the land to 5 ha. They would charge a fee for visitors.

The village head indicated that there are 289 households in the village, and the population is 989 inhabitants. The village is located about 43 km from Sigi. He has been satisfied with the CBO, and as a demonstration of his appreciation, he provided a IDR 5 million value portable generator to the CBO for a power supply to the CBO's building.

4 July 2015, Visit the Silva Suka Maju CBO in the village of Omu in the Sub-District of Gumbasa, Palu Province

The CBO was formed in 2010, and has 19 members, which include 4 women. One of the former women members had a position of treasurer, and later took a position in the Sub-District Administration; presumably partly due to her capacity gained as treasurer of the CB.

The CBO has been involved in the following activities:

- Tree nursery and tree planting at river bank;
- Rehabilitation of Lore Lindu National Park, for about 250 ha;
- Agro-forestry;
- Some small-scale processing of non-timber products, including palm oil. They received a grant in2014 from the Sigi District Environmental Agency, for a 500-liter capacity palm oil equipment. To date, they have used the unit one time; it runs on gas and is a bit costly to operate;
- 10 beehive boxes for honey production (plus an additional 4 boxes purchased with member funds). In the last year, they only produced 3 litres of honey; very low production;
- Livestock, including 2 cows and 14 goats;
- 7,000 catfish.

The CBO also assisted the village in relocating 13 landless farmers out of the national park, and find alternative livelihood opportunities, including broom making and palm oil production. One of the families has reportedly purchased a house.

They hold CBO meetings once per month. Fees are IDR 50,000 as a one-off fee and IDR 10,000 per month. They have about IDR 12 million in their account, which they used for opening an agricultural supply shop in one of the houses of the members. They make about IDR 100,000 per month net on the sales from the shop. They allow members and non-members to purchase inputs and pay after the harvest.

In 2012, the CBO assisted the village in unclogging the upstream section of the local river after a storm event. They worked for 2 days and 2 nights. The District provided them with IDR 6 million and 2 chainsaws.

In 2014, they obtained a IDR 50 million grant to produce 25,000 seedlings. They have completed this work and distributed the seedlings to the community.

Also in 2014, the CBO obtained assistance from the Sigi District Horticultural Services Unit, with 1,000 fruit tree seedlings and about 1 ton of chemical fertilizers.

The CBO does not yet have land, but they would like to in the future. Land prices are expensive, at about IDR 100,000 per square meter.

The CBO has own capacity for preparing proposals, in fact, the head of the CBO has a Bachelors' degree from university.

In 2015, they have not yet prepared any proposals. The activities they plan to work on this year include maintenance of the trees they have planted in previous years, maintaining the fish pond (25% of the revenue from the catfish sales goes to the CBO).

The CBO has received about IDR 1 million per year from the Village Fund, for assistance in administration of the CBO. In 2015, the contribution will be IDR 2 million.

The total Village Fund is IDR 600 million per year. Last year, the CBO submitted a proposal for IDR 16 million for environmental conservation, basically tree planting.

The CBO participates in the FORCEMIL forum; in fact, the head of the CBO is the second secretary of the forum. Last year the forum met quarterly, whereas this year it is less frequent at 2 times per year.

When asked if the CBO members were informed of the Miu Sub-Watershed Management Plan, they could not answer, but then recalled that they participated in consultations during the preparation. And, the local government administrations inform them during the FORCEMIL meetings. There does not seem to be a separate program of work for the watershed management, but rather they attribute existing programs toward the objectives.

8 July 2015, Group meeting at the HKM centre in the Village of Tri Budi Syukur, in the Kebon Tebu Sub-District, Lampung Barat District, Lampung Province

The HKM group obtained their HKM license in 2007 and is valid for 35 years. They have 407 members and manage about 600 ha.

There are 5 agricultural CBO's in the village, including 1 women CBO. They are "legalized" by the District Extension Service.

There is one agricultural extension officer for every 2 villages (there are 10 villages in the sub-district), and only one forestry extension officer for the sub-district.

There are about 40 HKM groups in the District of Lampung Barat.

Private sector involvement with respect to this HKM group includes funding for a field school for farmers; training is provided in coffee cultivation techniques, pest management, etc. The private sector organizations include INDOCAFCO (maybe not private sector), and LEWIS.

Head of the HKM Group:

- The main benefit from the SCBFWM project is the funding for the physical HKM Centre Building. The centre is extensively used not only by the HKM Group, but as a learning centre. In the past 1 year, since it was finished, there have more than 1,000 visitors, including representatives from foreign universities (University of Kentucky, University of Tokyo) – these were facilitated by the Lampung University (the regional facilitator is a professor there), and also the project sponsored visits by officials from the sites in Central Sulawesi, NTT, and NTB.
- Also, the operational and management plans facilitated by the project are firsts for the HKM group. They have not had such plans in the past. The management plan is for the entire 35 year license timeframe and is reviewed every 10 years, according to legislation. The operational plan is prepared annual. The HKM group has prepared the 2015 operational plan on their own, and activities include further development of nursery facilities and further development of the fish ponds they have there. The District is advocating integrated farming systems.

Extension Officer. Benefits from the SCBFWM project include:

- Water quality monitoring training;
- Participatory landscape assessment training (ICRAF);

- GIS training;
- Training in integrated water resources management planning.

Former District Head of Forestry Services (currently head of District Agricultural Services)

- There is a long history of forest degradation in the province, and throughout Indonesia. Early attempts to remove encroachers achieved only temporary success (top-down approaches). In 2000, the government tried to engage HKM Groups, with facilitation by NGOs, both local and international ones.
- The SCBFWM project was successful because it involved integrated community solutions, inside and outside the forest areas. For example, drinking water systems, catalytic capital support for CBOs, including women groups, and importantly, the use of field facilitators.
- The remaining challenges include lack of resources for controlling and facilitating.
- Local governments follow trends. The current trend is food security. For example, the linkages between the upper (forestry) and lower (agriculture) reaches of the watershed should be harmonized.

MELATI CBO, women's group

- The CBO is located in the Tri Budi Syukur village and was established in 1993.
- Until 2010, their activities were limited, collecting fees from members, cooperating in selling home garden products.
- The SCBFWM project provided an IDR 27 million small grant in 2010; used for purchasing a coffee processing equipment (mill and packaging). They now produce 40 tons of coffee per year.

Interview with the Head of District (Bupati)

- With respect to transferring lessons learned to the other HKM groups in the district (there are 40 HKM groups), the Bupati indicated that HKM groups are regularly meeting, and he tries to attend as many as he can. He always supports requests for new HKM licenses.
- With respect to the new government target of 12.7 million ha to be under community management by 2019, funding to the district is increasing (unsure of this answer). Current funding from the central government has been focused on food security initiatives.
- With respect to Law 27 of 2014, the impacts to the ability of the district to fund programs will be very significant, as the intent of the law is to reduce the autonomy of the districts and transfer more to the provincial governments.
- The Bupati also indicated that the District was proclaimed a Conservation District in 2009 (local government regulation). They have a 100 ha botanical garden and a 13 ha city forest. And, the District is in discussion with the National Park to utilize part of the park for ecotourism activities.

Group discussion:

- The Extension Services are essentially acting as field facilitators, but their capacity and numbers are limited.
- The Head of the Sub-District Extension Service indicated that the SCBFWM project was a useful stimulant for community based forestry management, and also facilitated the activities of women's groups.
- Representative of one of the CBOs: Benawa CBO. Their CBO constructed the HKM Centre building with a small grant from the project. And, this CBO is operating the centre. They gained a lot of knowledge from the project, and they have been preparing a proposal to send to the District Forestry Services for improvements to the centre.
- MALETI CBO. The total turnover in 2014 for the CBO was IDR 1.8 billion, the organization has about IDR 400 million in assets, and their net income in 2014 was about IDR 200 million, which means approximately IDR 700,000 distributed to the 91 members. The CBO has obtained a license for selling their products, they have a bar-code machine, and they have obtained halal certification. In addition to coffee, they are also working with other non-timber forest products, including palm sugar (1,000 palm sugar seedlings were distributed to the CBO members).

- ✓ After the meeting at the HKM Centre, we went to the MALETI CBO centre, where they distributed the annual dividend to the members.

- Head of District Bappeda (planning department). The management plan for the micro-watershed added a great deal of understanding for the District. He personally learned an important lesson from the project, i.e., environmental improvements usually result in economic benefits, but economic development does not always result in environmental improvements. Support from Home Affairs was IDR 400 million in 2014 and IDR 260 million in 2015 and include:
  - ✓ Planting 1,500 durian seedlings;
  - ✓ Institutional capacity building;
  - ✓ Economic development (incentive generation);
  - ✓ Promotion of medicinal plants;
  - ✓ Irrigation water reservoir.
- The head of Bappeda also indicated ecotourism plans, e.g., surrounding a 500 ha paddy field area.
- In 2016, the District will implement a regional gender mainstreaming program.
- In 2015, approximately 5% of the operational budget was allocated on community based natural resource management activities; this percentage was 2% earlier.
- Through support from the Ministry of Health and the Ministry of Public Works, the District also plans to implement sanitation improvements; including solid waste management, improved drainage, and drinking water supply.

8 July 2015, Group meeting with 4 CBOs in Sri Menanti village

The first CBO, Malati Makasari was established in 2003; this is a women only group. They had 14 members to start with, but now have 45. From 2003-2009, they were involved in their "own" activity, with no external support. From 2009-2011, they were supported by the NGO WATALA, for capacity building training and a small grant for some livestock, including chickens and ducks. Due to local circumstances, ducks were not appropriate and they changed to goats.

With an IDR 23 million grant from the SCBFWM project, they arranged construction of a 5 km long drinking water pipeline from a spring in a highland forest to local households (HHs). At first, there were 27 HHs connected, and later this grew to 43 HHs.

The CBO charges IDR 1 million for a drinking water connection for new HH. And there is an IDR 100,000 user fee per year per HH. From the user fees they pay for maintenance, which is done by men groups.

They had a second grant, for IDR 22 million, for bamboo processing equipment for handicrafts and training. The 7-day training was attended by 20 participants; about 10 of them continue with the activity currently.

This CBO has received support from other sources, and they seem to have own capacity in proposal development. They received grants for coffee processing equipment, food processing equipment, and packaging for agricultural products. They upgraded to a cooperative, and have a monthly turnover of about IDR 28 million. And, they extend about IDR 30 million per month in small loans, through their own savings and loan scheme.

The second CBO, Sumbrajaki was established in 2008. The have 23 members, 2 of whom are women.

In 2013, they obtained an IDR 27 million grant from the project for a drinking water system (3 km, serving 25 HHs). The monthly fee to users is IDR 150,000.

They use the excess water for fish ponds (11 ponds in total). They also have a savings and loan mechanism, and they also earn income by shared labour among the members (rotating agricultural workers to members' plots).

The third CBO is called Makarjaya Sari, established in 2010, and having 20 members, all women. They were also facilitated by WATALA in 2010. Note: according to the participants, WATALA is no longer active in the area; they were active for only 3 years, from 2009-2011. WATALA helped them with integrated household farming, including livestock (chickens and goats).

With an IDR 21.6 million grant from the project, they facilitated a local drinking water system, serving 20 HHs. The user fee is IDR 100,000 per month. They also hire a men's group to do the maintenance work.

The CBO has plans to prepare proposals, but they have not yet done it. They did receive some banana drying equipment from the Provincial Child-Mother Protection Agency.

The fourth CBO is called Jayatani, established in 2012, was dormant until 2014, and then received an IDR 23.5 million grant for a micro hydropower plant. The system serves 20 HHs and 1 school. The fees are IDR 10,000 per month for only lighting, or IDR 15,000 per month if other equipment is also used, such as a rice cooker. With 50% of the fees, they pay for operation and maintenance.

A visit was made to the power plant site. The power plant is in a very remote village. The local river is dammed using river stones and plastic sheeting. There are intakes on both sides of the river; one side is for the Jayatani plant and the other is for a different power plant, operated by someone else in the village.

The 5-kW turbine is simple, with a single electrical cable extending up to the village. The electrical cable is supported by trees and does not appear to be safely secured, e.g., limited protection against access by children.

Annex 6: Survey Questionnaires and Results

Questionnaire: Watershed Management Plans

Name of Project Site: Nama Lokasi Proyek:	
Date of Response: Tanggal Jawaban:	
Name of Person Responding: (name, affiliation, position) Nama Personil yang Menjawab (nama, hubungan, kedudukan)	
Date of Integrated Watershed Management Plan Approval: Tanggal Persetujuan/Pengesahan Rencana Pengelolaan DAS Terpadu	
Authority that Approved Plan: Yang Berwenang Menyetujui/Mengesahkan	
Citation of Approved Plan: Penghargaan Persetyjuan Rencana:	

Please indicate how the integrated watershed management plan has been operationalized in 2015:

Silahkan tunjukkan bagaimana Rencana Pengelolaan DAS Terpadu telah dilaksanakan

	Activity approved in 2015 budget Kegiatan yang disetujui dalam Anggaran 2015	Approved Funding (IDR) Anggaran Yang Disetujui (Rp)
1		
2		
3		
4		
5		

Please indicate any particular feedback regarding the subject project:

Silahkan tunjukkan suatu umpan balik khusnya berkaitan dengan sasaran proyek:

Questionnaire: Community Based Organizations (CBOs)

<table>
<tr><td>Name of CBO:
Nama CBO:</td><td colspan="4"></td></tr>
<tr><td>Date of Response:
Tanggal Jawaban:</td><td colspan="4"></td></tr>
<tr><td>Name of Person Responding:
(name, affiliation, position)
Nama Personil yang menjawab
(nama, keanggotaan, posisi)</td><td colspan="4"></td></tr>
<tr><td>Date of CBO was Established:
Tanggal CBO dibentuk</td><td colspan="4"></td></tr>
<tr><td>Number of Members:
Jumlah Anggota</td><td>Male:
Laki-laki</td><td></td><td>Female:
Perempuan</td><td></td></tr>
<tr><td>Activities carried out by CBO:
Aktifitas yang dilaksanakan oleh CBO</td><td colspan="4"></td></tr>
<tr><td rowspan="2">Income Earned in last 3 years (IDR):
Pendapatan yang diterima dalm 3 tahun terakhir (Rupiah/Rp)</td><td>2012</td><td colspan="2">2013</td><td>2014</td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><td rowspan="4">Incentives received in 2014-2015:
Bantuan yang diterima dalam tahun 2014 dan 2015</td><td colspan="3">Incentive program (source)
Sumber Bantuan</td><td>Amount (IDR)
Jumlah (Rp)</td></tr>
<tr><td colspan="3"></td><td></td></tr>
<tr><td colspan="3"></td><td></td></tr>
<tr><td colspan="3"></td><td></td></tr>
<tr><td>Private Sector Partnerships:
Sektor Swasta Pasangan yang bekerjasama</td><td colspan="4"></td></tr>
<tr><td>Conversion to Cooperative:
(for what activity?)
Perubahan yang dikerjasamakan
(untuk kegiatan apa)</td><td colspan="4"></td></tr>
<tr><td>Benefits realized from project:
Manfaat nyata dari proyek</td><td colspan="4"></td></tr>
<tr><td>Challenges faced by the CBO:
Tantangan yang dihadapi oleh CBO</td><td colspan="4"></td></tr>
<tr><td>Recommendations:
Saran/Rekomendasi</td><td colspan="4"></td></tr>
</table>

Community Based Organizations:

The following 15 CBOs filled in and returned questionnaire surveys:

1. KWT Seruni
2. Hintuwua
3. Hintuwu Jaya II
4. Cinta Lingkungan
5. Silva Suka Maju
6. UND Pardomu-domuan
7. Serasi
8. Saurma
9. LHD Buluh Laga
10. Sempurna
11. Eko Lestari
12. LHD Siarsik-arsik
13. HPPH-L
14. HKM Bina wana
15. Hkm AbungjayaSWT Melati

Some of the findings from the survey include:

Improved environmental awareness was one of the main benefits realized through support provided by the project.

Training and support with respect to value addition was also indicated as one of the main benefits realized from the project.

None of the responding CBOs have contacts with private sector stakeholders; probably indicating the early development of the CBOs.

Several of the CBOs indicated that their farmer members remain dependent on brokers (middle men) for trading their products.

The CBOs indicated that they require further support in capacity building, including financial management.

A few of the CBOs indicated that there are few younger age members; this is a challenge for the sustainability of the organization.

Integrated Watershed Management Planning

With respect to the Integrated Watershed Management questionnaires, representatives from each of the six participating pilot sub watersheds.

A common remark recorded in the questionnaires was the importance of the field facilitators, and the recommendation to continue this function, in order to ensure the sustainability of community driven natural resource management.

There were various degrees of funding support indicated. For the management plans that were approved earlier, e.g., the one for the Jangkok watershed was approved in 2012, there seemed to be more structured support, and less so for the ones that were approved later on.

Annex 7: Matrix for Rating Achievement of Project Objective and Outputs

No.	Indicator	Target	TE Comments	Rating	Rating Score
Objective: to support effort in reducing forest and land degradation in order to restore watershed functions and ecosystem services					
Ojb-1	Overall decrease in trend and/or severity of deforestation in six critical watersheds in Indonesia	By end-project deforestation rates are no more than 25% of baseline value, in hectares lost per year	Firstly, there are inconsistencies between the objective level indicator and the wording of the objective. The measure of change in the trend or severity of deforestation is inappropriately intended to represent reduction in forest degradation, which is the essence of the project objective. And, the indicator does not reflect the community driven dimension that was the underlying aim of the project. Baseline deforestation based upon analysis of available satellite imagery for the period of 2004-2009 was estimated to be 956 ha/year, which is an average figure for the six demonstration sites. Over the period of 2010-2014, a total of 2,624,550 trees were planted in the demonstration sites, and assuming a survival rate of 70-80% and average coverage of 400 trees per hectare, the planted trees will lead to 6,561 ha of rehabilitated area. Analysis of available satellite imagery from 2013 revealed an estimated 295 ha of combined increase in forest area for the six demonstration sites; this represents about 74 ha/year.	**Satisfactory**	80
Output 1: Six critical watersheds with diverse ecological and socio-economic conditions demonstrate improved management using CBFWM					
Outp1-1	Nominal target annual encroachment rate is no more than 25% of baseline value by end-project	Nominal target annual encroachment rate is no more than 25% of baseline value by end-project	The project team made a broad assumption that encroachment is measurable by change in forest cover. It would have been advisable to provide a definition of this term in the monitoring and evaluation plan. Achievement of this indicator was based on the same criteria used for the objective level indicator, i.e., the tree seedlings planted by the project and analysis of available satellite imagery.	**Satisfactory**	80
Outp1-2	At the end of the project, the average monthly household income generated from community-managed areas has increased by at least 10%	Baseline data indicated in prodoc: DAS Dodokan: IDR 680,528/yr Sub-DAS Besiam: IDR 335,603/yr Sub-DAS Besai: IDR 635,470/yr Sub-DAS Tulis Hulu: IDR 904,263/yr DAS Palu: IDR 531,374/yr Danau Toba: IDR 736,462/yr	Household incomes were independently surveyed by external consultants, as part of a participatory project impact assessment. Referenced to control households, i.e., ones without having members of the engaged community based organizations, the targeted households had increased monthly income in all six project areas, ranging from 40% more in the DAS Palu to 146% more in Sub-DAS Tulis. The issue is sustainability. While there seem to have been increases in household income, the sustainability of maintaining the increased income depends upon the CBOs ability to continue fund-raising.	**Satisfactory**	85
Outp1-3	In six critical watersheds, the proportion of (a) women and (b) the landless involved in community groups has increased from 8% and 4% respectively to at least 30% and 25%, respectively	(a) women involvement: 30%; (b) landless involvement: 25%	During the lifespan of the project field interventions, from 2010 through 2014, a total of 148 community based organisations (CBOs) were engaged. Among these, there were 19 women CBOs and 6 women sub-CBOs, and the total number of women in these organisations represents approximately 21% of the total. There was lower inclusion by landless farmers; a total of 513 individuals, which is 8.4% of the total.	**Moderately Satisfactory**	75

No.	Indicator	Target	TE Comments	Rating	Rating Score
Outp1-4	Reforestation of critical habitats leads to improved connectivity between PAs in key watersheds, as follows: Gunung Rinjani National Park and Nuraksa Sesaot Protected Area in DAS Dodokan; Mutis Nature Reserve in Sub DAS Besiam; Register 44 B Protected Area in Sub DAS Besai; mosaic of nature reserves in Sub DAS Tulis Hulu; and Lore Lindu National Park in DAS Palu.	Increase in forest cover in defined connectivity zones linking PAs	The achievement reported in the annual progress reports and PIRs reflect the total number of trees planted, some of which were planted within the buffer zone of the Lore Lindu protected area in the province of Lampung. And strengthening of CBO capacity was also indicated as a contribution to achievement towards this indicator. The aim of improving connectivity between PAs as a result of reforestation of critical habitats was not sufficiently addressed during the project. Firstly, there were no baselines established, i.e., connectivity zones linking PAs were not defined. Stakeholder involvement and activities carried out in the demonstration areas also were not designed or implemented to adequately capture this indicator. As this was the only biodiversity indicator for the project, the lack of focus on this aspect is considered a significant shortcoming. This indicator should have been clarified at project inception or at midterm, and project activities should have been designed/adapted accordingly.	**Moderately Unsatisfactory**	65

Sub-total, Output 1	**Incurred cost**	**Weighted Cost**	**TE Output Rating Score**	**Weighted Score**	**Rating**
	USD 4,060,550	**0.65**	**76**	**50**	**Moderately Satisfactory**

Output 2: Governmental agencies provide clear and quantifiable support to the development of CBFWM initiatives

Outp2-1	By the end of the project the amount of funding provided to support community-based management of natural resources in the 6 provinces in which the demonstration sites are located has increased from USD 4,011,000 at the beginning of the project to at least USD 5,214,300	USD 5,214,300	Based upon the 2014 annual progress report, a cumulative total of USD 72 million has been disbursed by the Government of Indonesia in the forestry sector over the period of 2010-2014, on programmes including KBR, DAK, Bansos PPMBK, OBIT, PDAS, HKm, and Village Forest, etc.). While some of these programmes clearly support community based natural resource management, not all do. For example, the one billion trees (OBIT) programme includes industrial forest concessions (HTI). Based upon interviews during the TE mission, the evaluator confirmed that the Government has allocated substantial funding for community based forest management programmes, and hence this indicator is rated as satisfactorily achieved. It would be advisable, however, to disaggregate the figures reported, separating out community based forestry interventions.	**Satisfactory**	85

Sub-Total, Output 2	**Incurred cost**	**Weighted Cost**	**TE Output Rating Score**	**Weighted Score**	**Rating**
	USD 1,185,908	**0.19**	**85**	**16**	**Satisfactory**

Output 3: Coordination among and between different levels of government generates consistent policies and programmes that support CBFWM

Outp3-1	By the end of the project, the number of applications for HKM permits that cover areas which straddle administrative borders in Indonesia has increased by 30% compared with the number at the beginning of the project	Applications in 2013 = 39	This indicator was meant to reflect national level circumstances, specifically the number of community forestry (HKm) permits issued for areas that straddle administrative borders. Thus, demonstrating improved coordination among governmental bodies. The monitoring data included in the annual progress reports and PIRs are on a local level, i.e., the districts where the six demonstration sites are located. And, it is also unclear whether the achievements reported are for areas that straddle administrative borders.	**Unable to assess**	-

No.	Indicator	Target	TE Comments	Rating	Rating Score
Outp3-2	By the end of the project, improved legal and/or policy instruments have been drafted in at least 4 of the 7 districts and communicated in the other 3; and improved legal and/or policy instruments have been drafted in every province	(a) Improved legal and/or policy instruments have been drafted in at least 4 of the 7 districts and communicated in the other 3; b) Improved legal and/or policy instruments have been drafted in every province	The project made substantive contributions with respect to national and subnational legal and regulatory frameworks regarding soil and water conservation and watershed management, including the following: 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 Watershed Management; Village Regulations on Water conservation, Forest and Land Management approved in each of the 6 demonstration areas: 2 villages in Gopgopan, 2 villages in Tulis, 2 villages in Way Besai, 4 villages in Jangkok , 10 villages in Besiam, and 11 villages in Miu. 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.	**Highly Satisfactory**	90

Sub-Total, Output 3	**Incurred cost**	**Weighted Cost**	**TE Output Rating Score**	**Weighted Score**	**Rating**
	USD 971,550	**0.16**	**90**	**14**	**Satisfactory**

Overall Output Rating	**Incurred cost**	**Overall Output Score**	**Overall Rating**
	USD 6,218,008	**80**	**Satisfactory**

Notes:
Weighted scores are based upon the weighted costs of each Output, excluding project management. Incurred costs based upon Combined Delivery reports through 30 June 2015. The TE rating scores are based upon the judgement of the evaluator, according assessed achievement toward each Output, using the following qualitative rating scale:

Qualitative Rating	Rating Score
Highly Satisfactory	**90 – 100**
Satisfactory	**80 – 89**
Moderately Satisfactory	**70 – 79**
Moderately Unsatisfactory	**60 – 69**
Unsatisfactory	**50 – 59**
Highly Unsatisfactory	**<50**

Annex 8: Financial Expenditure Details, 2009 through 30 June 2015

Atlas	Description	Output 1 (figures in USD; obtained from Combined Delivery Reports)							
		2009	2010	2011	2012	2013	2014	2015	Total
61305	Salaries - IP Staff	0	0	0	0	21,726	0	0	**21,726**
61310	PostAdjustment - IP Staff	0	0	0	0	12,342	0	0	**12,342**
62310	Contrib to Jt Staff Pens Fd-IP	0	0	0	0	9,185	0	0	**9,185**
62315	Contrib. to medical, social in	0	0	0	0	314	0	0	**314**
62320	Mobility, Hardship, Non-remova	0	0	0	0	2,725	0	0	**2,725**
62330	Rental Supplements - IP Staff	0	0	0	0	2,243	0	0	**2,243**
62340	Annual Leave Expense - IP	0	0	0	0	-1,720	0	0	**-1,720**
63335	Home Leave Trvl & Allow-IP Stf	0	0	0	0	0	0	0	**0**
63530	Contribution to EOS Benefits	0	0	0	0	1,203	0	0	**1,203**
63535	Contribution to Security	0	0	0	0	1,283	0	0	**1,283**
63540	Contribution to Training	0	0	0	0	321	0	0	**321**
63545	Contribution to ICT	0	0	0	0	481	0	0	**481**
63550	Contributions to MAIP	0	0	0	0	64	0	0	**64**
63555	Contribution to UN JFA	0	0	0	0	577	0	0	**577**
63560	Contributions to Appendix D	0	0	0	0	96	0	0	**96**
64398	Direct Project Cost-Staff	0	0	0	0		0	22	**22**
65115	Contributions to ASHI Reserve	0	0	0	0	2,565	0	0	**2,565**
65135	Payroll Mgt Cost RecoveryATLA	0	0	0	0	193	0	0	**193**
71205	Intl Consultants-Sht Term-Tech	0	0	5,775	21,073	0	0	0	**26,848**
71210	Intl Consultants-Sht Term-Supp	0	0	0	0	0	2,991	0	**2,991**
71215	IICA Partner personnel	0	0	0	0	0	8	0	**8**
71305	Local Consult.-Sht Term-Tech	0	63,756	134,394	128,233	146,709	245,656	40,691	**759,440**
71310	Local Consult.-Short Term-Supp	0	947	0	0	15,640	64,361	14,993	**95,942**
71605	Travel Tickets-International	0	0	0	1,469	0	0	0	**1,469**
71610	Travel Tickets-Local	0	66,329	41,766	55,626	28,072	18,510	-150	**210,154**
71620	Daily Subsistence Allow-Local	0	0	32	4,683	0	0	0	**4,716**
71625	Daily Subsist Allow-Mtg Partic	0	127,254	106,977	122,758	62,185	44,794	2,808	**466,776**
71635	Travel - Other	0	65,440	64,790	63,976	24,234	19,438	874	**238,752**
72205	Office Machinery	20,906	15,379	23,068	10,165	2,171	571	482	**72,742**
72120	Svc Co-Trade and Business Serv	0	6,403	0	0	0	0	0	**6,403**
72215	Transporation Equipment	0	27,632	0	0	0	0	0	**27,632**
72405	Acquisition of Communic Equip	0	0	0	0	614	0	0	**614**
72410	Acquisition of Audio Visual Eq	0	0	0	0	1,341	0	0	**1,341**
72425	Mobile Telephone Charges	0	0	0	0	0	0	34	**34**
72435	E-mail-Subscription	0	0	0	0	0	0	120	**120**
72505	Stationery & other Office Supp	0	67	0	0	340	81	0	**489**
72515	PrintMedia	0	0	0	0	1,233	490	1,181	**2,904**
72605	Grants to Instit & other Benef	0	240,648	243,012	234,510	208,906	92,021	0	**1,019,098**
72805	Acquis of Computer Hardware	0	0	0	0	2,978	852	0	**3,831**
72810	Acquis of Computer Software	0	0	0	0	440	0	0	**440**
73505	Reimb to UNDP for Supp Srvs	0	0	0	45	0	0	0	**45**
74105	Management and Reporting Srvs	0	89,424	73,215	79,358	0	0	0	**241,997**
74205	Audio Visual Productions	0	3,761	24,122	2,180	3,734	12,725	0	**46,521**
74210	Printing and Publications	0	22,412	30,026	29,442	38,196	30,166	8,302	**158,544**
74215	Promotional Materials and Dist	0		1,991	20,476	5,845	7,406	4,193	**39,910**
74220	Translation Costs	0	0	0	0	0	0	126	**126**
74225	Other Media Costs	0	1,692	3,437	0	2,278	0	0	**7,407**
74510	Bank Charges	0	100	0	0	3	0	0	**103**
74525	Sundry	0	2,255	3,305	3,676	1,277	345	121	**10,979**
74598	Direct Project Costs	0	0	0	0	0	0	9	**9**
74599	UNDP cost recovery chrgs-Bills	0	0	0	0	1,782	644	0	**2,427**
75705	Leaming costs	0	0	0	0	107,859	119,398	3,485	**230,741**
75706	Learning - ticket costs	0	0	0	0	93,564	79,376	4,887	**177,826**
75707	Learning - subsistence allowan	0	0	0	0	85,987	56,851	5,702	**148,540**
76125	Realized Loss	0	131	0	0	0	0	0	**131**
76135	Realized Gain	0	-7	-812	0	0	-299	-1	**-1,120**
Total		**20,906**	**733,624**	**755,099**	**777,670**	**888,986**	**796,386**	**87,879**	**4,060,550**

Atlas	Description	Output 2 (figures in USD; obtained from CDRs)							
		2009	2010	2011	2012	2013	2014	2015	Total
64398	Direct Project Cost-Staff	0	0	0	0	0	0	152	152
71305	Local Consult.-Sht Term-Tech	0	26,007	114,173	106,695	105,295	13,322	21,161	386,653
71310	Local Consult.-Short Term-Supp	0	0	69,584	68,537	67,320	0	2,425	207,865
71405	Service Contracts-Individuals	0	0	0	110	0	0	0	110
71610	Travel Tickets-Local	0	17,254	7,616	17,636	13,193	5,486	7,221	68,406
71620	Daily Subsistence Allow-Local	0	0	0	0	0	0	288	288
71625	Daily Subsist Allow-Mtg Partic	0	36,772	32,719	39,251	16,948	9,561	8,201	143,452
71635	Travel - Other	0	23,416	17,856	18,080	4,989	3,304	2,401	70,046
73505	Reimb to UNDP for Supp Srvs	0	0	0	9	0	0	0	9
74105	Management and Reporting Srvs	0	49,591	34,993	22,176	0	0	0	106,760
74210	Printing and Publications	0	44	0	0	0	0	0	44
74510	Bank Charges	0	0	0	0	3	0	0	3
74525	Sundry	0	2,925	1,880	1,096	535	0	0	6,436
74598	Direct Project Costs - GOE	0	0	0	0	0	0	65	65
74599	UNDP cost recovery chrgs-Bills	0	0	0	0	0	674	0	674
75705	Leaming costs	0	0	0	0	24,138	35,168	8,287	67,593
75706	Learning - ticket costs	0	0	0	0	26,966	38,401	2,352	67,720
75707	Learning - subsistence allowan	0	0	0	0	23,286	25,743	10,873	59,902
76125	Realized Loss	0	8	0	0	0	0	0	8
76135	Realized Gain	0	0	-278	0	0	0	0	-278
	Total	**0**	**156,016**	**278,543**	**273,590**	**282,674**	**131,660**	**63,425**	**1,185,908**

Atlas	Description	Output 3 (figures in USD; obtained from CDRs)							
		2009	2010	2011	2012	2013	2014	2015	Total
64398	Direct Project Cost-Staff	0	0	0	0	0	0	274	**274**
71305	Local Consult.-Sht Term-Tech	0	109,665	23,887	16,247	16,680	63,844	4,704	**235,026**
71307	UNOPS LICA PF PersTechCont	0	0	0	0	0	2,266	0	**2,266**
71310	Local Consult.-Short Term-Supp	0	60,526	0	0	0	0	0	**60,526**
71610	Travel Tickets-Local	650	0	19,884	16,062	282	3,165	0	**40,043**
71620	Daily Subsistence Allow-Local	209	0	0	0	0	0	0	**209**
71625	Daily Subsist Allow-Mtg Partic	4,147	13,488	43,543	33,028	3,989	9,110	2,086	**109,391**
71635	Travel - Other	4,146	14,912	37,495	28,267	2,269	5,403	1,250	**93,741**
72120	Svc Co-Trade and Business Serv	11,203	-11,203	0	0	0	0	0	**0**
72605	Grants to Instit & other Benef	0	0	0	2,130	0	0	0	**2,130**
73505	Reimb to UNDP for Supp Srvs	0	0	0	9	0	0	0	**9**
74105	Management and Reporting Srvs	1,339	38,300	50,472	34,462	0	0	0	**124,572**
74120	Capacity Assessment	0	0	0	0	0	0	5,000	**5,000**
74510	Bank Charges	0	0	0	117	0	0	0	**117**
74525	Sundry	0	1,499	2,918	1,413	592	225	0	**6,646**
74605	Prepaid Project Expenses	0	0	0	0	0	0	0	**0**
74598	Direct Project Costs - GOE	0	0	0	0	0	0	80	**80**
74599	UNDP cost recovery chrgs-Bills	0	0	0	0	0	110	42	**152**
75705	Leaming costs	0	0	0	0	41,009	37,623	15,391	**94,023**
75706	Learning - ticket costs	0	0	0	0	48,741	27,078	35,503	**111,323**
75707	Learning - subsistence allowan	0	0	0	0	38,123	26,100	21,698	**85,921**
76125	Realized Loss	0	325	0	0	0	0	0	**325**
76135	Realized Gain	0	0	-54	0	-70	-58	-42	**-224**
	Total	**21,692**	**227,511**	**178,144**	**131,735**	**151,616**	**174,865**	**85,986**	**971,550**

Atlas	Description	Project Management (figures in USD; obtained from CDRs)							
		2009	2010	2011	2012	2013	2014	2015	Total
64398	Direct Project Cost-Staff	0	0	0	0	0	0	165	**165**
71205	Intl Consultants-Sht Term-Tech	0	90	0	0	0	0	0	**90**
71305	Local Consult.-Sht Term-Tech	0	84	0	0	0	0	0	**84**
71310	Local Consult.-Short Term-Supp	0	10	0	0	0	0	0	**10**
71405	Service Contracts-Individuals	11,874	58,416	72,562	71,680	44,570	15,855	2,875	**277,832**
71605	Travel Tickets-International	0	145	0	0	0	0	0	**145**
71610	Travel Tickets-Local	5,885	14,699	15,966	5,594	5,050	1,648	236	**49,078**
71620	Daily Subsistence Allow-Local	70	30	0	36	0	0	0	**136**
71625	Daily Subsist Allow-Mtg Partic	3,174	32,782	36,680	20,117	15,505	12,596	2,372	**123,226**
71635	Travel - Other	1,961	15,225	19,182	12,898	12,335	11,526	1,977	**75,105**
72115	Svc Co-Natural Resources & Env	0	9	0	0	0	0	0	**9**
72205	Office Machinery	0	19,438	0	144	0	0	0	**19,582**
72415	CourierCharges	0	0	0	0	83	746	143	**972**
72420	Land Telephone Charges	0	0	0	0	3,990	2,087	555	**6,633**
72425	Mobile Telephone Charges	0	0	0	0	783	698	156	**1,637**
72430	Postage and Pouch	0	0	0	0	757	49	2	**808**
72440	Connectivity Charges	0	0	0	0	2,154	1,757	446	**4,357**
72505	Stationery & other Office Supp	0	19,035	14,568	9,083	8,693	5,526	927	**57,831**
72510	Publications	0	104	0	0	83	82	23	**292**
72805	Acquis of Computer Hardware	0	0	0	0	479	0	0	**479**
73505	Reimb to UNDP for Supp Srvs	0	0	0	9	0	0	0	**9**
74105	Management and Reporting Srvs	0	130	0	0	0	0	0	**130**
74510	Bank Charges	0	-3,527	-4,240	-1,761	-1,472	-1,134	-503	**-12,637**
74525	Sundry	0	5,300	18,437	13,962	5,219	5,453	2,163	**50,533**
74598	Direct Project Costs - GOE	0	0	0	0	0	0	71	**71**
74599	UNDP cost recovery chrgs-Bills	0	0	0	36	0	0	0	**36**
75705	Leaming costs	0	0	0	0	3,628	133	671	**4,432**
75706	Learning - ticket costs	0	0	0	0	2,404	136	2,727	**5,268**
75707	Learning - subsistence allowan	0	0	0	0	560	202	2,396	**3,158**
76125	Realized Loss	0	118	0	0	0	0	0	**118**
76135	Realized Gain	0	0	-153	0	0	-5	-7	**-165**
	Total	**22,964**	**162,087**	**173,004**	**131,799**	**104,820**	**57,355**	**17,396**	**669,426**

Total Expenditures								
Activity	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**Total**
Output 1: CBFWM demonstrations	$20,906	$733,624	$755,099	$777,670	$888,986	$796,386	$87,879	**$4,060,550**
Output 2: Improved Government support for CBFWM	$0	$156,016	$278,543	$273,590	$282,674	$131,660	$63,425	**$1,185,908**
Output 3: Improved inter-agency coordination	$21,692	$227,511	$178,144	$131,735	$151,616	$174,865	$85,986	**$971,550**
Project Management	$22,964	$162,087	$173,004	$131,799	$104,820	$57,355	$17,396	**$669,426**
Total	**$65,563**	**$1,279,239**	**$1,384,789**	**$1,314,794**	**$1,428,096**	**$1,160,266**	**$254,687**	**$6,887,434**

Note: Expenditures for 2015 through 30 June 2015. Source: Combined Delivery Reports (UNDP)

Annex 9: Cofinancing Table

Cofinancing Table										
Note	Co-Financing Source	Type	UNDP (USD)		Government (USD million)		Other (USD million)		Total Co-Financing (USD million)	
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Implementing Agency (UNDP) Own Financing										
1	UNDP (TRAC)	In-Kind	0.500	0.522					0.500	0.522
Government										
	Total Government Cofinancing	In-Kind			41				41	
2	Central Government (PEPDAS)	In-Kind				1.059				1.059
3	Central Government (BPDAS)	In-Kind				73.65				73.65
4	Provincial Forestry Services	In-Kind				3.758				3.758
5	District Forestry Services	In-Kind				4.609				4.609
Other Sources										
6	World Agroforestry Centre (ICRAF)	In-Kind					0.750	0.302	0.750	0.302
7	Ford Foundation	In-Kind					0.200	0.200	0.200	0.200
Total Cofinancing for Project Implementation:			**0.500**	**0.522**	**41**	**83.076**	**0.950**	**0.502**	**42.45**	**84.10**

Notes:

Sources of cofinancing information: PMU files and Combined Delivery Reports

1 UNDP (TRAC) cofinancing contributions through 30 Jun 2015 for program planning, project assurance, monitoring and evaluation.

2 Cofinancing contribution from PEPDAS through 2014 for coordination, formulation of guidelines and regulations, Facilitation of planning, technical guiding, dissemination of regulations, training of government staff, institutional capacity development, monitoring and evaluation.

3 Cofinancing contributions from BPDAS through 2014 for BPDAS Asahan Barumun ($7.6 million); BPDAS Way Seputih WS ($15.97 million); BPDAS Serayu Opak Progo ($10.73 million); BPDAS Dodokan Moyosari ($9.51 million); BPDAS Benain Noelmina ($17.68 million); BPDAS Palu Poso ($9.30 million); and Bansos social grants for 9 districts ($2.86) million). Cofinanced activities include reforestation, nursery development, re-greening (tree planting on non-state owned forest areas), soil and water conservation, social forestry development, training, planning, monitoring and evaluation, institutional capacity building, facilitation of watershed fora etc.

4 Cofinancing contributions from provincial forestry services (6 provinces) through 2014 include $1.359 million from the APBD-I Provincial Fund and $2.399 million from the DAK Kehutanan (Forestry Special Allocation Fund). Cofinanced activities include coordination, technical guiding, dissemination of regulations and guidelines, training, facilitation of community forestry and village forest development, monitoring and evaluation.

5 Cofinancing contributions from district forestry services (9 districts) through 2014 include $0.799 million from APBD-II District Fund and $3.81 from DAK Kehutanan (Forestry Special Allocation Fund). Cofinanced activities include tree plantings (reforestation and regreening), nursery development, extension and training, community forestry / social forestry development, forest area guarding, monitoring and evaluation.

6 ICRAF contributions made in 2013 for applied research on agroforestry, payment of environmental services and community development.

7 Ford Foundation contributions: 2011 (USD 80,000); 2012 (USD 80,000); 2013 (USD 40,000). Development of community forestry , community capacity development

Annex 10: Evaluation Consultant Code of Conduct Agreement Form

Evaluator:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and: respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/ or oral presentation of study limitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

Evaluation Consultant Agreement Form

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

Name of Consultant: James Lenoci

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

Signed in Jakarta on 28 June 2015

Signatures:

James Lenoci
Terminal Evaluator

Annex 11: Audit Trail

The following comments were provided in track changes to the draft Terminal Evaluation report; they are referenced by institution ("Author" column) and track change comment number ("#" column):

Author	#	Para No./ comment location	Comment/Feedback on the draft TE report	TE evaluator response and actions taken
SP	1	Executive Summary, Key Shortcomings	Not sure on this statement. Is it not quite good documented?	The evidence is as follows: (1) travel costs were 24% of total project costs, and (2) limited evidence of the lessons learned in the 6 regions in terms of the specific biophysical and/or socio-economic in those areas. The evaluator feels that this is a critical issue. For example, the impact of the project might have been better if the resources were focused on one entire watershed, rather than addressing sub watersheds in 6 different regions. Resources were spread thin under the modality deployed by the project.
SP	2	Exhibit 3, Recommendations Table, Recommendation No. 3	I think the project has the summary result from the six demonstration areas.	There are summaries of results, but there is no evidence of consolidating the lessons learned in terms of the specific biophysical and/or socio-economic conditions in the six pilot regions. This is important, in order to justify the modality of the project, i.e., working in 6 different regions.
SP	3	Section 1.6, Limitations	CPAP outcome indicator 2.1.(three out 5 outcome indicators are relevant for SCBFM) Outcome 2.1. 1) Hectares of national critical land rehabilitated both inside and outside forest areas 2) National forest degradation rate 3) ~~Condition of coral reefs in Indonesia~~ 4) Number of priority watershed areas that have an integrated watershed management plan 5) ~~% Number of POPs regulations issued in compliance with international obligations (Stockholm Convention)~~ We conducted CPAP annual review where SCBFWM was included in the CPAP under outcome 2.1.	This information regarding the CPAP is covered in Section 3.3.2, Relevance. The point here is the logical results framework of the project.
SP	4	Section 1.6,	It would be better if a summary	OK. An abbreviated summary was

Author	#	Para No./ comment location	Comment/Feedback on the draft TE report	TE evaluator response and actions taken
		Limitations	from the field visit be provide in the text , not in the annex.	added to Section 3.3.1. The full summary of the field visits remains in Annex 5.
SP	5	Section 3.1.1, Analysis of Logical Results Framework	Please mention reference	Footnote added with reference (FAO Global Forest Resources Assessment, 2000).
SP	6	Section 3.1.2, Assumptions and Risks	We would be very thankful if you could reduce (or summarize) this section into one or two paragraphs only.	This section was reduced a bit, but the essential conclusions are unchanged.
SP	7	Section 3.3.1, Overall Results, Output 1	Is there an indication that this increase in household income come from new jobs created by the project directly or indirectly?	The following was added to this section. Based upon findings during the TE mission, the activities carried out by the members of the CBOs are contributing to their livelihoods, but many of these activities cannot be classified these as “jobs”. In many cases, the activities are not carried out on a regular basis, but rather when they receive a grant or order. But some of the activities, e.g., honey production, did not exist before the project, so there in this sense there has been new livelihood alternatives introduced through project support.
SP	8	Section 3.3.1, Overall Results, Output 3	Can we have highly satisfactory? The project contributed to national and subnational legal and regulatory framework.	Performance against output indicator 3.2 was rated as highly satisfactory (see Annex 9). But, there were no monitoring data available to assess indicator 3.1. Thus, overall, this output is rated as satisfactory.

Annex 12: Terms of Reference (excluding annexes)