

GOVERNMENT OF SRI LANKA

GLOBAL ENVIRONMENT FACILITY (GEF)

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

TERMINAL EVALUATION

OF THE PROJECT

**“Contributing to the Conservation of Unique Biodiversity in the
Threatened Rain Forests of South-west Sri Lanka”**

SRL/00/G36/A/1G/99

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ACRONYMS AND ABBREVIATIONS

AsDB	Asian Development Bank
AIG	Alternative Income Generation
APR	Annual Progress Report
BFO	Beat Forest Officer
CBO	Community Based Organisation
CFM	Community Forest Management
CM	Community Mobiliser
CSUMP	Community Support Use of Medicinal Plants (a past WB – GEF Project)
DFO	District Forest Officer
EIA	Environmental Impact Assessment
FRMP	Forest Resources Management Project (funded by AsDB)
GEF	Global Environment Facility
GIS	Geographic Information System
IUCN	The World Conservation Union (an NGO)
KDN	Kanneliya-Dediyagala-Nakiyadeniya Forest Reserve Complex
M & E	Monitoring and Evaluation
METT	Monitoring Effectiveness (of Protected Areas) Tracking Tool
Min For Env	Ministry of Forests and Environment
MSP	Medium Sized Project (of GEF)
MTE / R	Mid-Term Evaluation / Review
NCR	National Conservation Review
NEX	National Execution (of UNDP projects)
NPM	National Project Manager
NPC	National Project Coordinator
NTFP	Non-Timber Forest Products
PA	Protected Area
PCC/PSC	Project Coordinating Committee / Project Steering Committee
PIR	Project Implementation Report
PMU	Project Management Unit
RFO	Range Forest Officer
TPR	Tri-Partite Review
UNDP-CO	United Nations Development Programme Country Office

EXECUTIVE SUMMARY

This is the Terminal Evaluation for a Medium Sized GEF – UNDP – Government Project, following Evaluation Guidelines from both GEF and UNDP. This was a participatory three week process involving an external Evaluator and a knowledgeable Sri Lankan Forest Conservationist.

The Project was originally a 5 year initiative of the Government of Sri Lanka funded by the Global Environmental Facility (GEF), implemented by the United Nations Development Programme (UNDP) and executed by the Ministry of Forests and Environment. The ProDoc was signed by Government and UNDP in December 1998. Start-up was in late 2000. Implementation delays led to the project finishing most operations by end 2005 - early 2006. This Terminal Evaluation was delayed until Sept 2007.

The project was an early Medium Sized Project (MSP), with a total budget of US\$750,000 and was designed to target the conservation and sustainable use of the globally significant biodiversity of a sub-set of Sri Lanka's biodiverse rich Lowland Rain-Forests or "wet forests".

The objective set for the project was that “*The Project will aim to secure the protection of the ecosystems in the rainforests of Sinharaja and Kanneliya-Dediyagala-Nakiyadeniya (KDN Complex) through community co-management.*”

This evaluation was commissioned by the UNDP Country Office in Sri Lanka as the GEF Implementing Agency for the Project, as required by the procedures of the GEF, the main funding support. Work on this evaluation commenced on Sunday 02 September 2007 with Rodgers travelling from home-base and reaching Colombo Sri Lanka. The Evaluation Report was finalized after comments from Stakeholders (December 2007). Overall guidance on terminal evaluation methodologies was provided by the UNDP Handbook on Monitoring and Evaluation. More recent guidance came from the new Office of Evaluation in GEF seen in August 2007.

As this is a terminal evaluation of an MSP, it would not normally be expected to go back to the original formulation stages of the project and the Project Document; especially as there was a detailed Mid Term Evaluation which looked at project design. This Terminal Evaluation has focused particularly on the period following the MTE *i.e.* post 2003. However as there was some disagreement over some of the findings and recommendations of the MTE, this Terminal Evaluation reviews some of the earlier process and concepts leading to project design.

Simply – the Project Document and two out of four Outputs was based on the assumption that villagers around the Forest Reserves had a high dependence on NTFP (Non – Timber Forest Produce), and that forming community groups for Joint Forest Management involving sustainable use processes for NTFP would be a suitable incentive for villagers to increase conservation of the forests. The MTE was conscious that this was not a realistic assumption, hinted at the need for change but ended up stressing the NTFP process. Government in their strong National Ownership of project management, were aware of the changes and sensibly shifted project emphasis away from NTFP and into other partnership processes for conservation. However these changes (in a way an example of real adaptive management!) were not adequately reflected in changes to log-frames, nor in a reasoned reaction to the MTE findings, nor as documented change in the PSC and PIR process.

This evaluation noted the strong national ownership of the project, where the PMU was embedded within a strong Forestry Department, and the Project Manager was a seconded Forest Officer, not a project employee. One consequence was that national processes (annual work-plans etc within Forestry) were emphasised rather than UNDP-GEF processes. The issue of NEX, the issues around the assumptions in the initial document and the rather weak log-frame are discussed in detail in this report.

This evaluation took the revised unofficial log-frame that was used to guide project management as the real guiding document and evaluated progress against the two main Outcomes and eight Outputs.

The Team could not rate progress towards the Development Objective by looking at the original indicators as they did not match the Objective. However, we are aware of the work that has been achieved by the PMU and we consider it to be **satisfactory**.

Progress towards Outcome 1 has been **satisfactory**.

Progress towards Outcome 2 has been **satisfactory**.

The project has carried out virtually all the planned activities and made significant progress towards all the targeted Outcomes/Outputs. On this basis, the Team believes that the progress attained by the project has been significant and **is satisfactory over all**.

The team traced the direct co-financing to the extent possible and was certain that more than the expected level of funding had been raised.

Institutional sustainability is “guaranteed” by the Government’s ownership of the project product - a Forest Reserve of greater conservation status. On the other hand, financial sustainability is not yet secure, even though prospects are very good. There is a need for a Financial Sustainability Strategy for the Reserve and buffer areas around the Reserve as part of a final exit strategy. And in view of the work that still needs to be done towards financial sustainability, the Team rates financial sustainability as **moderately likely**. The project has genuinely strived to provide avenues for **community participation**, with strong AIG and credit processes. This was **Satisfactory**. Monitoring and Evaluation processes were overall poor, starting with a weak M and E framework in the original document. This was judged as “**Unsatisfactory**”.

Key lessons and findings were:

This evaluation endorses lessons from past MTE and PIRs, and emphasises that:

1. NEX has its own very positive features and is behind many of the significant gains in this project. However there is a potential downside, in that unless the key UNDP – GEF processes are built into NEX work plans they may be missed by national staff who follow national procedures, NOT THOSE OF UNDP GEF. This happened here to some extent. Closer follow up by UNDP and UNDP GEF could have corrected this but other events and changes overtook good intentions.
2. M and E frameworks around Log Frames with rational indicators are core components of project design. This project suffered from the lack of such hard elements of the project document.
3. The ProDoc was deeply flawed in its assumption logic, basically around the premise that: “villagers were dependent on NTFP for livelihoods, therefore if the FD allowed sustainable utilisation of the NTFP, then villagers would eagerly invest in forest conservation”. We learned that villagers were less involved with NTFP, preferring tea! The project realised this and turned direction, but did not formalise this change.
4. Adaptive management is important, but this too must be formalised with stakeholders and properly documented. This project did adapt, but in retrospect the processes were ad-hoc, rather than the results of participatory analysis and review.
5. Project successes (and failures!) and lessons learned from these successes should be written up as more formal reports to reach a wider audience and act as a permanent record of project achievements. This project did not invest in such reporting, a major gap.

Findings on Start-up and Design

1. Overall the project has been a considerable success, with strong positive results in community mobilisation and using this social awareness for forest conservation. The project gets an S rating. But this success remains unwritten.
2. The ownership of the project, based on within Government, and specifically within the Forest Department (using UNDP – Government NEX -National Execution Modalities), has been a major factor in this success. The project has been administered and managed by government processes. Whilst ensuring that this meets national requirements etc, it has meant that some GEF requirements (eg M and E, adaptive management etc, writing) received perhaps less attention. This has had a negative impact in some areas, see below.
3. Changes in project personnel from UNDP Regional GEF; and busy schedules and changes in UNDP Colombo; and changes in Forest Supervisory and Management staff in Government have not helped in ensuring some key administrative tasks were done.
4. First and foremost among those was the lack of a rigorous logframe, based on a sound problem root-cause analysis; and with comprehensive targets and indicators. This was stressed in an early Tri-Partite Review (2002) as a priority – but was not done. The Midterm Evaluation stressed the need for a strong logframe but

this was not followed-up. There does exist a draft logframe on UNDP files (from 2004) but “this was not thought to be very strong”.

5. The Project Document was not only weak in lack of problem analysis and logframe, but had no M and E framework (beyond requiring the MT and T Evaluations, annual TPRs and a Steering Committee etc). The lack of a rigorous problem analysis meant that a key issue was over-emphasised in the prodoc – ‘the dependence on Non-Timber Forest Produce’: and its corollary – “develop co-management systems for NTFP in the Forest Reserves”. These became two out of four so-called Outcomes for the project. The main text of this report suggests where this perhaps wrong emphasis arose.
6. The MTE took up this issue of NTFP and commented “that was change in the way NTFP was being used”. Interestingly, the MTE noted that the project had been rather moving away from NTFP issues, BUT sought to bring the project back to the original design with renewed emphasis on co-management, on management training, and on stressing NTFP again.
7. Project stakeholders seem to have rejected this advice from the MTE, seeing that there was little demand for NTFP, and that co-management needed a sound demand for the resource as an incentive. Unfortunately this real response was not captured in administrative documents although it was reflected in AWP budgeting and actual activity etc.
8. Several factors contribute to this change within communities; including the high market price of tea, and the time tea takes to process. The youth in particular did not want to start careers in NTFP processes (citing caste issues and preferring jobs in towns). Kitul tapping is becoming a forgotten skill.
9. A revised log-frame was eventually put together by UNDP and forestry, based on what activities were in fact being carried out. This was used in the evaluation.

Findings on Implementation and Impact

10. Implementation was through the Forest Department. A senior Forest Officer said “We have considerable capacity to administer and manage, where we need technical innovation and skills we can hire in external expertise”. And for the most part this management worked well – deficiencies as noted above were in M and E systems and testing responses to change.
11. Forestry set up a Village Community Mobilisation system (based on successful experiences in the earlier WB/GEF Medicinal Plants Project). Community Mobilisers largely succeeded and strong Community Conservation Societies were created. CMs were absorbed into the Forest Department as Forest Extension Officers (after a year’s training) and they continue to be the liaison between people and forest department.
12. This mechanism for interaction between forestry and communities received considerable praise from all we talked to (both villagers and Forest Officers - DFO to RFOs / BFOs). The village society provides a formal setting for such interaction, which allows for passing information, boundary conflict resolution and requests for help. Data show societies continuing reasonably strongly.
13. The Credit Loans system worked well. The small start-up credit has been more than doubled with interest and fees. The interesting innovation was the link between training and the loan. Many people used the loan to put into practice what they learned from the trainings (be it a trade, a shop or tea improvement).
14. The Prodoc stressed the problem of encroachment of tea into the forest reserve. Tea has been a growing activity in this region, and we had two stories told to illustrate the need for tea land. Firstly rising tea prices meant that more people wanted to extend their tea gardens. Secondly falling tea prices meant that farmers needed more acreage to maintain incomes. In both cases forest land was converted. But you stopped encroachment – by boundary marking.
15. Boundary maintenance had fallen into despair – with shark-tooth boundaries being difficult to inspect, there were no or too few beacons and no patrol paths. Encroachment was controlled through several measures (arrests, evictions, straightening borders, pillars, clear marking, agreements, and dialogue with people).
16. The lack of impact monitoring (despite the number of previous BD studies) makes it difficult to get hard data on biodiversity status. Commentary from observers, examination of edges, data on offences etc all show that Biodiversity is improving.
17. Tourism facilities are well constructed and increasingly used by tourists and by training courses. Guides are there but standards could be improved! More innovation could be used to see how communities can be benefited from growing tourism.
18. METT scores show good progress in Protected Area Management.
19. Seeking retention funding from tourism revenues so as to benefit communities is still an issue, with Ministry of Finance remaining non-convinced by Ministry of Environment Arguments (despite allowing

this in the Wildlife Sector!). However globally this does seem to be the way forwards, and indeed “PES” is part of a new Strategic Priority in GEF 4 funding.

20. There has been concern that lessons from this project are really only replicable in the wet tea zone where dependency on NTFP is low. Certainly site situation is all important, and successes cannot be replicated all over. BUT there is opportunity to replicate in other conservation forests in the wet zone.
21. The project was efficiently managed, and being rooted so hard in government forestry, many savings were made in management costs (a senior Forester was made PM – un-salaried).
22. At mid 2007 it is apparent that some 40,000\$ is left unspent (=10% of the project budget). This was made up of 2-3 mill Rs returned from Government; and 20,000\$ maintained for final M and E processes and reports, deducting TE costs suggests a balance of almost 40,000\$. This needs discussion, does the project return this to GEF, or upgrade M and E and exit strategies, and document the considerable impact etc.

Recommendations for Finalising the Project

- 1 Invest in redoing the Logframe. IF this project is to be subject to any later evaluation (eg by the GEF Office of Evaluation or Government, or lessons analysed by researchers) then an understandable logframe is an essential starting point. It provides a focus for monitoring resources and processes.
- 2 Consider the status of the project (it is not closed operationally or financially) in view of fact that there are some 40,000\$ balance. The project needs to plan how to spend money on key outstanding project functions.
- 3 There are perhaps four outstanding things to be done:
 - a) A Terminal Report, with good lessons learned documentation, including photographs, tables and demonstrating the very useful experiences on community mobilisation etc.
 - b) Consider a stronger monitoring survey on Biodiversity Values, building on earlier documentation (NCR of 1996; Medicinal Plants Surveys and Assessments etc). This is discussed in section 6 below. Note this need not be a detailed affair.
 - c) An exit strategy that provides a more secure future for the Village Society and Credit Groups. This would include linking to development organisations and final leadership training.
 - d) Ministry should take up the issue of tourism fund retention with the Ministry of Finance again. Globally there is greater awareness of the benefits of devolving such funding and using this to empower communities for conservation.
- 4 Government has started a sustainability package in providing 5 million Rs pa for follow-on activity in the two Districts. It is to be hoped that this continues and is built into longer term budgetary processes.
5. Whilst replication cannot mean transferring technology to different situations and scenarios (where they might fail – given the site specific nature of most conservation interventions) – there are some areas where this valuable technology of society building could usefully be extrapolated.

The project has no resources to redo the extensive assessments of the past (eg NCR or kilometre grid surveys). But times have moved on; foresters and ecologists are aware of the key plant species that could be used as indicators of conservation process, by asking the questions of “What is the status of threatened endemic taxa in the Reserves – are they regenerating? Is there a sustainable population? Ideally one needs a few characteristic, easily recognized species (probably woody species; ie trees shrubs or lianas). Similarly for birds, discussions with ornithological expertise can easily suggest a few taxa that are easily recognized for longer term monitoring. The project should invest in rapid surveys, build on past documentation and report on biodiversity status. TOR should be developed as soon as possible and expertise contracted.

Recommendations for UNDP-GEF – mainly at UNDP CO / RCU level.

1. Ensuring that GEF requirements are built into NEX processes explicitly, and feature in annual work-plans.
2. Projects should have specific funding for reporting and documentation.
3. Project formulation should include an Exit Strategy, which is elaborated in the Inception Report process

1. INTRODUCTION

This is the Terminal Evaluation for the Medium Sized GEF – UNDP – Government Project, following Evaluation Guidelines from both GEF and UNDP. This was a participatory three week process involving an external Evaluator and a knowledgeable Sri Lankan Forest Conservationist.

1.1 Background

This project was prepared at a time when there was recent realisation of the scales of forest biodiversity in Sri Lanka. The project was to support the conservation of one exceptional part of that biodiversity. The Project Document (ProDoc) describes some of the background to the project, and stresses the considerable global significance of the biodiversity of the Wet Forests of Sri Lanka. There is very great endemism within the flora and fauna. The two forest sites for this project (Sinharaja Forest Reserve and Kanneliya -Dediyagala-Nakiyadeniya - KDN) are the richest in terms of diversity and endemism within the whole country, and within their specific biome – the “Lowland Rain Forests or wet forests”. Despite this ranking, the forests were quite intensively logged for hardwood timber for over 6 years in the 1970s to 1980s. Due to some environmental pressure, plus high costs and diminishing returns, logging ceased. In Kanneliya this left behind a network of degraded hill slopes, colonising gaps and few un-logged patches on steeper slopes. In Sinharaja logging was on northern slopes, in Ratnapura District, not the smaller southern area in Matara District, the site for this project

1.1.1 Conservation in Sri Lanka: Biodiversity” The biodiversity of Southwest Sri Lanka

The remaining forests in the wet zone occur as over a hundred fragmented blocks, which together cover less than 10 % of the zonal land area. They occur as isolated “islands”, many of them only a few hundred hectares in area, surrounded by villages or tea plantations. The biodiversity value of these forests began to be recognized about two decades ago. The emerging data from scientific studies in these forests showed that Sri Lanka, though one of the smallest countries of Asia, is one of the most biologically diverse. Norman Myers (1990) focused world attention on these beleaguered rainforests when he identified southwest Sri Lanka as one of only 18 areas of the world’s tropical forests which he called “hotspots” – a hotspot being an area featuring (a) exceptional concentrations of species with exceptional levels of endemism and (b) that face exceptional degrees of threat.¹ Subsequently, Davis and Heywood (1994) recognized Sri Lanka as a biodiversity hotspot of global importance for the conservation of the world’s floristic diversity.²

Southwest Sri Lanka has evolved its unique biota because of its geological history. The rainforests of southwest Sri Lanka are truly primeval and are of considerable evolutionary significance. Their ancestry dates back to the Deccan flora of a hundred million years ago when an unbroken stretch of forest covered both peninsular India and Sri Lanka. Since then the climate underwent sweeping changes elsewhere but remained relatively stable in southwest Sri Lanka, and, being climatically isolated, this area developed its own distinct biota. Some of the species of these forests are considered as relics of the ancient continent of Gondwanaland.

The angiosperm flora of Sri Lanka number 3360 species, of which 879 are endemic, and 90% of these are confined to the remnant forests of the wet zone. Some species are highly localized and consist of populations of a few individuals in a single patch of forest. Some species, because of their rarity, have not been seen for over a hundred years and were rediscovered only recently during a biodiversity assessment of the forests of the country.³ Among the fauna, there is a similar pattern of endemism and distribution. The number of species and the percentage of endemics in some of the faunal groups are as follows: fishes 59 (of which 27% are endemic), amphibians 37 (51%), reptiles 139 (50%), birds 237 (8%), and mammals 85 (14%). The vast majority of endemic taxa, particularly among the fishes, amphibians and reptiles, are confined to the wet forests.

1.1.2 Conservation in Sri Lanka: The Protected Area Network

¹ Myers, N. (1990). The Biodiversity Challenge – Expanded Hot-Spots Analysis. *The Environmentalist*, **10**, 243-256.

² Davis, S.D. & Heywood, V.H. (1994). *Centers of Plant Diversity, a guide and strategy for their conservation*. The World Conservation Union, Switzerland.

³ Green, Michael J.B. & Jayasuriya, A.H. Magdon (1996). Lost and Found – Sri Lanka’s rare and endemic plants revealed. *Plant Talk*, January 1996.

Sri Lanka has a long history of Protected Areas and a relatively high proportion of the Country is protected, but within quite a complex set of institutions, policies, laws and programmes.

Data from the WCMC in UK show a confusing set of figures. The World Protected Area Database shows that there are 264 PAs covering 16,545sq kms. But this depends on the definition of a PA. These latter figures are for the stricter IUCN categories, and leave out many Forest Reserves, which in many cases Governments have not yet put forward to WCMC to be included in the database.

Other WCMC datasets show that Sri Lanka has 501 Protected Areas (2003 figure), that cover an extremely high 26.5% of the country's land area. (17,670 sq kms out of a total land area of 65,610 sq kms). Most of this is in the "sustainable use" categories of IUCN's classification, but 4,190 sq kms are National Park status or their equivalent. In addition there are 2 RAMSAR wetland sites, 4 Biosphere Reserves and 7 World Heritage Sites.

These PAs are within several categories (397 Forest Reserves, 2 Jungle Corridors, 1 Marine Sanctuary, 1 Natural Heritage Wilderness Area, 14 National Parks, 6 Nature Reserves, 3 Strict Nature Reserves and 56 Sanctuaries). These are managed by different jurisdictions of the Forest Department and the Department of Wildlife Conservation.

The forest cover of Sri Lanka is estimated at 19,422 sq km of which 14,706 sq km is relatively dense, of which most is in the 301 Forest Reserves or higher categories. Of this total, 1,243 sq km is lowland rain forest.

1.2 The Project

The Project was originally a 5 year initiative of the Government of Sri Lanka funded by the Global Environmental Facility (GEF), implemented by the United Nations Development Programme (UNDP) and executed by the Ministry of Forests and Environment. The ProDoc was signed by Government and UNDP in December 1998. Start-up was in late 2000. Implementation delays led to the project finishing most operations by end 2005 - early 2006. This Terminal Evaluation was delayed until Sept 2007⁴.

The project was an early Medium Sized Project (MSP), with a total budget of US\$750,000\$ and was designed to target the conservation and sustainable use of the globally significant biodiversity of a sub-set of Sri Lanka's biodiverse rich Lowland Rain-Forests or "wet forests".

The objective set for the project was that "The Project will aim to secure the protection of the ecosystems in the rainforests of Sinharaja and Kanneliya-Dediyagala-Nakiyadeniya (KDN Complex) through community co-management."

It was thought that by developing such a participatory management system, the model could be replicated in the other 31 Conservation Forests of SW Sri Lanka (see Annex 5 on other forests).

In order to achieve this "Overall Objective", four clusters of Outputs and Activities were set out. The difficulty is that the terms (Objective, Outcome and Output) are used interchangeably and erroneously (commented on by the Mid-Term Evaluation). The outputs are reproduced below verbatim from the ProDoc:

Output 1: Integrated buffer zone community development focussing on biodiversity conservation and livelihood issues

Output 2: Strengthened institutional mechanisms to involve the community in decision-making

Output 3: Use of non-timber forest products on a sustainable basis

Output 4: Improve forest protection from encroachment and illicit logging.

1.3 The Evaluation Mission

1.3.1 Evaluation Objectives and Terms of Reference

⁴ Delays were due to changes in key personnel on Government, long leave of key persons in UNDP CO and time to find an evaluator acceptable to all parties.

This evaluation was commissioned by the UNDP Country Office in Sri Lanka as the GEF Implementing Agency for the Project, as required by the procedures of the GEF, the main funding support. The detailed objectives of this Terminal Evaluation are to be found in the Terms of Reference in Annex 1. The operative objectives of the evaluation, based on the Terms of Reference, are as follows:

1. Assess overall performance and review progress towards project objectives and outcomes
2. Analyze the implementation arrangements and identify strengths and weaknesses in project design and implementation
3. Assess the sustainability of results
4. Make recommendations on measures that could have increased the likelihood of success
5. Make recommendations on the design of future projects of a related nature
6. Identify and document the successes, challenges and lessons learned

However, the new GEF Evaluation Guidelines were disseminated in August 2007 and the Evaluation team was asked to follow those guidelines – modifying the TOR as necessary. One immediate change is in Evaluation Scoring with the need to evaluate sustainability and M & E processes.

1.3.2 Mission activities

Work on this evaluation commenced on Sunday 02 September 2007 with Rodgers travelling from home-base and reaching Colombo Sri Lanka. Monday 03 September was taken up with a series of briefing and introductory meetings, including meeting National Consultant “Abay” SD Abayawardena. On 08 September the consultants travelled to the forest sites (see Annex 2 on itinerary).

After the field trip the consultants spent a further five days holding consultations with key stakeholders and undertook the first drafting of the Evaluation Report. A presentation of findings was made to the Project Steering Committee and other stakeholders on 16 September. By end September the consultants were to provide a first draft of the Evaluation Report to UNDP.

The Evaluation Report was finalized after comments from Stakeholders (December 2007).

1.4 Methodology of the evaluation

1.4.1 The approach adopted

Overall guidance on terminal evaluation methodologies was provided by the UNDP Handbook on Monitoring and Evaluation⁵. More recent guidance came from the new Office of Evaluation in GEF seen in August 2007. The evaluators based their approach on these guiding documents together with the ToRs, and in consultation with UNDP Sri Lanka. This has been a participatory evaluation and opinions / information were obtained through the following activities:

- Desk review of relevant documents and websites
- Discussions with UNDP staff, and past project managers from the Forestry Department
- Consultation meetings with Government and other stakeholders and partners in capital and districts, and forest sites, including three visits with villagers.

As this is a terminal evaluation of an MSP, it would not normally be expected to go back to the original formulation stages of the project and the Project Document; especially as there was a detailed Mid Term Evaluation which looked at project design. This Terminal Evaluation has focused particularly on the period following the MTE *i.e.* post 2003. However as there was some disagreement over some of the findings and recommendations of the MTE, this Terminal Evaluation reviews some of the earlier process and concepts leading to project design.

1.4.2 Documents reviewed and consulted

The evaluators were provided with an initial list of documents by UNDP and the Project Team. The evaluators sought additional documentation to provide the background to the project, insights into project implementation

⁵ *Handbook on Monitoring and Evaluating for Results* (2002) United Nations Development Programme Evaluation Office

and management, a record of project outputs, etc. The full list of documents reviewed and/or consulted by the team is in Annex 3.

1.4.3 Consultations with key stakeholders

Consultations by the evaluators took place mainly in Colombo and around the two main forest blocks, including 28 individuals in detail and a further 100 villagers in three separate village meetings. People consulted came from a wide spectrum of sectors associated with the project – from within UNDP, Government organizations, NGOs and community organizations. Most meetings followed the same pattern, namely, a brief introduction on the purpose of the mission followed by an identification of the relationship that the consultee had with the Project, if any, and his/her views on the Project. There would usually be a number of specific questions on aspects of the project

A full list of persons met and consulted by the evaluation team is to be found in Annex 4. A summary of the questions that were used in the interview discussions are in Annex 5.

1.4.4 Structure of this report

The evaluators analyzed the information obtained and presented a preliminary report for discussion and feedback. Following this, this report was finalized with the benefit of the input received.

This report is intended initially for the Government in Sri Lanka, and the GEF and UNDP Country Office. Through these major stakeholders, the TE is expected to reach the villagers themselves – through their committees – the other major group of beneficiaries and stakeholders. It is structured in three main parts. Following the Executive Summary, the first part of the report comprises an Introduction which also covers the methodology of the evaluation and the development context of the project. The next part covers the “Findings” and is made up of a number of discrete but closely linked sections following the scope proposed for project evaluation reports by GEF and UNDP Guidelines. The final part comprises the Conclusions and Recommendations. A number of annexes provide additional, relevant information.

2 FINDINGS: A) PROJECT DESIGN, IMPLEMENTATION & MANAGEMENT

2.1 Project design

The initial project design, as described in the Project Document (prodoc) version available to the Terminal Evaluation Team and Midterm Evaluation (MTE), has a structure of one rather loosely defined overall Development Objective, with four Immediate Objectives / or Outcomes (actually called Outputs). Under these there were 16 activities (more properly Outputs).

2.1.1 Comments on the ProDoc and Log Frame. Unfortunately, the results terminology has been used loosely in this project document and this has created some confusion. The first criticism of the project design and preparation (and approval) was the failure to recognize the need for a sound log-frame, and to act on this recognition. This is described in detail below (see section 2.8). The second design issue is around the assumed concept of village demand for NTFP, and the expectation that access to regulated NTFP would be an incentive for adjacent villagers to undertake their responsibilities under co-management (or Joint Forest Management JFM). This issue is discussed in detail, as the increasing realisation that this concept was no longer valid (mentioned in the MTE), has influenced project implementation.

2.1.2 Sustainable use of Non Timber Forest Produce: Was this a Valid Concept?

The Mid Term Evaluation (MTE) of 2003 made the point that the collection of NTFP had decreased significantly in both forests, saying: “since the initial design in 1998/9 the project concept is less sound, since socio-economic changes have led to less pressure on the forests”.

Given that the demand for NTFP by forest adjacent communities was to be the main entry point for “community forest co-management” using sustainable use criteria; this decrease in demand should have been a real wake up call for re-examining the project concept. Whilst the MTE must be commended for making this

point, the MTE in the end, disregarded its importance, and went on to urge the project to re-emphasise sustainable use technologies for NTFP etc (Recommendations 1, 2, 3) as an incentive for co-management.

The project in 2003 began to question these issues, with studies on socio-economic issues, resource surveys and assessing possibilities of a traditional use zone for NTFP extraction. Project Management then acted on the increasingly obvious fact that there was little demand for NTFP; and the emphasis of the project moved away from NTFP based out-puts and activities. For example the NTFP demonstration plots were not finalized and sustainable use technologies not disseminated. Instead the project concentrated on other out-puts – finalizing boundary demarcation and preventing encroachment, and developing eco-tourism.

This Terminal Evaluation questions as to how the NTFP issues became such a dominant concept in project design; given its increasingly obvious decline as any form of resource use by adjacent villagers. Analyzing documents and questioning stakeholders (Forest Department, Villagers) threw light on the evolution of the project as regards NTFP. Annex 7 discusses the change in NTFP issues over the past 20 years in more detail.

It must be stressed that the wet forest zone of Sri Lanka is very different from other areas of the country as regards socio-economic conditions of the forest adjacent communities. In the wet forest zone, people living around forests are predominantly small holder tea farmers, each house-hold with between 0.8 - 3.0 acres (0.32 - 1.2 ha) of tea as a productive cash crop. The extent of tea grew as rubber planting decreased, reflecting pricing in the 1980s. This was helped by the relatively new Small holder Tea Authority of Sri Lanka which began providing inputs and extension services to the region.

People around wet zone forests were thus relatively “well off”, and different from the “poorer” communities around drier forest types of central, eastern and northern Sri Lanka. In these drier areas NTFP collection and considerable economic dependence on NTFP was the norm. During the 1980s – 1990s, which was the time of the new global paradigm of “Co-Management” or Joint Forest Management “JFM”; there were three evolving concepts or theories of forest conservation:

- a) Forest adjacent communities had significant demands for NTFP, and NTFP over- harvesting was impacting on forest biodiversity;
- b) JFM/CFM “what Sri Lanka was calling co-management” with community approaches for the edges of Protected Areas, which would improve conservation status: and
- c) Guaranteed legal access to NTFP, through sustainable use strategies, which would provide the necessary incentive for communities to invest in CFM / JFM processes.

The Project Document was drafted by IUCN on behalf of Government. At the time that these theories were prevailing IUCN was engaged in conservation activities elsewhere in Sri Lanka, where the concepts of NTFPO dependence were much more applicable. The written documentation was of interest.

Sri Lanka has a considerable experience of community involvement in forestry (see Annex 7), but none of these experiences involved transfer of decision power to communities. In terms of NTFP earlier writing leading to the drafting of the Project Document was much more ambivalent about the importance of NTFP. In 1994 Karunanayake⁶ studied the socio-economics of people around Kanneliya. He reported 84% of the people were farmers or farm labourers, and he showed that over 75% of people reported declining use of NTFP. Only one NTFP was seen as of “major importance and that was tapping of “kitul” palms (*Caryota urens*), two other NTFPs were of some importance and the others were of minor importance. NTFP in this zone was a declining livelihood input, and did not provide the issue that would be an incentive to trigger forest co-management. These issues were summarised in the Management Plan for Kanneliya Forest⁷, and the Kanneliya Management Plan for the Medicinal Plants Area⁸. But these findings unfortunately did not enter project design. And finally global conservation best practice in the late 1990s was still embracing these concepts of CFM and sustainable use practices. The project document was thus approved – as being compatible with modern conservation thinking.

⁶ Karunanayake, M 1994. KDN Forest Complex – A Socio-Economic Survey. IUCN Office. Sri Lanka

⁷ IUCN 1995. The Kanneliya-Dediyagala-Nakiyadeniya Forest Complex Conservation Management Plan. IUCN and Forest Dept. Colombo April 1995.

⁸ Baminiwatte, ANS. 2002. A Management Plan for the Kanneliya Forest Medicinal Plants Conservation Area. IUCN Sept 2002

Why the reducing use of NTFP?

Tea cultivation is a full time activity; and family labour is being fully occupied until the tea sacks are collected by factory transport around 5-6pm. There is no time for NTFP. Household lands average 1 ha, with a home garden and tea (rarely paddy rice in a valley situation). Home gardens provide firewood and poles. Timber comes from a thinning out of past *Artocarpus* tree planting. Some medicinal plants are in the home gardens. So there was little demand for most NTFP. Finally, NTFP is the task for young men, and youth are leaving the forest areas for towns for employment, NTFP collection is now rather looked down upon.

Demands have continued to fall. RFOs/DFOs have not issued a single NTFP collection permit for 2007, neither have they been requested to issue such permits. They are occasional visits to the forest for collection of fruits of dipterocarp species (see Annex 7). These are permitted by forestry without permits – they are restricted in time and are non-destructive. Canes (*Calamus*) and small bamboo (*Ochlandra*) are spreading again in the forest as past demand and so exploitation has disappeared. Cane expansion could become a worrying threat in future.

2.2 The Mid-Term Evaluation (Review).

The Mid-Term Evaluation (MTE) was in August 2003 and the report presented in October 2003.

The MTE carried out a detailed technical analysis of the Project Log-Frame, and made recommendations for its revision (see below). The MTE report was discussed in Project Management, and whilst no formal Response Matrix was prepared, discussions showed that there was a set of agreements and disagreements with the MTE. These past decisions were captured and put into a draft matrix format and these were validated by the Project Steering Committee during this Terminal Evaluation. This later summary Response Matrix is included below:

Recommendations from the Mid Term: a Draft Response Matrix

N	Recommendation A) Implementation Issues	Yes No	Implementation
1	<u>Lack of Focus over Community Co-management:</u> <i>Community Co-management</i> of the forest is the key phrase relating to the Development Objective of the Project. However, the Project Document has not described a clear strategy to achieve such forest co-management at the village level. In this regard establishment of VPFMCs are recommended.	No	Numbers 1-3 inter-relate and are answered together. The MTE drew attention to the changing circumstances around Kanneliya and Sinharaja Forest, with less pressure on the forest (see pp 4, 26). In reality stakeholders admit feely that the stated dependence on NTFP was wrongly overstressed. The MTE stated that the project “has redirected itself subtly to moving away from co-management”. The MTE triggered debate in FD /UNDP around this issue and this resulted in a more formal agreement to shift emphasis away from co-management and away from NTFP. Villagers do not want full formal co-management. As Kanneliya is reclassified as a Strict Conservation Forest and not a Forest Reserve, then extractive exploitation will not be allowed. Setting up NTFP use schemes for the few who want them (<7 %), and then stopping them later will be difficult and counter productive.
2	<u>Work related to NTFPs must receive priority</u> and should complete soon. The original context in which the Project was designed appears to have changed. NTFP has to become the main focal point for community co-management of forests	No	The conclusion was therefore NOT to accept these recommendations and to change project outputs.
3	<u>More emphasis of conservation-related training:</u> Training over the final two years of the project needs to make extra efforts to promote training into areas more consistent with the original thrust of the project document Therefore emphasis has to placed upon generation of skills in the conservation-related sector as it is a key component in the project	No	The conclusion was therefore NOT to accept these recommendations and to change project outputs.
4	<u>Improvement in Guides:</u> Further training is necessary to bring the guides up to the level that they can perform the basic functions.	Yes	Stakeholders agreed. But there are two sides here; a) the guides come from the community and education levels are very limited so finding better or training guides is not easy. Some “Upgrading” was done
5	<u>Training to raise the productivity of tea should be continued.</u>	Yes	This is done and done well – more training was done reaching 485 people
6	<u>Equipment needs providing:</u> The equipment omissions to be provided as early as possible.	Yes	Key omissions filled
7	<u>Government barriers need removing:</u> Government barriers related sharing visitor income must be dealt by	Yes	Whilst this has been raised with Ministry of Finance – the answer to date has been negative.

	FD urgently. The MTE suggested using a proportion of visitor income on management of conservation facilities and to donate a share of such income to a Community Trust Fund to be established by the CBOs for use in community developments e.g. road repair, provisions of culverts, village meeting places, school materials.		
8	<u>Re-focus the training component</u> : A detailed review of the training programme should be conducted before planning its next phases in order to better focus it towards the conservation aims of the project.	A BIT	Training was reviewed – But purposefully not linked to conservation directly as there was little need.
9	<u>Improve transport and communication facilities</u> : This is essential and it will undoubtedly assist better implementation of the project activities.	A BIT	Improved somewhat (to a point where it was no longer a major issue)
10	<u>Project targets for disbursement of micro-credit loans</u> should relate to villagers actual needs for loans.	N	Forestry denied the actual situation as described by the MTE.
11	<u>Improve nature trail identification prior to cutting</u> . It would be better if IUCN (or a University) could be included at the point of trail identification to ensure inclusion of greater biological interest.	Y	Trail improved with greater biodiversity insight by forestry

PLUS: B Deficiencies of ProDoc

1	The absence of a Log-Frame with Development Objectives and Indicators and Targets, has caused difficulties in implementation and Evaluation	Y	Despite agreement – there has been no real attempt to do an updated logframe acceptable to ALL participants in GEF format.
2	Absence of details of project working led to difficulties in understanding prodoc intentions	Y	AS ABOVE
3	Inadequate risk information	Y	AS ABOVE
4	Prepare an Exit Strategy	Y	AS ABOVE
5	Reduce bureaucracy around project management	Part	Some changes were approved.

2.3 Project Governance

2.3.1 The Project Implementation Framework

UNDP and the Government agreed that the project will be executed under the NEX (national execution) modality, which is the norm for UNDP projects. The UNDP Programming Manual⁹ states that “*NEX is used when there is adequate capacity in government to undertake the functions and activities of the programme or project. The UNDP country office ascertains the national capacities during the formulation stage*”.

The ProDoc is not very clear about the implementation framework. However, UNDP had a long history of working with the Forest Department, and were aware of the strength of project management abilities. Whilst no specific capacity assessment was done, one assumes that parties were agreed that there was sufficient in-house capacity to manage this project. NEX however has its strengths and weaknesses. It is useful at this point to examine how project management worked under NEX. Once seen in its proper context, it makes the evaluation process easier to understand.

Firstly, this project had a strong National Execution (NEX) modality, in UNDP programming terms. Government was the Executing Authority (the Ministry), with Forest Department in that Ministry being the Implementing Authority. UNDP provided oversight and advice, and held the purse strings of quarterly disbursement to approved work plans and budgets.

Forest Departments in south / south-east Asia are typically strong implementation agents with a century of extensive, disciplined and planned investments within a strongly hierarchical bureaucracy. If an activity is written into an annual plan of operations: “it gets done”. It is almost more difficult to stop it getting done. Annual work plans, costed and with implementation responsibility, dictated what the project was to do. These project plans were fully embedded in the forestry plans of the Forest Districts of Galle and Matara, and their

⁹ UNDP Programming Manual. UNDP, New York, 2000

respective Forest Ranges. There was no separate Project Management Unit; management was completely integrated into forestry core operations.

Secondly, this strength of NEX process reduced the emphasis on UNDP/GEF processes within the project. There was less momentum to re-write Log-Frames, or prepare Mid Term Evaluation Response Matrices, or exit strategies, or to spend much energy in detailed PIR reporting (all standard UNDP-GEF processes).

Thirdly, the severity of the Tsunami tragedy directed attention of UNDP oversight away from project management. Dealing with this tragedy became first priority for the last two years.

It is an interesting trade off in the NEX process. With full NEX; all implementation authority and priority is vested in government process. In NEX the Project Managers are usually from government, and used to working within government officialdom. It is the UNDP employed Project Managers who are more answerable to UNDP TOR, and to whom log frames, MTEs and PIRs are major milestones. But in this later case government ownership is reduced.

2.3.2 The Project Steering Committee (PSC)

All projects of a certain size will benefit from an effective steering committee and it is standard practice to discuss the function and makeup of the PSC in the ProDoc. Together with the Tripartite Review, the PSC is the highest governance level for the project. As such, it must have both the authority and the power to set policy for the project, monitor its performance and provide guidance and directions to the Project Manager and other project stakeholders. The PSC should also support UNDP which, as GEF Implementing Agency, retains the ultimate accountability for the delivery of project products and the administration of project funds according to the Standard Basic Assistance Agreement (SBAA) between UNDP and the Government.

The tasks of the PSC should include (and largely did include) the following:

- To set policy and guidance to ensure timely, cost-effective realisation of project objectives
- To review and recommend approval of Annual Work Plans
- To monitor progress in project implementation against agreed Outcomes and Outputs
- To validate Project Outputs
- To resolve conflicts and problem areas as needed to facilitate project delivery
- To ensure country commitments, including co-financing and operational support, are met.

The membership of the Project Steering Committee should comprise (and largely did comprise) the following::

- Representatives of each of the main stakeholders
- Representatives of major donors and/or other partners
- Representative of UNDP
- Representatives of the beneficiaries

The National Project Manager is required to attend and report on progress, assisted by other project personnel as required. The NPM acts as the Secretariat to the Steering Committee.

The prodoc is woefully insufficient when it comes to describing management. The following lines discuss the NSC process:

“A special committee will be set up for the monitoring of the project at the National level The Conservator of Forests, who will be the National Project Director (NPD) will preside at meetings. The membership will include the Director of Biodiversity of the Ministry of Forestry and Environment, the Deputy Conservator in charge environmental management, the DFO Galle, the Divisional Secretaries within whose areas the project falls, two representatives of the CBOs, and any other stakeholders nominated by the Conservator of Forests”.

In practice the National PSC was upgraded, chaired by the Secretary of the Ministry and included broader representation. The NPSC met severally, and the TPR met annually for the first three years.

The Tri-Partite Review takes the Steering Committee to a higher level. In many projects the NSC meets as a TPR once a year with a modified agenda and chairmanship. One way of thinking of NSC – TPR differences is that the NSC is a project organ, set up by the project executing and implementing agencies to supervise the project. The Project Manager reports to his/her senior administrators. The TPR is where the project as a whole reports upwards to Government and to the Donor. The “Tri” part comprises the three entities: the Donor (UNDP-GEF who gave the money); the Government (who requested the funding from the donor) and the Project Implementers (who are spending the money on behalf of the government and donor). This is why in many countries the TPR is co-chaired by Government and UNDP.

The TPR minutes do show that issues were raised and improvements requested (eg for Impact Indicators in TPR 2). In retrospect sometimes these things happened, sometimes they did not; and there was little mechanism for follow-up the NPSC decisions.

2.3.3 The Project Management Unit and Capacity Building

There was no separate PMU. Management was integrated within the Forest Department Structures. Management was thus a team process, in forestry and with forest partners in District Government’ and, increasingly, with villages through the Village Forest Conservation Societies. This is very much in line with current aid thinking – empowering the recipient to take charge from the outset.

Capacity building was an explicit component of the project, originally within both forestry and within communities to allow co-management, and NTFP sustainable use. From 2003 this focus shifted to a more flexible partnership process between forestry and villages. Capacity was built in both individual skills and awareness, and in institutional relationships and protocols.

The Prodoc stated: *“The project management office will be set up at Tawalama, headed by a project manager, preferably seconded for service from the Forest Department’s cadre (at the ACF or senior Forester level). Four graduate officers with the appropriate qualifications and experience will be recruited for working with the communities, training the social mobilizers, and activating and promoting the whole range of community based activities. They will function for the first four years only, after which the CBOs should be well-established and able to function on their own”.*

2.3.4 The Role of UNDP

As implementing agency, UNDP is responsible to the GEF for the timely and cost-effective delivery of the agreed project outputs. It achieves this through its understanding with Government. UNDP has an obligation to ensure accountability in the project, and efforts in this respect are spearheaded by the Country Office which has legal responsibility for the GEF funds.

The UNDP Resident Representative in Sri Lanka may approve, following consultation and agreement with the UNDP/GEF Regional Office and Government, revisions or additions to the ProDoc, revisions which do not involve significant changes in the immediate objectives, outputs of the project. In addition UNDP undertakes mandatory annual revisions which re-phase the delivery of agreed project inputs or increased costs due to inflation or to take into account agency expenditure flexibility. The UNDP Resident Representative, with Government, Co-Chairs the Annual Tripartite Review (often through delegating powers to Deputy or Assistant Resident Representatives), and UNDP Country Office coordinates the inputs into the annual Project Implementation Review for submission to UNDP/GEF. The UNDP CO ensures that objectives are advanced through dialogue with Government, and undertakes official transmission of reports to the GEF focal point.

The work of the UNDP Country Office is supported by the UNDP/GEF Regional Office, which also provides coordination within the whole UNDP / GEF portfolio of projects for the region. More specifically, the UNDP / GEF Regional Office provide technical support to the UNDP Country Office and the Government GEF Operational Focal Point. The Regional Office assists the Country Office and Government in developing the project inception report, in follow up on implementation progress, where necessary assuring the eligibility of project interventions in light of GEF policy guidance. The Regional Office represents UNDP/GEF on the PSC, and approves Annual Project Implementation Reports, including performance ratings, for submission to GEF.

The UNDP Office did provide input, did host TPRs, did produce annual PIRs and did visit the project sites. Project fund disbursement was satisfactory. Things “worked”. But the initial “disconnect” between what was obviously a flawed project document and actual implementation continued. These issues are discussed in more detail in the Lessons Learned section at the end.

2.4 Financial Management

This terminal evaluation is not intended to be a financial audit and the focus of this section is on whether the project financial disbursement process has hampered project effectiveness / efficiency; and if the project has given value for money. Financial audits have been conducted regularly and from all reports the auditors (from Government as NEX) have been happy with what they found and no issues have been raised.

From a superficial point of view, the project design, with a budget of well below \$1 million over a four year period, could be considered under-budgeted. Similarly, the small amount of funding compared with scale of achievement, suggests that the project has achieved considerable cost-effectiveness. For example there was no expenditure on “costly” Project Manager/Advisors (see remarks on NEX efficiencies above)

Table 1. Comparison of Budget Forecasts and Actual Expenditure US \$

YEAR	INITIAL BUDGET FORECAST	REVISED BUDGET FORECAST	ACTUAL EXPENDITURE	NOTES
1999	0	0	0	
2000	6,113	44,813	40,006	1 month was planned in 2000
2001	197,100	159,250	81,919	
2002	276,150	275,300	190,920	
2003	178,450	178,450	186,407	
2004	66,900	155,158	80,473	
2005	0	70,292	86,624	
2006	0	72,534	1,542	
2007 - est	724,713	52,516	13,570	To finalise project reporting /impact
TOTAL			681,461	

The MTE suggested that barriers to rapid fund disbursement needed to be looked at – this seems to have improved in the 2003/4 period.

2.4.1 Co-Finance

The prodoc was completed before the GEF requirement for equivalent co-finance came into force. However the Prodoc did mention the sizeable baseline funding (much of which would be considered as co-finance in today’s scenario. The ProDoc had these figures (rather hidden at the end of the IC Analysis Table).

Item	Amount in \$	%	Baseline	Amount in \$
GEF input	724,713	76	ADB	3,550,000
Govt In kind	226,000	24	FAO Netherlands	130,000
Total	950,713	100	UMWP Upper watershed	365,881
			AND Later Aus-Aid	>1,000,000

During project implementation the Government Component played a very significant role. Firstly, Government financed all project management positions (the MTE gave a detailed analysis of this). This TE believes that the Government Contribution was well over 226,000\$ (>50,000\$ per annum over the 5 year project. Government is to be congratulated on this contribution; terminal reporting should acknowledge this achievement.

Secondly, Government took over the financing of project activities in 2006 and 2007, when it was thought that project activities were “over” (see below). Government, through new budget lines, made available some 50,000\$ a year for each of 2006 and 2007; over and above the in kind finance of 226,000\$.

Two other “baseline finance” projects played an increasing important role in the project, providing direct co-finance in taking over some project activities. This included the AfDB funded project FRMP (Forest Resources Management Programme) which supported a lot of the boundary demarcation (especially the lesser forests of the KDN complex). NEX process – through Forestry and the Ministry was able to make these partnership connections. An estimate of direct co-finance support is some 150,000\$ over the project period.

And the newer Aus-Aid support programme to community processes has supported some project activity and has included lessons learned from this project in the development of its larger national programmes (feeding into broader replication strategies, see below).

2.4.2 Finance Balances

In discussion with UNDP and Government, it became apparent that there had been a considerable saving in project expenditures. At the end of the financial year in 2005 Government returned some 30,000\$ to UNDP (thinking that was the formal end of the project. In retrospect it seems as if Government were not fully aware of the extent for which a project could get a no-cost extension, so as to complete unfinished business. And, UNDP had not disbursed a further sum (seeking a reserve for terminal evaluation and reporting etc). This indicates that the project at end 2007 had almost 40,000\$ un-committed project funds; over 5% of the GEF component.

The evaluation team noted that the exit strategy was not prepared or in force, and many issues had not been completed (terminal report not done, final monitoring assessment needed completing). This Evaluation Report suggests ways to increase / demonstrate the IMPACT of the project by strategic use of the remaining balance.

2.5 Monitoring and Evaluation

Monitoring of the project is a joint responsibility of project management, the Ministry as Executing Agency, and UNDP as the GEF Implementing Agency. Provisions for project performance monitoring are covered in the ProDoc through the standard arrangements which include:

- Initial tripartite planning meeting at the beginning of the project (The Inception Process/ Report).
- Annual Tripartite Review (TPR) meetings annually - one of Steering Committee Meetings acts as a TPR. with changed chairmanship and different agenda.
- An independent mid -term evaluation of the project mid -way through the project.
- A final independent evaluation at the end of the project.

But, there was no framework setting out a monitoring schedule, nor what should be monitored, by whom, or for what purpose. No baseline (on biodiversity values, on incomes, nor on NTFP demand or use) was set out. The project started before the Tracking Tool process for Protected Areas (METT) see later sections. The second TPR did ask for better “*Impact*” indicators, but these were not forthcoming.

These gaps in M and E reduce the ranking of the project in M and E substantially (see below)

2.6 Project Performance Monitoring and Adaptive Management

The project through Government internal activities monitored “processes: (numbers of trainings and attendance, disbursement of funds, km of boundary cleared, visitor numbers and revenue collection etc). As was stated above there was little impact monitoring, or resource monitoring.

In conclusion it is useful to consider the strengths and weaknesses of Project Management, asking if there was real Adaptive Management. (The next section on log frame change has some bearing on this issue). In retrospect, the answer must be “yes” – the project did respond to changing circumstances, there were changes in project direction and emphasis. But, these changes were not captured in project documentation or in reporting, these changes were not overtly endorsed – they just happened within the project.

2.7. The Logical Framework Matrix and Outcome Indicators

The project LogFrame is arguably the most important single tool for adaptive management. It provides a summary of the project scope and elements. It provides Indicators to be assessed as a measure of progress towards the Objectives and Outcomes and it notes the risks and assumptions recognized by the project designers. Monitoring against the LogFrame is an effective way of gauging project progress. However, effective management requires that the LogFrame remains sufficiently “alive” and subject to change to reflect changing circumstances, experience gained, and shifts in priorities; and that the log-frame is used to guide management. Revisions of the Log-Frame are a good manifestation of adaptive management.

2.7.1 Changes in the Logical Framework

The Mid Term Evaluation of 2003 drew attention to the urgent need to redo what was roundly agreed to be an extremely weak log frame, with few indicators and targets; confused outcomes/outputs and no assumptions or risks. There was a Recommendation (B1 on page 13) for “the urgent upgrading of the log frame”. This was not a new finding – the 2002 PIR drew attention to the need for better output/outcome definition and identifiable targets and indicators to be used for self reporting in the annual report (PIR) process.

What was at first surprising was the time taken for project management to do this. Discussions reveal that the MTE recommendation on log frame was accepted. The files show a rewritten log frame but still in draft format. This was partially in response to the incoming RTA for the project – based out of Bangkok, who asked to develop a new logframe. However the new logframe was not completed and not disseminated or discussed (dating from 2004). It was not until 2006, when the TE was being planned that formal agreement was reached on the core essentials of the log frame – an objective and two outcomes; with a set of outputs. Outcomes and Outputs had targets. Whilst forestry and UNDP had agreed to these changes (discussion during the TE); they were not formalized during any Tri-partite Review or sent to UNDP - GEF for approval or noting. However they were used for the final stages of implementation.

The core elements of this log frame are detailed below. The main emphasis of the Terminal Review was on assessing progress against these outcomes and determining the remaining impact of these outcomes.

The Revised Outline Log-Frame

Overall OBJECTIVE / OUTCOMES / OUTPUTS Conservation of the Biodiversity Resources of Wet Forests is ensured through partnership with peripheral communities	INDICATORS
OUTCOME 1: Improved biodiversity status of target FRs as a result of reduced encroachment, logging and non-sustainable resource uses. There are THREE Outputs	Encroachment stopped Illicit logging stopped Old logging gaps are filled by normal succession Endemic species regenerate
1.1 Target forests with upgraded status have greater protection against encroachment and illicit logging	1 Surveyed, agreed and permanent boundaries in place at Kanneliya & south of Sinharaja Forest 2 Number of forest offences reduced to low levels. 3 KDN complex is upgraded to Conservation Forest status and awarded MAB status
1.2 Forest Division staff with capacity to manage conservation forest with community and science partners	1 Forest staff with conservation training & extension cadres 2 Forest staff with functioning partnership with communities 3 Forest staff initiate forest research programmes
1.3 An M and E Programme allows adaptive management.	1 A set of M and E programmes obtain information on forest status

<p>OUTCOME 2: Communities adjacent to FRs have capacity, resources and incentives to support conservation initiatives whilst maintaining incomes on improved agriculture and AIG enterprises that reduce dependency on forest biodiversity There are FOUR OUTPUTS</p>	<p>27 functioning Societies with functioning loan credit support that assists AIG enterprise. 950 people who have adopted improved tea agriculture and show increased yields Reduced no people (7 %) who use NTFPs from Forest</p>
<p>2.1 Development of a suitable model for securing community conservation with collaboration between local community, state agencies and other stakeholders in managing the rainforest ecosystems;</p>	<p>Number of Community Based Organisations that are established in peripheral villages Increased participatory community development programs Increased knowledge on forest conservation; and number of vigilance committees formed</p>
<p>2.2 Reduced extractive use of non-timber forest products from target forests;</p>	<p>Increased alternative /improved enterprises ensuring reduced pressure to the PAs. Area of NTFP planted in buffer zone (<1 ha)</p>
<p>2.3 Improved Socio Economic Status of buffer zone communities through conservation related enterprises</p>	<p>CBOs engaged in alternative income generating activities. Increased micro credit facilities (doubling initial total) Increased income</p>
<p>2.4 Eco-tourism Facilities enhanced in both KDN and Sinharaja with greater awareness raising capacity and tourism benefit flows returning to both forestry and communities.</p>	<p>Improved Ecotourism Facilities with increased interpretation facilities Increased community involvement in eco-tourism Finance retention schemes agreed with government</p>

2.8 Stakeholder participation

The ProDoc does describe stakeholder participation, there is a vague stakeholder participation plan, and consideration of stakeholders and beneficiaries is covered. There is of course the change in project direction – away from co-management to broader partnership. Stakeholders were fully behind these changes. Stakeholder participation was one of the great strengths of this project – see later sections.

2.9 The Implementation Gap: 2005 – 2007: What Happened?

When does a project come to an end? When it is originally planned to end? Or when the money runs out? Or when all the outcomes have been achieved? Ideally all three should coincide; but that unfortunately is all too rare. Most projects are over ambitious; with time scales and often resources being too short to achieve all that was planned.

But in this project; with a strongly plan-oriented implementation authority in government NEX process, the four year project duration (as written in the prodoc) was built into project management processes. At the end of four years, in 2005, the project came to an initial bureaucratic end. The funds remaining with government were refunded to UNDP, no new funds were requested from UNDP (UNDP had some funds not disbursed) and the National Project Manager (who was the Assistant DFO in Galle District) was re-assigned. Defacto - the GEF Project had stopped.

But, as project activities were embedded in government process, many of these activities continued. Government made a specific allocation of 5 million rupees for such activity in each of 2006 and 2007 years (5 million rupees is 50,000\$ at 2007 prices). The pace of these activities increased when the past NPM was reposted to Galle District as full DFO in early 2007.

At the time of last disbursement in 2005; there was no Project Exit Strategy (looking at sustainabilities of project activities and impacts); there was no Terminal Report, and the Terminal Evaluation was being planned for 2006. This was also Tsunami time, much attention from UNDP and Government was directed elsewhere.

However, the fact that the project was still financially and operational open; the fact that government had been co-financing activities in the past 18 months; the fact that there were positive and significant impacts, suggested

that the strategy team should develop and implement an exit strategy and would document the very considerable social and conservation benefits that the project had developed. This is discussed below (section 3.2 and 3.3).

3 FINDINGS: B) PROJECT RESULTS

3.1 Progress towards the Development Objective according to Indicators

The Development Objective is not spelled out in the text of the ProDoc, although there is a sentence in the summary tables at the start of the Prodoc, under Project Rationale and Objectives section. This is copied below, in a table, together with the four Indicators (in first column of table).

“Protection of the ecosystems in the rainforests of Sinharaja and Kanneliya-Dediyagala-Nakiyadeniya (popularly known as the KDN complex) through community co-management”.

The revised Log Frame has a sentence modeled on this which reflects the change away from formal co-management to partnership (reflecting both the reality and new legal status). This is shown below; there were no revised indicators at this level.

“Conservation of the Biodiversity Resources of Wet Forests is ensured through partnership with peripheral communities”.

INDICATORS OF PROGRESS TOWARDS DEVELOPMENT OBJECTIVE	PROGRESS AS REPORTED IN THE LAST APR/PIR 2005/6	EVALUATOR'S COMMENTS
1 Definition of new boundaries of Sinharaja and KDN	The PIR did not mention the objective but combined the Four Outputs of the original Log-Frame into a composite Objective	The boundaries have been agreed with villagers, cleared and demarcated with both legal pillars and live tree markers. This has been done by project funds and leveraged additional co-finance. Past encroachment has been evicted and or regularised, allowing a straight visible boundary. Status of KDN has been upgraded.
2 Stability of the redefined conservation forest boundaries and forest resources as determined by the periodical forest resources inventories being carried out by the FD.	See Above	The boundary is stable. Joint Patrols (Village and Forestry) show no new encroachment. Forest resources appear stable, as evidenced by coarse patrol systems which show no change or degradation. No specific inventories have been carried out.
3 Community participation management model functioning satisfactorily	See Above	Communities participate via functional Village Forest Committees. There is developing co-management for small patches of forest at present under District Divisional Secretary control.
4 Unauthorized removal of fauna and flora stopped in the Sinharaja and KDN forest	See Above	All persons contacted (forest staff, Villagers, tourist guides {both forestry and independent}) stated that there was little removal of fauna and flora. There is no authorised removal. Our boundary walks (right up against tea garden householders) showed no pathways (beyond the checking of water pipes and intakes), no cutting of poles or firewood (all stumps were >5 years old), no refuse etc.

Based on the above, it can be said that progress towards the Development Objective, according to the original Indicators, is **satisfactory**. Since “conservation” implies a need for sustainability, if the project develops an effective exit strategy that strengthens the chances of its products being sustainable, progress towards the Development Objective will remain satisfactory.

3.2 Outcomes and Outputs

The following text and table provides an analysis of results achieved and progress reported towards the Immediate Objectives and Outputs as in the revised Log-Frame (see above). This is summarised in a larger landscape table at the end of section, with ratings.

3.3 Outcome One: “Improved biodiversity status of target Forest Reserves as a result of reduced encroachment, logging and non-sustainable resource uses”.

The evaluators were quite convinced that the three threats (encroachment, logging and NTFP over-resource use) were reduced to negligible levels in both Sinharaja and KDN Reserves.

3.3.1 Encroachment The new boundary design is of longer straight edges between the newly established and agreed (by forestry and villagers) boundary pillars¹⁰, allowing a rapid village check of boundary sanctity. This is different from the past with an extremely jagged edge which meant the cutting of a 10m wide corner for tea expansion would not be easily visible and as there were no (or few) beacons; checking edges would be a near impossible task. Encroachment was for the expansion of tea gardens, this encroachment was therefore ONLY by those whose gardens were immediately adjacent to the forest boundary.

The Village Forest Societies were composed of people adjacent to and away from the boundary. The new cleared boundaries were agreed with all the society members. In boundary clearing any well established tea within the reserve was accepted and the boundary redrawn, recent clearing was not accepted, tea plants were uprooted and the area replanted with indigenous trees. The boundary was planted with marker trees (including *Caryota* palm). Our inspection of the boundary at three sites showed no encroachment and almost no entry into the forest (the only tracks to the forest went to the water pipe point along the streams). Boundaries are inspected by joint patrols of villagers and Forest Staff.

Forest Department records that show that the number of incidences of encroachment that are filed has reduced greatly in the past 5 years – whilst that of reported incidences in WHOLE of the two focal districts (Galle, Matara) has remained the same frequency of offence; see below.

Full District Data	2002			2006		
	No of Offences	Area (ha) encroached	Timber (cu metres) confiscated	No of Offences	Area (ha) encroached	Timber (cu metres) confiscated
Galle (KDN)	132	16.5	2.6	126	3.4	117
Matara S Sinharaja	164	15.2	(no data)	181	3.4	15
Ratnapura N Sinharaja	419	3.4	4.3	322	23	113
PROJECT KDN	7	>1	-	2	Negligible	-
PROJECT SINHAR	6	>1	-	2	Negligible	-

The data show a similar pattern of offences from 2002 to 2006 across Districts. Area in ha of encroachment has decreased, but amounts of timber confiscated has increased. Project sites show a decline in offences, but that is further emphasised in the data on number of offences from 1999 – 2006, see below:

Site	1998/99	2000/01	2002/03	2004/5	2006/7
Project KDN					
Encroachment	51	12	2	2	3
Felling	15	2	4	2	2

3.3.2 Logging All logging would be illegal – there is no allowable extraction. We saw no stumps and all those interviewed stated that logging had stopped. Forest Department did not allow villagers or saw-millers to harvest wasted boles, planks and “second” trees after the previous logging regime stopped. Plank extraction is arduous and obvious (crossing rivers and roads), and would be seen. Village Forest Committees stated that it is much easier to find unwanted “jak” (*Artocarpus*) trees on home gardens and fell those legally, rather than

¹⁰ Over 10,000 pillars were established around KDN.

trying to log the forest. Again the reporting of forest offences in the Reserves has gone down dramatically in the Reserves whilst remaining at frequent levels within other FRs in the Districts. (see table above).

3.3.3 *Over use of Non-Timber Resources (NTFP)* There is no demand for fuel wood or poles, these are immediately available in home gardens. The only NTFP in past use is specialist foods (fruits or *Caryota* tapping for treacle) and medicinal plants, but *Caryota* is increasingly planted in home gardens and a wide variety of medicinals are also available on home gardens.

3.3.4 *Forest Status:* The question remains “Has the reduction of threat actually improved the status of forest biodiversity?” And without specific monitoring of indicator or target species this question cannot be answered easily. However there are general responses.

1. The reduction of pressure has allowed past logging gaps to be filled by normal forest succession. A three tier forest is obvious (shrub, under-canopy and canopy trees). Canes (*Calamus*) and small bamboo (*Ochlandra*) are part of that succession¹¹. The lack of cane harvesting illustrates that there is little extraction from the forest, and some foresters think that cane tangles may suppress canopy regeneration for several years. *Alstonia scholaris* is an indigenous invasive that rapidly colonises gaps and several stands (often over a hectare) can be seen from their characteristic canopies.
2. There are sightings of charismatic fauna (although forest patrols do not routinely note this in patrol diaries). These include leopard, sambar, barking deer; and grey hornbills and blue magpies. Guides see these. One probably knowledgeable guide stated that increasing forest cover was reducing sightings (not reduced densities) of birds and butterflies in general.
3. There are student studies that show that endemic plants are regenerating (eg below).

Distribution of Endemic Flora in Topographic Positions MSc Thesis Kanneliya FR

Criterion	Valley		Mid Slope		Ridge		Notes
	1994	2003	1994	2003	1994	2003	
No of endemic spp	28	33	37	47	19	22	More endemic species included in survey
No of Endemic Individuals	71	72	77	79	77	68	More variety (ie more species but a lower number of each)
Proportion of Endemic species of ALL species	71%	84%	72%	74%	74%	71%	More endemic species in all except ridge top sites

Dbh of trees	1994		2003		Change	Notes
10 – 15 cm	289	39	254	35	less	Fewer small trees
15 – 20	149	20	170	24	+	Higher % of larger trees
- 25	98	13	88	13	=	
- 30	68	9	72	10	+	
- 35	46	6.2	42	6	=	
-40	32	4.3	29	4	=	
- 45	19	2.5	22	3.1	+	
- 50	13	1.7	10	1.5	=	
- 55	5	0.5	8	1.1	+	1994 frequency distribution is classic J-shaped curve
-60	14	1.7	14	1.9	+	2003 there is reduced emphasis on small sizes – the forest is maturing
Totals	733		709			Reasonable sample size

(dbh is diameter at breast height)

3.3.5 Legal Status of the Forests.

¹¹ Much discussion on these post-logging forest structures was with Dr DG Pushpakumara of University of Peradeniya.

The KDN has been accepted as an International Man and Biosphere Reserve. Sri Lanka legislation is raising the status from Forest Reserve to “Special Forest Conservation Reserve”. This prohibits extractive use and recognizes the importance of both biodiversity and watershed catchment values. It is this legislative change which prevents any future emphasis on NTFP extraction – the new law will not permit such extraction. As project managers said: “it makes no sense for the project to start NTFP extraction processes entering into co-management agreements for NTFP and, then 3 years later saying *all stop- the laws have changed*. It was better to change project emphasis at the onset and seek partnership in general, not agreements on NTFP”.

3.4 Outcome Two: Communities adjacent to FRs have capacity, resources and incentives to support conservation initiatives, whilst maintaining incomes on improved agriculture and AIG enterprises that reduce dependency on forest biodiversity.

3.4.1 History and Mobilisation The communities were the key element of the project, both at the start when project management was thinking formal co-management, and after that in terms of partnership and collaboration in forest conservation. The project spent considerable time and effort in developing community capacity, through formalising Village Conservation Societies managed by small committees. In this case the project was able to draw upon the experiences from the GEF / WB Medicinal Plants Project (CSUMP) which had one of its seven components in Kanneliya. The Medicinal plants project had pioneered the use of such village committees.

The Relationship between the GEF WB Conservation and Sustainable Use of Medicinal Plants (CSUMP) Project and this GEF Forest Conservation Project:

The CSUMP commenced much earlier than the GEF project - in 1998, and Kanneliya FR was one of their five conservation areas selected for conservation, as it was thought to be an area rich in important medicinal plant species. This project established 8 Village Project Management Committees (VPMCs) in 7 GN divisions around Kanneliya. An apex body called the Conservation Area Management Committee (CAMC) comprised of VPMC committee members was formed. At the initial stages of the GEF project, it operated through these VPMCs; however after some time separate VPMCs were formed by the UNDP GEF project. However, mostly the same members were included in both societies. The CSUMP had a separate Project Officer for Kanneliya and some Social Mobilisers were also appointed. This project also conducted many awareness programmes, provided training in many income generation activities, and also provided many incentives to the community. However, after the termination of the CSUMP, the VPMCs faded away and eventually the members continued to work in the similar societies established by the GEF project. The CSUMP was executed by Ministry of Health, not by Forestry; with an emphasis on home gardens as well as forest based resources.

The UNDP-GEF project used a system based on full time community mobilisers, with a TOR to support awareness and committee formation. This was seen to work extremely well. The societies had a paid membership (a small amount of 5 SL Rupees (10 in places) per month) who elected office bearers through annual elections. Gender balance was impressive in overall membership and in election to office. Incentives to join were the promise of involvement in training programmes (around both conservation issues and around Alternative Income Generation AIG).

The Following Box Illustrates Success in Committee Formation:

1. Creating “Community Based Organisations” as the basis for forest conservation, AIG, self help and social organisation was a primary task of the project. There was little tradition of social cohesion, but communities were relatively uniform (without the complexities of landed and landless, or very rich and very poor).
2. CBO creation and strengthening was facilitated by staff hired by the project as “community mobilisers” (almost equal men and women) – each one taking over a village. The MTE was laudatory over their role, and this was obvious at our visit, CMs were well appreciated by villagers and forestry alike. Out of 27 CMs all but 3 (who missed formal qualifications) have been taken onto Government Forestry permanent staff cadres as Extension Officers with a one year in-service training at Forest College.
3. Societies were open to all members of the village, although forestry specially sensitised households closer to the forest boundary. Membership carried obligations and payment of monthly dues (5 and in places up to 10 Rs per month). There was a strong democratic process, with regular annual elections in all Societies. Elections were contested, several office bearers were not re-elected (eg Chair, Secretary and Treasurer). We met equal numbers of male / female; younger / older office bearers.

4. Societies were legally registered with the government and were able to open and maintain bank accounts.
5. Duties were onerous in that meetings were monthly, with apex meetings of ALL society office bearers from the vicinity every 2 months, and Annual General Meetings of all village society members – at the Apex Body of all Kanneliya Societies.
6. Society Members were also appointed to the Credit Committee (which ran the credit and loan process – see below) and to the Vigilance Committee (which assisted the Forest Department in detecting conservation problems etc).
7. Society Membership declined in the past two years, when project training stopped, however in 2007 it has picked up again somewhat – to some extent reflecting the reappointment of past NPM as the DFO in Galle District. We present statistics from 6 societies around Kanneliya

No	Name of Society	Peak Nos 2002	Nos at start 2007	% change	Comment
1	Koralegama	100	55	- 45%	
2	Halvitigala/Malgalla	75	37	- 50%	
3	Thawalama South	60	75	+25%	Numbers picked up at start of 2007
4	Thalangalla	80	40	-50%	
5	Panangal North	50	35	-30%	
6	Panangala East	75	25	-66%	
Total		440	260		

3.4.2 The Finance Loan System (A Revolving Fund with GEF Seed Money)

1. Whilst there are other loan organisations potentially available in the area (eg Rural Banks), they were seen as being more difficult to access than the Project Credit processes. These difficulties included wanting sureties (title deeds etc) and wanting banking accounts etc. Villagers complained that project loan processes were easy but extremely lengthy (eg requiring RFO approvals, DFO approvals, after Society credit committee approval and then full Society approval). But these delays did not reduce peoples' perception that Project credit was easiest.
2. Each Society was able to charge different interest rates – which varied from 3% pm to 1% pm. In some cases small loans carried a lower interest. Initial loans were a maximum of 5,000Rs, and if this was repaid properly then loans could be increased to 10,000Rs and, eventually, higher.
3. Repayment was initially high, with much social pressure on individuals who were seen to default on payment. Figures of OVER 90% repayment were discussed as the norm – with some societies achieving 100%. As the project ended than strict discipline began to slip. This affected membership of the societies with a few members not paying monthly dues; and often these members were not repaying loans. In some societies there was still social pressure to force repayment – backed up with the threat of reporting to forestry and police.
4. When past NPM returned to Galle and project area as the full DFO – he encountered a sum of 220,000 Rs of unpaid debt. Letters to defaulters have turned this around and less than 50,000 Rs is stuck – awaiting the next stages of repayment.
5. The Sinharaja groups have had fewer problems with repayment, using social and peer pressure to seek repayment. Communities are socially conscious – people losing property during recent severe floods were given extra time to pay with less interest etc,
6. Over the years the credit within each society has continued to grow. The table below shows each forest area Society with its INITIAL credit level (note that this agrees with the figures quoted in the Mid Term Evaluation Report) although in a few cases societies had received a third payment increasing overall credit levels. The table shows number of loans made (up to July 2007); these ranged from the highest of 77 loans to the lowest of 3 loans (a rather odd society which seems to have banked much of its credit – gaining interest slowly). The table shows the amount out on loan, amount in the bank and amount increased through interest etc. Analysis suggests that the revolving fund process has been successful (see notes below table).
7. People used loans for a variety of activities – ranging from improving tea and home gardens, to skills such as radio repair, to sewing, handicrafts, (bamboo and leather work) and local beauty-culture, and setting up small shops. In the vicinity of Kanneliya Visitor Centre several small shops, stalls and guest houses have sprung-up. The linkage between loan and training was particularly impressive.
8. Applications for loans went first to the Society Credit Committee where the reason for loan was discussed and the probable capacity of the applicant to repay. If this screening was positive, the application went to the full Society Committee who in turn passed this on to the Range Forest Officer and District Forest Officer. Screenings included due diligence (did the applicant have an outstanding loan etc and what were the chances

of enterprise success). In the past two years the DFO has dropped out of the approval loop – seeking an eventual hand-over to the communities themselves

9. Of the 34 people who attended the Kanneliya discussion interaction – all but 3 had taken loans in the past. Similar proportions prevailed in the two Sinharaja meetings

Kanneliya - Loan Particulars

No.	Name of Society	Received from Project (A)	No. of Loans	Amount to be recovered (B)	Amount in Bank (C)	Direct Profit A- {B+C}
1	Weerapana South	125000.00	20	102671.00	62941.00	40612.00
2	Weerapana West	190000.00	39	30385.00	165078.50	95463.00
3	Weerapana East	210000.00	72	98744.00	185210.50	73954.00
4	Opatha West	135000.00	22	46032.00	151413.00	30250.00
5	Halangalle West	145000.00	39	13530.00	63186.67	20500.00
6	Halvitigala/Malgalla	140000.00	62	150717.00	30742.00	40123.00
7	Thawalama South	140000.00	44	131240.00	50588.00	32000.00
8	Hingalgoda	75000.00	3	13257.00	46079.50	1025.00
9	Hiniduma North	140000.00	30	49157.00	101012.00	25260.00
10	Hiniduma South	140000.00	12	45000.00	98029.00	12200.00
11	Malhathawa	118000.00	15	50283.00	72150.00	25200.00
12	Panangala North	100000.00	41	102865.00	50527.30	12200.00
13	Panangala East	90000.00	35	106133.00	24558.71	2500.00
14	Gallandala	85000.00	25	11264.00	75260.30	18000.00
15	Udugama North	205000.00	26	51098.00	162500.25	20200.00
16	Koralegama	75000.00	22	44284.68	88052.68	18200.00
	Total	2,113,000.00	507	1,046,660.68	1,427,329.41	467,687.00

This is incomplete as an overall finance statement, as it misses the many loans that have been taken and repaid. For example Village 3 has 98,744 Rs being repaid – assuming a mix of 5,000 and 10,000Rs loans this is 13 loans outstanding, but a further 59 loans have been given out and repaid. Several villages have spent funds on purchasing event equipment (tents, chairs), and the bank details will include hire fees and membership fees. The table does show that in all cases there is MORE money than the seed money and that the money has been put to extremely good use (over 500 loans having been made) and the seed capital has grown.

3.4.3 Forest Protection

Whilst people no longer collect much NTFP from the forest, the forest is still important in terms of water supply. MOST households have water-pipes from streams in the forest; some individual and some collective. People are conscious of the importance of the forest as a source of domestic water and as an environmental support for a well distributed rainfall (each month >100mm rain) – important for continuous tea plucking.

All Societies started off with Forest Vigilance Committees, which met with forest staff and participated in joint patrols and acted as eyes and ears on forest offences. In most cases these reports of illegal entry were on outsiders entering the forest through village lands. In some cases arrests were made. In other cases the village committee talked to villagers who wanted forest produce and dissuaded them from extraction.

However, now the vigilance committees are rather inactive – “there is nothing to be vigilant about” said one group of villagers we interviewed. Vigilance issues (in terms of forest discussions with forest staff and forest patrols) are handled by the main committee.

In no case did people want a more formal arrangement such as the original suggestions for “co-management”. The Village Society rules and purposes state that supporting forestry to protect the forest is enough. Villagers do assist, this assistance works, there are few illegal incidences and the forest status is improving after years of legal intensive logging.

Co-Management between forestry and village communities however is in use where it fits the particular circumstances. Outside Sinharaja south there are a number of small forest patches – fragments, usually on

hilltops, which are nominally district trust land, maintained as forest by the Divisional Secretary. Over the years these have been heavily encroached and officially de-gazetted. Forest conscious village societies have started to take up the case of reserving these forests for the water supply (perennial springs) values. They seek formal Reserve status by forest department with continued management by the Society. One example is called Watalabbahena Forest.

3.4.4 We asked people “WHY” they still remained members of the Society and paid monthly fees, when many society issues such as training had ended. The responses (from almost a hundred people) were of interest, see box below:

Why do people pay to remain members of the Society?

The reasons to pay Rs. 5/- (and in cases 10Rs) per month as membership to the Society are, that the village people are proud to be a member of a society that is involved in the conservation of a forest which is famous in the world and also a world heritage. They also feel the social togetherness of the society, which acts as an increasingly strong force for village support.

Many villages have used funds to create a meeting room (area) and have purchased tents, chairs, tables etc for members to hire at functions (eg funerals and weddings). Sharing labour and helping each other during their important occasions (at weddings and funerals etc) has increased due to being a member in the Society. The monthly meeting provides villagers an opportunity to meet each other and discuss village issues – the discussions then moved away from forestry issues (the starting point of the Societies) to broader issues of road access, culverts, health etc; but still includes forestry issues.

3.4.5 Project Trainings at Village Level

The project invested heavily into providing training to villagers (and forestry see below). The training was for four purposes.

1. Training in forest conservation as a prerequisite for earlier ideas of co-management).
2. Training in NTFP sustainable extraction techniques.
3. Training in CBO formation and participatory governance.
4. Training in Alternative Income Generation (AIG) and Improved Income Generation.

Beyond some training in improved extraction technologies for “kitul” palm (treacle and toddy) there was little NTFP training as the project changed emphasis. Forest conservation training consisted of much awareness of forest values (including environmental benefits such as water (for tea and domestic uses), and recycling) and awareness of the threats to forestry. Ideas of community support were discussed. Training in CBO management assisted community mobilisers in getting Societies started: eg registration, committees and bank accounts.

The big incentive was training in AIG. The greatest impact has been the several courses in improved tea cultivation (495 families), and related issues such as intercropping with pepper and use of fertiliser trees such as *Gliricidia*. Improving tea included better use of fertiliser (including soil testing for acidity etc), mulch, pruning, plucking etc. The use of clonal tea was promoted. The link between loans and training is obvious through the many farmers who used loans to start tea plant nurseries. Project data suggested that overall, the households tea net income has increased by 28% since project start-up, and that is, before clonal tea comes into production.

Other trainings were in artisanal skills (carpentry, masonry, electrics, and shop-keeping). Again members used loans to purchase basic equipment. Some people got skills and moved away to towns (mainly the youth). Project management saw this as a good thing – moving people away from land shortages in the rural setting. At times these movements affected societies as the founders who were trained in CBO management have moved – new committee members are asking for such skills again.

The Project Managers had adopted a joint strategy of allowing villagers to choose their priorities as well as asking villagers to do forest training. This worked well; villagers were not imposed on and had a feeling of ownership. This worked across the gender gap - women wanting courses in beauty care and used loans to start small beauty salons “the villages are no longer backward” said villagers “we too have bridal beauty support just like the towns”. If this has bought buy-in to peoples’ forest societies, then this is successful.

Another set of training inputs were for Forest Tourist Guides. Here the recipients were village youth and guide capacity was to some extent dependent on educational levels (often English). The MTE commented adversely on guide skills, this is an issue and some improvement has been made but the first criterion was local villagers – not training best guides from a more educated group from towns.

New demands for training include electronics, computers and English – the villages are developing! They are not impoverished forest adjacent people dependent on forest produce. Statistics on training are shown below.

YEAR	TYPE OF TRAINING						NOTES
	CBO		Forestry		Others (eg schools)		
	Courses	People	Courses	People	Courses	People	
2001	9	870	17	796	1	34	Initial focus on forestry
2002	11	988	10	357	2	245	Big focus on AIG training
2003	21	720	6	159	4	507	>900 people trained in tea - 02/03
2004	8	249	4	134	1	40	Specialist trainings & repeats
2005	1	31	0	0	0	0	Project initial end
2006	0	0	0	0	0	0	No project activity
2007	3	80	0	0	0	0	Government start-up
TOTAL	53		37		8		

3.4.6 Training for Forest Staff: Originally this was seen as a precursor to co-management; training foresters to interact with villagers. But it also upgraded staff skills in terms of biodiversity and awareness of forest issues locally and nationally. Training was at two levels guards and beat officers, and higher ranks for District staff from relevant Districts. It has certainly worked. The Forest staff that we interacted with are knowledgeable about the forests and comfortable in working with villagers. A forester came to all Society meetings and villagers called on forestry for help with advice on planting trees. Both Villagers and foresters commented positively about the spirit of cooperation.

3.4.7 Tourism : The project has invested considerable time and effort in developing new Tourist Centres in South Sinharaja (at Piptadeniya) and at Kanneliya itself. North Sinharaja in a different district has a long established tourist centre. These two new centres are on south forest boundaries and so directly look towards the tourist resorts and towns of Galle and Matara Districts. There were several tourism issues to be tackled:

1. Establishing the Tourist Centre (the Visitor centre, dormitory and facilities, staff houses).
2. Capacity to manage the Tourist Centre
3. Creating walking trails in the forest
4. Providing guides and literature
5. Promoting tourism, publicity attracting visitors
6. Seeing how tourism feeds back into village and conservation support.

Details on these follow:

Establishing the Centre The MTE discussed this in detail, with transfers of funding and co-finance support (including improved access and bridge) agreed to. This took place. Other projects helped both in establishing forest boundaries (feeing up funds for tourism) and investing in tourism infrastructure. The Forest Department was able to broker such arrangements. Both Centres are in full operation with growing numbers of visitors. Buildings are professionally designed (with use of forest materials giving buildings an environmental look, was supported by NPM seeing similar structures in Thailand by a study tour).

Capacity to Mange the Centre This too has been done with project support, into management skills. Forest Department HQ is now empowering the Districts to undertake bookings locally instead of having to go through Colombo Offices.

Walking Trails, Guides and Literature These have been set up in both sites. There was some discussion in the MTE that the trails focus on scenic sites rather than giving more of an educational experience on forest biodiversity. This is perhaps true, but it does appear to be what MOST visitors want. There is some focus on conservation within literature and this is referred to in guide literature and commented on by the guides. This is seen as a good start and as numbers build up and demand for more nature information grows then more specialist materials can be developed. We noted many schools and colleges making use of visitor centre materials. Guides have been commented on earlier. A list of literature is the annex on publications.

Tourism Promotion and Publicity. Tourism has had problems in the last five years, threats of terrorism; tsunami and local floods have all created problems. However numbers rise again, see table below. **Project sites in bold.**

Visitor Gate	1999		2002		2006		Comments
	No	Rs	No	R m	No	R mill	
Sinharaja N. Kudawa			28,434	1.77	24,934	2.62	Revenue up by 50%
Sinharaja S. Pitadeniya	0		2,395	0.23	4,245	0.84	Revenue up x 3.5
Udawattakele			26,769	0.95	45,164	1.89	Smaller forest patches nearer coast
Kottawa			303	0.02	375	0.04	Smaller forest patches nearer coast
Kanneliya	0		482	0.03	10,637	0.285	Numbers up x 12; Revenue up x 10
Kanneliya 2007 to Jul	0				4,618	0.117	

The following table shows the pattern of foreign versus local tourists and school children in Sinharaja Piptadeniya Centre for 2006.

No Foreigners	No of Locals	No of School Children	Total	Revenue
1385	2218	642	4245	843,504 SL Rs

Whilst there are positive indications that tourism is growing (ie numbers and revenues) there are problems. Most tourists come at weekends, weekends can get crowded. Guides however cannot earn a living by two weekend days of income, they have to find weekday jobs and guiding is part time. The centre staff are in the same predicament and need other tasks on weekdays.

The project has undertaken commendable publicity. This includes a meeting of all tourism hotels on the southern beaches (2 hours from Visitor Centres). Hoteliers are looking for extra attractions in the area to promote as packages. Other promotion is via schools and colleges leading to more educational visits.

Overall, there is much greater awareness of tourism amongst government and people. Whilst we cannot attribute this to the project alone, there is increased interest in supporting increased professionalism in tourism in these wet zone forests. For example, whilst we were undertaking this evaluation the Sri Lanka Eco-Tourism Foundation announced a series of Training Programmes; and USAID are funding Eco-Tourism training at Sinharaja via SENCE and Rainforest Lodges.

Tourism and Village Support. Tourism was seen as a second string for providing incentives to villagers to conserve forests (after NTFP etc). Project planning envisaged a situation where tourism revenues or a proportion of revenues would revert to forestry for both conservation purposes and for a “village development fund”. This scenario was based on the assumption that Ministry of Finance would agree to retention of funds. Despite the fact that the Ministry of Finance has long agreed to this for the Wildlife Department for National Parks (a Department in the same Ministry as Forestry), Finance have not so far agreed to forestry retaining funds – and ALL funds go to central Treasury. This does not provide much of an incentive for tourism management and promotion neither does it provide an incentive for local people to conserve forest resources.

The project invested in a detailed study analysis of these issues¹², written with economist expertise and using global best practice, but so far this has not been considered in detail by Ministry of Finance. This topic is referred to in the final section on Recommendations

¹² This is the report: Strategy to Institutionalize Participatory Management for Conservation Forest Areas, Sri Lanka. December 2004, Forestry Department, Ministry of Environment with support from UNDP (Andrew Bovarnick and Darshani Dasilva) 29 pp.

3.5 Project impacts

3.5.1 Global environmental impacts

What are the Global Environmental Benefits, and what has been accomplished?

The project document stresses the general scale of biodiversity value in these two forest blocks, Sinharaja and KFD. Gunnatilleke & Gunnatilleke (1991) in Biological Conservation state that: overall in Sri Lanka a total of 879 species out of 3360 plant species (26 %) are endemic to the island. Of these: 801 species (or 90 % of Sri Lanka's endemic flora) are restricted to the wet forest zone. A sample of 184 endemic tree species in Sinharaja plots showed that 93% were endangered vulnerable or rare, using IUCN criteria (page 3,4).

The Prodoc quotes the National Conservation Review (Green et al 1997) of the 1990s as showing that woody plants in the 33 conservation forests of the wet forest zone had endemism rates of 37 to 66% (note this is endemic to Sri Lanka, NOT endemic to the specific forest), page 5). Unfortunately the prodoc did not single out the information on the two focal forests of Sinharaja and the Kanneliya complex (KDN) beyond stating that these two forests were chosen as "they are larger and most biologically diverse forests" in the wet zone (page 11). Work by Sinhakumara¹³ showed that Sinharaja has 337 species of woody plants with 57% Sri Lanka endemism and 34% of species are globally threatened. KDN has 234 woody species in the survey, with 66% endemism and 45% globally threatened. 10 woody species in Kanneliya are not found in D or N.

By virtue of where it is being implemented, in the two richest forests in Sri Lanka in terms of diversity and endemism, the benefits accruing from this project have a major global dimension. The global significance of the project benefits is indisputable; it is the continued maintenance of sustainable populations of endemic taxa.

The prodoc did not stress the sale of problems facing the forests. For example: Banyard and Fernando 1988 showed from air-photo analysis that Sinharaja forest lost 12% forest area from 1956 to 1983¹⁴

In addition Wickramasinghe (1995¹⁵) assessed the resource availability of both timber and non-timber species (using a 1 km sq grid across the KDN, offering a framework for repeated assessment. However, since then, there have only been some scattered University studies. However, the project document gave no instruction for updating this biodiversity inventory; and there was no monitoring and evaluation framework in the prodoc which required any assessment of the impact of project activity on the biodiversity of the two forests. No biodiversity assessments were built into work plans.

Section 3.3 above, describes the findings on biodiversity; we can state that the forest is intact, the forest is recovering from past logging, and that there are high proportions of endemic plant taxa in plot surveys. We cannot say if all the endangered endemic species have viable populations, or are still present. We can state that charismatic larger fauna are seen.

We cannot give information on population abundance or presence of the many endemic animal taxa. And yet both KDN and Sinharaja are "national" Important Bird Areas and visited frequently by amateur ornithologists who keep sighting records¹⁶. Monitoring bird populations will be relatively simple. Sinharaja has a long term Smithsonian Institute 50 ha forest plot (north Sinharaja, unfortunately not the project side), but forest plant monitoring capacity exists in country.

As part of our recommendations we ask that forestry convene a monitoring programme looking at a select group of taxa (bird and tree) to assess population sustainability and recruitment regeneration levels.

3.5.2 National level impacts

¹³ Sinhakumara, 1994 The biodiversity of Wet Forests. Report. IUCN Colombo

¹⁴ Banyard, SG & Fernando D. 1988. Sinharaja Forest Monitoring Changes by using aerial photographs. Ceylon Forester Vol 18 101-108

¹⁵ Wickramasinghe, WMS 1995. Resource Assessment of KDN Forest Complex IUCN Colombo

¹⁶ We had discussions by phone with the Ceylon Bird Club on these issues. There are similar groups working with reptiles.

At the national level, the project will leave behind a very valuable legacy to the Government and people of methodologies to build partnership between villagers and forestry. The project has made a difference. The DFO Matara contrasted the situation in South Sinharaja villages with those of north Sinharaja, and with elsewhere in Matara District; in the project villages there was a mechanism for collaboration and for open discussion, there were frequent interactions - unlike elsewhere.

The project has demonstrated successful micro-credit schemes, and importantly linked these credit scheme to training opportunities which has allowed successful AIG. The tea support has been especially noteworthy with yields and incomes rising.

Village societies have been successful fora for forest conservation. They have the potential to become successful for a for community development on a larger scale. Communities have an interest in access, communications and health. The Societies become entry points for community support in areas of HIV AIDS, maternal health, educational counseling etc.

3.6 Assessment of Achievement: Ratings

Evaluators have used GEF new ratings, on a 6 point scale:

HS	Highly Satisfactory
S	Satisfactory
MS	Marginally Satisfactory
MU	Marginally Unsatisfactory
U	Un-Satisfactory
HU	Highly Unsatisfactory

These ratings are used against three sets of criteria: Relevance, Effectiveness and Cost Effectiveness plus an overall rating. Ratings are for Outcomes and the Outputs within these outcomes and an overall PROJECT RATING, looking achievement of Objective..

Overall we believe the project has achieved a great deal with a relatively small MSP (<750,000\$) NEX process assisted this relative frugality. Cost Effectiveness is rated HS through out.

Detailed results are in the next two pages (of a landscape table), putting the Assessments against the Logframe and Log-frame Indicators.

Overall we give this project an “S” SATISFACTORY rating. we believe this could have been higher but for the relative lack of documentation and formal process. Yes, there are good things that have been achieved, there is substantial impact, but this is still poorly documented. The final Recommendations from this evaluation include the use of remaining funds to greatly improve the reporting.

Both Outcomes get an “S” Satisfactory rating, and Outputs are a mix of HS and S – see following table (this rating could have been an HS in places if better documented).

In the case of M and E activities, an MU and U.

Overall Progress towards Achieving Project Objective and Outcomes and Outputs

Project Objective, Outcomes and Outputs	Description of Indicator	Status as at September 2007	Relevance Rating	Effective Rating	Overall Rating
Overall OBJECTIVE Conservation of the Biodiversity resources of Wet Forests is ensured through partnership with peripheral communities		The Prodoc had no effective Goal or Overall Objective. The wording to the left was agreed in the Terminal Evaluation Process	S	S	S
OUTCOME 1: Improved biodiversity status of target FRs as a result of reduced encroachment, logging and non-sustainable resource uses. NEW here are THREE Outputs	Encroachment stopped Illicit logging stopped Old logging gaps are filled by normal succession Endemic spp regenerate	Boundary patrols show that encroachment has stopped No recent cases of logging reported Vigilance Committees reporting no offences Guides, visitors & scientists report forest succession is taking place; most endemics are regenerating (see text). Invasives (bar <i>Alstonia</i> problems) are not a problem. Most endemic birds are seen frequently.	S - would be HS but little documented	S	S
1 Target forests with upgraded status have greater protection against encroachment and illicit logging	1 Surveyed, agreed and permanent boundaries in place at Kanneliya & south of Sinharaja Forest 2 Number of forest offences reduced to low levels. 3 KDN complex is upgraded to Conservation Forest status and awarded MAB status	Boundaries are clear, agreed, with permanent stone markers, and planted with a variety of obvious species (<i>Areca and Caryota</i>) Overall levels of offences in both sites reduced dramatically from 2001 and in comparison to the situation in other parts of Districts. KDN is now MAB status and awaits new law to upgrade to "Strict Conservation Forest".	HS	HS	S (would be HS – but this is so little described or documented)
2 Forest Division staff with capacity to manage conservation forest with community and science partners	1 Forest staff with conservation training & extension cadres 2 Forest staff with functioning partnership with communities 3 Forest staff initiate forest research programmes	All field and supervisory staff are trained in conservation and people interactions. Forest staff attend all village conservation society meetings Increased numbers of forest staff (new Forest Extension staff) Increased frequency of forest patrols – with village vigilance committee members Some forest research under way (eg Peradeniya University)	HS	S	S
3 An M and E Programme allows adaptive management.	1 A set of M and E programmes obtain information on forest status	Reporting is by forest patrol and by village committees, but this is ad-hoc. Much greater use could have been made of 1990s baseline data sets, and a more rigorous M and E programme initiated.	MS	U	MU
OUTCOME 2: Communities adjacent to	Number of functioning Societies	Communities in all 27 villages (we visited 9) with functioning Conservation	HS	S	S (would be

Sri Lanka: Rain Forests of South-west Sri Lanka: *TERMINAL EVALUATION*

<p>Rs have capacity, resources and incentives to support conservation initiatives whilst maintaining incomes on approved agriculture and AIG enterprises that reduce dependency on forest biodiversity here are FOUR OUTPUTS</p>	<p>with functioning loan credit support that assists AIG enterprise. Numbers of people who have adopted improved tea agriculture and show increased yields Reduced numbers who use NTFPs from Forest</p>	<p>Societies, with strong democracy, gender and poverty equity, are fully registered with audited bank accounts and a monthly membership fee. Loans support AIG activity, which has reduced forest dependency. Communities have adopted improved tea agriculture methods (training and loans) in a big way and tea yields are up by almost 25% before new clonal varieties are mature. Increased time on tea and increased dependency on tea has reduced remaining minor dependency on NTFP and forest use. Most households have water pipe connections to the forest streams</p>			<p>HS – but this is so little described or documented)</p>
<p>1 Development of a suitable model for curbing community conservation with collaboration between local community, state agencies and other stakeholders in managing the rainforest ecosystems;</p>	<p>27 Community Base Organization are established in peripheral villages Increased participatory community development programs Increased knowledge on forest conservation; and number of vigilance committees formed</p>	<p>27 Societies created, with strong democratic process. Numbers in some places still increasing. All operate credit committees and act as engine of development and conservation in the village. Training courses are participatory Discussions with members of 9 Societies showed considerable awareness of forests as catchments and suppliers of clean water, and as stores of biodiversity. All societies had VCs, many now absorbed in main group as offences are very rare.</p>	<p>S</p>	<p>S</p>	<p>S</p>
<p>2 Reduced extractive use of non-timber forest products from target forests;</p>	<p>Increased alternative /improved enterprises ensuring reduced pressure to the PAs. Area of NTFP planted in buffer zone (Ha)</p>	<p>Many villagers adopting improved tea practice (clonal varieties improved mulch, soil acidity testing and lime application, inter-cropping, use of fertiliser trees). Tea yield up 22%.</p>	<p>S</p>	<p>S</p>	<p>S</p>
<p>3 Improved Socio Economic Status of buffer zone communities through conservation related enterprises</p>	<p>Members of twenty seven CBOs are engaged in alternative income generating activities. Increased micro credit facilities (doubling total \$ initial allocated) Increased income</p>	<p>Enterprises work well – tend to be income earning skills (craftsmen). Some recipients moved elsewhere. Micro-credit worked VERY well. Now needs upgrading to SACCO. Many loans linked to training. Considerable data set on incomes</p>	<p>HS</p>	<p>HS</p>	<p>S (As above)</p>
<p>4 Eco-tourism Facilities enhanced in both TN and Sinharaja with greater awareness rising capacity and tourism benefit flows turning to both forestry and communities.</p>	<p>Improved Ecotourism Facilities with increased interpretation facilities Increased community involvement in eco-tourism Finance retention schemes agreed with government</p>	<p>Eco-tourism seems alive and well in both cases. Visitor numbers increasing and revenues increasing. The trails are being used. Guides could well be improved. Community linkages are limited (bar a few commercial ventures). The Project (or Ministry) has been unable to persuade Ministry of Finance to allow a Retention Fund.</p>	<p>S</p>	<p>S</p>	<p>S</p>

4 FINDINGS: SUSTAINABILITY

4.1 ASSESSMENT OF SUSTAINABILITY ISSUES

The latest GEF guidelines state that “The Terminal Evaluation will assess at the minimum the “likelihood of sustainability of project OUTCOMES at project termination, and provide ratings for this. The assessment will give special attention to analysis of RISKS that might affect project outcomes”. There are two **Outcomes**, and there are **Four Dimensions** of sustainability

- 1 Financial Resources
- 2 Socio-Political Resources
- 3 Institutional Frameworks and Governance
- 4 Environmental Issues

We discuss the issues behind these dimensions and then award rankings.

1. **Financial Resources.** The project is coming to and, but Government has started the continuation of project process **through specific budget line allocations**. This augurs well for the continuation of project activity. Most activities were well entrenched into regular forest department activity, and border patrols, extension work with people, managing tourism etc are now routine forest programmes. Other projects in forestry, eg FRMP are supporting some processes like renewed forest demarcation and gazettement of forest patches.
2. **Socio-Political (and Economic) Resources.** The strength of the Village Societies and the new partnership gives a new mechanism for interaction on conservation. Socio-economic parameters of the villagers suggest that their growing economic status has reduced demand for forest products (although continued flow of forest water continues to emphasise the importance of forests to communities).
3. **Institutional Frameworks:** Firstly, the new legal structure: both national (Conservation Forest) and international (MAB status) ensures the permanent prevention of legal extractive use of the forest, gives greater management resources. Secondly, the strong village institutional structures and continuing interest in forest issues (the evaluation was after two years since main funding stopped) suggests that this people – forest partnership has the ability to continue. Forestry has certainly invested into the process with the recruitment of forest extension cadres.
4. **Environmental Issues.** Biodiversity is improving in terms of recovery after past intense logging. Forest structure is improving, gaps are filling, and canopy cover is increasing. There is some concern at the lack of an overall Management Plan Framework or the Reserves. There is a past Plan, written in 1995 by IUCN, for the Forest Department, but this sets out principles, not prescriptions, government buy-in is not certain and many issues are rather out of date. There are many new issues facing forest conservation – perhaps especially in the wet forests, such as Invasive Species, Biodiversity Monitoring and Climate Change. In addition there are emerging opportunities such as Carbon Sequestration and Payments for Environmental Services. It would be encouraging to see Forest Department and perhaps the Environment Ministry giving greater attention to these issues. Whilst we realise the need for Forestry institutional structures to streamline sections, the loss of the Environmental Management section has perhaps reduced the prominence of these environmental issues, Perhaps a cross-cutting unit in Forestry could restore such concern and attention?

There are **Four Ratings of Sustainability:**

- | | |
|-------------------------|--|
| Likely, | There are NO or NEGLIBLE RISKS |
| Moderately likely, | Some minor risks could affect the long term outcome. |
| Moderately Unlikely and | There are considerable risks |
| Unlikely | SEVERE RISKS affect this dimension of Sustainability |

This allows a matrix of assessment, see table on next page:

OUTCOME	FOUR DIMENSIONS			
	Finance	Socio-Political	Institutional	Environmental
1: Improved biodiversity status of target FRs as a result of reduced encroachment, logging and non-sustainable resource uses.	Moderately Likely (tea prices could fall – which could lead to fall-back on NTFP ¹⁷)	Likely	Likely	Likely (but perhaps more formal attention within FD and Ministry to environment issues)
2: Communities adjacent to the FRs have the capacity, skills and resources to adopt livelihoods that increase incomes but reduce dependency on forest biodiversity.	Moderately Likely (tea prices could fall leading to a fall back on NTFP)	Likely	Moderately Likely. The Societies need an exit strategy to broaden their development focus	Likely

4.2 ASSESSMENT OF MONITORING AND EVALUATION SYSTEMS

GEF Guidelines say: “The Terminal Evaluation WILL ASSESS whether the project met the minimum requirements for M and E (ie both in DESIGN and in IMPLEMENTATION of M and E)”. An M and E Framework is obviously essential, as is a budget and the use of M and E information in adaptive management; if the project has met these requirements. The TE will assess:

- M and E Design
- M and E Plan Implementation
- Budgeting and Funding for M and E
- Adaptive Management based on M and E

The TE will use HS, S, MS, MU, U and HU categories (see page 29).

Our assessment suggests that this was one of the weakest parts of project design and project management. There was virtually no M & E of resources and impact, but reasonably good monitoring of inputs and process.

No	Issue	Description	Rating
1	M and E Design	Poor use of available baseline information No M and E Framework was prepared (not asked for in prodoc)	U
2	M and E Implementation	No M&E Implementation Plan (not commented on in MTE) Adequate M on inputs and process (Number of trainings, km of boundaries cleared, no of offences; etc), but not on impact	MU
3	Budgeting and Funding M and E	Minor amounts in the Annual Work Plans in Forestry	MU
4	Adaptive Management based on M E	Some realistic changes were made – although their formalisation was not done.	MS

4.3 Use of the Project “Monitoring Effectiveness Tracking Tool for Protected Areas or METT”

The project started before the use of the METT became obligatory in project design and evaluations. The METT is a 30 question analysis “proforma” – seeking answers (simple scoring 0 to 3) to questions such as use of boundaries, research, management plans etc. Today ALL projects addressing PAs have to do a METT at planning at MTE and at TE. We were able to work with forest staff who knew the forest at the start of the project to reconstruct the situation at 2001/2 and the situation at 2007, for both KDN and for Sinharaja South.

These are summarised in Annex 6 to this Terminal Evaluation Report.

¹⁷ This became the subject of debate in the evaluation process, with colleagues arguing that this is most unlikely as villagers have lost forest NTFP extraction skills and interest.

The METT scores are as follows (maximum score is 95):

YEAR	2001	2007
Sinharaja	44.5	67.5
Kanneliya	27.5	60

Note the increase in scores in both areas; that are due to this project. Note that Sinharaja started with a higher score than Kanneliya, due to the presence of past support projects. Major deficiencies for both areas are in the PA management plans, resource monitoring, integration of research data into adaptive management, etc.

4.4 Knowledge management

Part of the potential legacy of the project is the ability to document, disseminate and codify the impressive amount of experiences and lessons on community partnership. This has not been done well so far, but the final reports of the project should commission proper documentation. This issue helped reduce many scores of HS to S against strong output achievements.

4.5 Exit strategy

The project did not develop an exit strategy. The MTE did suggest an exit strategy very strongly (p34): “The Project appears not to have an exit strategy yet developed. There are no details of one in the Project Document and the MTE team urge the FD and UNDP to develop one in good time for its efficient implementation at the close of the Project. Two areas are key to this – the sustainability of the Project Outcomes (particularly the CBOs but through them the Village Committees) and the strategy for replicating community co-management at the other 31 Conservation Forests”. The lack of an exit strategy has had negative consequences.

- The lack of an exit strategy hampered the smooth finalisation of the project (the hiccup in 2005 – 2007 funding).
- The lack of an exit strategy has reduced the potential efficiency of the Village CBOS as an instrument for rural development, and continued forest governance.
- The lack of an exit strategy has reduced the ability to disseminate information and replicate successes elsewhere in forestry.

However it is not too late to develop a short exit strategy NOW and to put this into practice in the last months of the project and use the last funds still available. This exit strategy should address the areas referred to under sustainability and lessons learned sections as well as monitoring. These issues are brought together under Recommendations sections.

4.6 Replicability and follow-up

When the project ends in December 2007, it is everybody’s hope that the work achieved by the project will continue. The project has laid the foundations and tested approaches on a pilot basis, for various mechanisms and tools required for coastal resources management. Its work is therefore just the beginning and without continuation and replication, the benefits will not survive. The exit strategy (above) will help ensure this.

The ProDoc stated the output to ensure the replication of project models around other forest sites amongst the 30 wet forest patches (see end of Annex 7). This has not been done as yet. Project management and forestry staff believed that individual circumstances dictate whether a given technology can be replicated to other sites. Indeed it was the faulty reasoning in this initial project design which led to the assumption that NTFP could act as an incentive for co-management. Probably it could - in the drier forests with more NTFP dependence. Foresters believe that the conditions around many smaller wet forest patches are not the same as in Sinharaja or KDN, in terms of socio-economic conditions of adjacent people. This evaluation team is not wholly convinced of that logic; and are sure that several forests, with tea growing communities, do offer sufficient similarity for attempting replication.

The process of social mobilisation, of setting up societies and providing training and incentives through revolving funds is a lengthy one. It requires investment in forest staff re-orientation and in boundary demarcation. But there are forests in both Galle and Matara Districts where foresters have been trained. Can forestry pick up the challenge and test replicability, possibly with FRMP support? Government cannot easily set up revolving funds, but there are probably partner organisations and NGOs who could help.

To conclude this section the evaluation team believes that there is good potential for the models and approaches that have been tried successfully by the project, to be replicated in some (if not all) of the forests of the southern wet forest zone.

5. CONCLUSIONS AND OVERALL FINDINGS

5.1 EXPERIENCES AND LESSONS LEARNED

No internationally-supported project on conservation of biodiversity of rainforests through the participation of local communities of this scale has been implemented in Sri Lanka before, so this project has been a pilot of how to approach such conservation, and the project provides a measure of what are reasonable expectations and of what is achievable. The results of this project are equally important for the people and Government of Sri Lanka, and for international development assistance agencies seeking to support Sri Lanka. The evaluators note that the two continuing projects in Forestry have used this project to derive lessons on community partnership (FRMP and Aus-Aid – past NPM gave, for example, a paper on lessons from the GEF project at a workshop of FRMP in early 2007). More such written project analyses should be prepared.

Lessons learned from the implementation of this project include:

A) The Discussion in the MTE, stressing logframe and prodoc issues:

Deficiencies of ProDoc

- ☞ No development objective was stated explicitly in the Project Document
- ☞ The absence of a log frame/indicators caused difficulty in implementation and evaluating progress
- ☞ Not establishing realistic targets:
- ☞ Absence of details of many Project activities led to difficulties of interpretation of intentions.
- ☞ There was an underestimate of resource requirements for successful project implementation.
- ☞ The “Risk” assessment was inadequate

B) The PIR for 2006 stated Lessons from Project Implementation as: “Forest protection is major activity of the project, and Village Vigilance Committees were formed in each village in the buffer zone to assist forest officers for protection. CBO Members were selected to form these committees. This strategy has been successful and significantly reduced illegal activities in the forests”.

Improving the productivity of small tea holdings through the introduction of better tea varieties and soil conservation measures, as well as other land-based income generating activities were main AIG inputs. This provided incentive to participate in conservation partnerships”

“Government gave permanent status to 20 social mobilizers and absorbed them as permanent cadres of the Forest Department. This institutionalisation of the project set-up will ensure the sustainability of community participation in forest protection due to continued interaction between the community and Forest Department”

C) The PIR 2005, stated “It is necessary to institutionalize the community groups with sufficient financial capital in order for them to be effective and sustainable, as such groups play an important role in carrying out and continuing social mobilization, awareness creation, promoting environmentally friendly community projects, etc. Alternative income generation activities and micro credit programs are necessary to ensure that the buffer zone community has other opportunities for their livelihoods”.

“Buffer zone communities have been effectively mobilized and involved in forest conservation activities. Mobilization activities were carried out by the members of the community who were trained at the start of the

project for this work. Villagers absorbed the ideas and changed their attitudes when their own people bring the messages to them, rather than outsiders doing it”.

D) This evaluation endorses these lessons, and adds five more:

6. NEX has its own very positive features and is behind many of the significant gains in this project. However there is a potential downside, in that unless the key UNDP – GEF processes are built into NEX work plans they may be missed by national staff who follow national procedures, NOT THOSE OF UNDP GEF. This happened here to some extent. Closer follow up by UNDP and UNDP GEF could have corrected this but other events and changes overtook good intentions.
7. M and E frameworks around Log Frames with rational indicators are core components of project design. This project suffered from the lack of such hard elements of the project document.
8. The ProDoc was deeply flawed in its assumption logic, basically around the premise that: “villagers were dependent on NTFP for livelihoods, therefore if the FD allowed sustainable utilisation of the NTFP, then villagers would eagerly invest in forest conservation”. We learned that villagers were not so involved with NTFP, villagers were involved with tea! The project realised this and turned direction, but did not formalise this change.
9. Adaptive management is important, but this too must be formalised with stakeholders and properly documented. This project did adapt, but in retrospect the processes were ad-hoc, rather than the results of participatory analysis and review.
10. Project successes (and failures!) and lessons learned from these successes should be written up as more formal reports to reach a wider audience and act as a permanent record of project achievements. This project did not invest in such reporting, a major gap.

In conclusion, it is perhaps necessary to ask: “how did such a poorly designed project get through the assessment stages of UNDP and UNDP GEF?” Answers, several years later, are not easy to find. The following is a series of suggestions:

- a) This was an MSP, which is not given the level of detailed or rigorous scrutiny as a Full-Sized Project.
- b) The project logic was the current conservation paradigm for much of South Asia: “Empower the People, use JFM and CFM processes etc, use incentives etc”. As this Evaluation report argues – YES to this logic elsewhere in Sri Lanka, but NOT around PAs in the wet tea growing areas of SW Sri Lanka.
- c) The project came with good credentials – being prepared by IUCN, who were then the leaders in Sri Lanka biodiversity thinking. But IUCN had largely worked elsewhere in Sri Lanka.
- d) The project had gone through UNDP CO and UNDP Regional Office scrutiny. But there was frequent staff turnover in both places!
- e) The Poor Logframe” – irrespective of internal logic; the poor logical framework, with mixed up Outcomes and Outputs, should have been picked up, but was not discussed before approval. Afterwards the TPRs and MTE did stress the need for improvement. The recent incoming RTA for biodiversity in South Asia again asked for change. Eventually it did happen, but change was slow to happen.
- f) UNDP GEF did have a programme to “retrofit” impact indicators and to focus on real “Outcomes” in the period 2002/ 3 /4; improving older log-frames, which were more output and process oriented. Again this relatively small MSP in Asian GEF terms seems to have fallen through the cracks – important as it was to Sri Lanka’s Forest Biodiversity.

5.2 SUMMARY OF FINDINGS

Start-up and design

10. Overall the project has been a considerable success, with strong positive results in community mobilisation and using this social awareness for forest conservation. The project gets an S rating. But this success remains unwritten.
11. The ownership of the project,, based on within Government, and specifically within the Forest Department (using UNDP – Government NEX -National Execution Modalities), has been a major factor in this success. The project has been administered and managed by government processes. Whilst ensuring that this meets national requirements etc, it has meant that some GEF requirements (eg M and E, adaptive management etc, writing) received perhaps less attention. This has had a negative impact in some areas, see below.

12. Changes in project personnel from UNDP Regional GEF; and busy schedules and changes in UNDP Colombo; and changes in Forest Supervisory and Management staff in Government have not helped in ensuring some key administrative tasks were done.
13. First and foremost among those was the lack of a rigorous logframe, based on a sound problem root-cause analysis; and with comprehensive targets and indicators. This was stressed in an early Tri-Partite Review (2002) as a priority – but was not done. The Midterm Evaluation stressed the need for a strong logframe but this was not followed-up. There does exist a draft logframe on UNDP files (from 2004) but “this was not thought to be very strong”.
14. The Project Document was not only weak in lack of problem analysis and logframe, but had no M and E framework (beyond requiring the MT and T Evaluations, annual TPRs and a Steering Committee etc). The lack of a rigorous problem analysis meant that a key issue was over-emphasised in the prodoc – ‘the dependence on Non-Timber Forest Produce’: and its corollary – “develop co-management systems for NTFP in the Forest Reserves”. These became two out of four so-called Outcomes for the project. The main text of this report suggests where this perhaps wrong emphasis arose.
15. The MTE took up this issue of NTFP and commented “that was change in the way NTFP was being used”. Interestingly, the MTE noted that the project had been rather moving away from NTFP issues, BUT sought to bring the project back to the original design with renewed emphasis on co-management, on management training, and on stressing NTFP again.
16. Project stakeholders seem to have rejected this advice from the MTE, seeing that there was little demand for NTFP, and that co-management needed a sound demand for the resource as an incentive. Unfortunately this real response was not captured in administrative documents although it was reflected in AWP budgeting and actual activity etc.
17. Several factors contribute to this change within communities; including the high market price of tea, and the time tea takes to process. The youth in particular did not want to start careers in NTFP processes (citing caste issues and preferring jobs in towns). Kitul tapping is becoming a forgotten skill.
18. A revised log-frame was eventually put together by UNDP and forestry, based on what activities were in fact being carried out. This was used in the evaluation.

Implementation and Impact

23. Implementation was through the Forest Department. A senior Forest Officer said “We have considerable capacity to administer and manage, where we need technical innovation and skills we can hire in external expertise”. And for the most part this management worked well – deficiencies as noted above were in M and E systems and testing responses to change.
24. Forestry set up a Village Community Mobilisation system (based on successful experiences in the earlier WB/GEF Medicinal Plants Project). Community Mobilisers largely succeeded and strong Community Conservation Societies were created. CMs were absorbed into the Forest Department as Forest Extension Officers (after a year’s training) and they continue to be the liaison between people and forest department.
25. This mechanism for interaction between forestry and communities received considerable praise from all we talked to (both villagers and Forest Officers - DFO to RFOs / BFOs). The village society provides a formal setting for such interaction, which allows for passing information, boundary conflict resolution and requests for help. Data show societies continuing reasonably strongly.
26. The Credit Loans system worked well. The small start-up credit has been more than doubled with interest and fees. The interesting innovation was the link between training and the loan. Many people used the loan to put into practice what they learned from the trainings (be it a trade, a shop or tea improvement).
27. The Prodoc stressed the problem of encroachment of tea into the forest reserve. Tea has been a growing activity in this region, and we had two stories told to illustrate the need for tea land. Firstly rising tea prices meant that more people wanted to extend their tea gardens. Secondly falling tea prices meant that farmers needed more acreage to maintain incomes. In both cases forest land was converted. But you stopped encroachment – by boundary marking.
28. Boundary maintenance had fallen into despair – with shark-tooth boundaries being difficult to inspect, there were no or too few beacons and no patrol paths. Encroachment was controlled through several measures (arrests, evictions, straightening borders, pillars, clear marking, agreements, and dialogue with people).
29. The lack of impact monitoring (despite the number of previous BD studies) makes it difficult to get hard data on biodiversity status. Commentary from observers, examination of edges, data on offences etc all show that Biodiversity is improving.

30. Tourism facilities are well constructed and increasingly used by tourists and by training courses. Guides are there but standards could be improved! More innovation could be used to see how communities can be benefited from growing tourism.
31. METT scores show good progress in Protected Area Management.
32. Seeking retention funding from tourism revenues so as to benefit communities is still an issue, with Ministry of Finance remaining non-convinced by Ministry of Environment Arguments (despite allowing this in the Wildlife Sector!). However globally this does seem to be the way forwards, and indeed “PES” is part of a new Strategic Priority in GEF 4 funding.

Replication

33. There has been concern that lessons from this project are really only replicable in the wet tea zone where dependency on NTFP is low. Certainly site situation is all important, and successes cannot be replicated all over. BUT there is opportunity to replicate in other conservation forests in the wet zone.

Finances

34. The project was efficiently managed, and being rooted so hard in government forestry, many savings were made in management costs (a senior Forester was made PM – un-salaried).
35. At mid 2007 it is apparent that some 40,000\$ is left unspent (=10% of the project budget). This was made up of 2-3 mill Rs returned from Government; and 20,000\$ maintained for final M and E processes and reports, deducting TE costs suggests a balance of almost 40,000\$. This needs discussion, does the project return this to GEF, or upgrade M and E and exit strategies, and document the considerable impact etc.

5.3 RECOMMENDATIONS

5.3.1 Recommendations for Finalising the Project

- 1 Invest in redoing the Logframe. IF this project is to be subject to any later evaluation (eg by the GEF Office of Evaluation or Government, or lessons analysed by researchers) then an understandable logframe is an essential starting point. It provides a focus for monitoring resources and processes.
- 2 Consider the status of the project (it is not closed operationally or financially) in view of fact that there are some 40,000\$ balance. The project needs to plan how to spend money on key outstanding project functions.
- 3 There are perhaps four outstanding things to be done:
 - a) A Terminal Report, with good lessons learned documentation, including photographs, tables and demonstrating the very useful experiences on community mobilisation etc.
 - b) Consider a stronger monitoring survey on Biodiversity Values, building on earlier documentation (NCR of 1996; Medicinal Plants Surveys and Assessments etc). This is discussed in section 6 below. Note this need not be a detailed affair.
 - c) An exit strategy that provides a more secure future for the Village Society and Credit Groups. This would include linking to development organisations and final leadership training.
 - d) Ministry should take up the issue of tourism fund retention with the Ministry of Finance again. Globally there is greater awareness of the benefits of devolving such funding and using this to empower communities for conservation.
- 4 Government has started a sustainability package in providing 5 million Rs pa for follow-on activity in the two Districts. It is to be hoped that this continues and is built into longer term budgetary processes.

6. Whilst we realise that replication cannot mean transferring technology to different situations and scenarios (where they might fail – given the site specific nature of most conservation interventions) – there are some areas where this valuable technology of society building could usefully be extrapolated.
7. The project has no resources to redo the extensive assessments of the past (eg NCR or kilometre grid surveys). But times have moved on; foresters and ecologists are aware of the key plant species that could be used as indicators of conservation process, by asking the questions of “What is the status of threatened endemic taxa in the Reserves – are they regenerating? Is there a sustainable population? Ideally one needs a few characteristic, easily recognized species (probably woody species; ie trees shrubs or lianas. Abay Abayawardana has suggested five plant taxa. These are:
 - Dipterocarpus zelanicus
 - Camptosperma zelanica
 - Warnia triquetra
 - Shorea magestiphyla
 - Cassineum fenestratum

Similarly for birds, discussions with ornithological expertise can easily suggest a few taxa that are easily recognized for longer term monitoring. The project should invest in rapid surveys, build on past documentation and report on biodiversity status. TOR should be developed as soon as possible and expertise contracted.

5.3.2 Recommendations for UNDP-GEF – mainly at UNDP CO / RCU level.

4. Ensuring that GEF requirements are built into NEX processes explicitly, and feature in annual work-plans.
5. Projects should have specific funding for reporting and documentation.
6. Project formulation should include an Exit Strategy, which is elaborated in the Inception Report process.

5.3.3 Recommendations for possible further GEF support (*This was a component in the TOR*)

(Whilst this was a component in the TOR, the consultants were aware that a GEF planning workshop had taken place in Sri Lanka during the period of finalising this Report. The consultants were not aware of the conclusions from this planning process, and so these comments may have been overtaken by events).

GEF has changed significantly over the last 12 months, with a RAF allocation for Sri Lanka for Biodiversity, and with new Strategic Objectives (SO) and Priorities (SP) in the Biodiversity Focal Area. By October 2007 Sri Lanka has not developed acceptable PIFs (Project pipeline entry concepts) for this Allocation. GEF has two main Objectives for Biodiversity – SO1 for Protected Areas; and SO2 for Mainstreaming Biodiversity principles into policies and markets for more Private sector activity in production areas. Both SOs have relevance here.

SO 1 Protected Areas: Both SP I on Financing Protected Areas and SP3 on Developing Sustainable and Representative Terrestrial Protected Area Systems are relevant. It would be useful to consider how the two may be combined, with SP3 taking the lead, but looking for sustainable finance to maintain an upgraded system of forest Protected Areas. System wide gap analysis, connectivity and reducing fragmentation, PES, ecological evaluation driving enhanced financial support, and issues of carbon sequestration and climate change could be captured in a system wide full size project. These issues could be captured within a Framework Management Plan – covering the system of additional Reserve Forests, leading to individual plans within the enlarged system.

SO2 Mainstreaming and Markets – Policy Reform. The significant amount of biodiversity (including endemic plant taxa and useful species) that is represented in the private home garden systems offers an entry point to looking for modalities to maintain this diversity through policy support and improved marketing and certification processes. Already project follow-on suggestions are looking at organic tea production (no pesticides or inorganic fertiliser). Increased support to home garden productivity through targeted agro-forestry inputs could be envisaged. ICRAF could well play a role here.

ANNEX 1 Evaluation Summary of Terms of Reference

Terminal Evaluation for the UNDP-GEF project on Contributing to the Conservation of Unique Biodiversity in the Threatened Rain Forests of South-West Sri Lanka

TERMS OF REFERENCE

1. Introduction to the project

With financial support from the Global Environment Facility (GEF), the Ministry of Environment (MoE), on behalf of the Government of Sri Lanka, has been executing a 5-year project to conserve biodiversity in South-West rain forests in Sri Lanka since June 2000. Support from GEF focuses ensuring threatened floral and faunal species are given adequate protection and promote conservation of endemic species in the area with community participation.

The deforestation that has occurred in the wet zone has reduced the once extensive natural forests into isolated patches and pushed many of the country's endemic species to the brink of extinction. The National Conservation Review confirmed, through quantitative data, the high levels of endemism in these rain forest blocks. In 1980s, following floristic and faunal studies in these forests, their biological richness and high endemism came to light. No longer was the conservation of these forests a matter of purely national concern; it has become a matter of global importance. These forests also play a critical role in protecting the watersheds of the country's river system.

The threat to these residual forests now comes primarily from the people in the surrounding villages. The economy of these villages in the buffer zone is based mainly on tea growing, supplemented by paddy cultivation. Therefore, the main threat to these forests is encroachment by the villagers to expand their tea holdings. The second threat to these areas is the illicit felling of timber. It is not widespread and is carried out by timber dealers arriving outside the buffer zone villages. The third threat comes from the collection of non-timber forest products for food, medicine, fuel and fodder and the illegal collection of flora and fauna for sale and export.

The Conservation of S/W Rain Forests Project aims at significantly contributing to the conservation of threatened species in the Southwest rain forests of the country in terms of establishing a viable scheme for community participation in management, and so produces global and national benefits. This will be achieved by conserving two rain forests, Sinharaja, which is a Man & Biosphere Reserve and Kanneliya-Dediyagala-Nakiyadeniya (KDN) forest complex.

Rural communities in Sri Lanka rely heavily on natural resources for their livelihoods. Therefore, the project has incorporated as part of the project design, the socio-economic development component aiming at reducing the human dependency on the declining natural resources while addressing the ecological problems facing the forest areas. The project will substantially concentrate on the grassroots level activities that address the needs of the local people by promoting biodiversity oriented economic activities and generating their guardianship for the wildlife and their habitat preservation.

1.1 Development Objective / Goal

The overall goal of the project is to secure the protection of the ecosystems in and around the Sinharaja and KDN forest complex through community co-management. The project will achieve this by promoting biodiversity conservation and providing opportunities for sustainable and better livelihood practices for the local communities.

1.2 Immediate Objectives

In order to meet the goal of the project, three immediate objectives have been identified, focused on:

- Managing and restoring critical ecosystems through a community based system;

- Providing community mobilization, training and alternative livelihood practices for the buffer zone community; and
- Playing a critical role in complementing the national efforts to secure the conservation of globally threatened species in the rain forests of Sri Lanka

1.3 Results

It is expected that at the end of the project the following outcomes would have been achieved:

- Participatory management scheme involving community, state agencies and other stakeholders in management activities to serve as a model for all other conservation forests in Sri Lanka
- Reduction of local pressure on natural resources by provision of alternative livelihood options such as agroforestry, and eco-tourism.
- Buffer zone community (and society at large) cooperating in the conservation of the selected rainforest ecosystems harbouring globally threatened species
- Sustainable use of non-timber forest products secured
- Forests adequately protected against encroachment and illicit logging

2. Objectives of the Terminal Evaluation

The Monitoring and Evaluation (M&E) policy at the project level in UNDP/GEF has four objectives: i) to monitor and evaluate results and impacts; ii) to provide a basis for decision making on necessary amendments and improvements; iii) to promote accountability for resource use; and iv) to document, provide feedback on, and disseminate lessons learned. A mix of tools is used to ensure effective project M&E. These might be applied continuously throughout the lifetime of the project – e.g. periodic monitoring of indicators, or as specific time-bound exercises such as mid-term reviews, audit reports and terminal evaluations.

The GEF Manual on Monitoring and Evaluation Policies and Procedures notes “All GEF regular projects will carry out a terminal evaluation at project completion to assess project achievement of objectives and impacts”. This Terminal Evaluation for the project is based on this directive.

Final evaluations are intended to assess the relevance, performance and success of the project. It looks at early signs of potential impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. It will also identify/document lessons learned and make recommendations that might improve design and implementation of other UNDP/GEF projects.

The overall objective of this TE is to review progress towards the project’s objectives and outcomes, assess the efficiency and cost-effectiveness of how the project has moved towards its objectives and outcomes, identify strengths and weaknesses in project design and implementation, and provide recommendations on design modifications that could have increased the likelihood of success, and on specific actions that might be taken into consideration in designing future projects of a related nature.

In pursuit of the overall objectives, the following key issues will be addressed during the TE of the project:

- Assess the extent to which the project achieved the global environmental objectives
- Assess the effectiveness with which the project addressed the root causes and imminent threats identified by the project
- Assess the extent to which the planned objectives and outputs of the project were achieved
- Describe the project’s adaptive management processes – how did project activities change in response to new conditions encountered during implementation, and were the changes appropriate?
- Review the clarity of roles and responsibilities of the various institutional arrangements for the project implementation and the level of coordination between relevant players
- Review any partnership arrangements with other donors and comment on their strengths and weaknesses;
- Assess the level of public involvement and recommend whether public involvement was appropriate to the goals of the project

- Describe and assess efforts of UNDP, Ministry of Environment and Natural Resources and Forest Department in support of the implementation of the project
- Review and evaluate the extent to which the project impacts have reached the intended beneficiaries
- Assess the likelihood of continuation and sustainability of project outcomes and benefits after completion of the project
- Describe key factors that will require attention in order to improve prospects for sustainability of project outcomes and the potential for replication of the approach
- Assess whether the Logical Framework approach and performance indicators have been used as effective management tools
- Review the implementation of the monitoring and evaluation plans
- Review the knowledge management processes of the project
- Describe the main lessons that have emerged in terms of:
 - Country ownership/drivenness;
 - Stakeholder participation;
 - Adaptive management processes;
 - Efforts to secure sustainability; and
 - The role of M&E in project implementation.

In describing all lessons learned, an explicit distinction needs to be made between those lessons applicable only to this project, and lessons that may be of value more broadly to other similar projects

The Report of the TE will be a stand-alone document that substantiates its recommendations and conclusions. The Report will be targeted at meeting the Evaluation needs of all key stakeholders (GEF, UNDP, FD, MENR and stakeholders of Sri Lanka).

3. Scope of the evaluation

Three main elements to be evaluated in the project include Delivery, Implementation and Finances. Each component will be evaluated using three criteria: effectiveness, efficiency and timeliness. ***The following are the guidelines to direct the evaluation to the extent that is possible within the given time period:***

3.1 Project Delivery

The TE will assess to what extent the project has achieved its immediate objectives? It will also identify what outputs have been produced and how they have enabled the achievement of the national and global objectives?

The section could include an assessment of the following priority areas:

3.1.1 Institutional arrangements

- Strategic planning, preparatory work and implementation strategies,
- Consultative processes,
- Technical support,
- Capacity building initiatives (including various interventions adopted for capacity building of the community groups),
- Project outputs,
- Assumptions and risks, and
- Project-related complementary activities.

3.1.2 Outcomes

- Efficiency of project activities,
- Progress in the achievement of immediate objectives (level of indicator achievements when available), and
- Quality of project activities

3.1.3 Partnerships

- Assessment of collaboration between government agencies, non-governmental organizations, private sector, etc. and perceptions,
- Assessment of local partnerships, and
- Involvement of other stakeholders
- Microfinance and micro-credit arrangements adopted for alternative and sustainable livelihood practices

3.1.4 Risk Management

- Were problems / constraints, which impacted on the successful delivery of the project, identified at project design?
- Were there new threats/risks to project success that emerged during project implementation?
- Were both kinds of risk appropriately dealt with?
- Are they likely to be repeated in future phases?

3.1.5 Monitoring and evaluation

- Assess the extent, appropriateness and effectiveness of adaptive management in project implementation
- Has there been a monitoring and evaluation framework for the project?
- Is the reporting framework effective/appropriate?
- Has M&E been used as a management tool in directing project implementation in a timely manner?
- Is this framework suitable for replication/ continuation for any future project support?

3.2 Project Implementation

Review the project's management structure and implementation arrangements at all levels, in order to provide an opinion on its efficiency and cost-effectiveness.. This includes:

3.2.1 Processes and administration

- Project-related administration procedures
- Milestones;
- Key decisions and outputs;
- Processes to support national components of the project.

3.2.2 Project oversight

- GEF
- UNDP
- Participating country mechanisms (MENR, FD, etc.)

3.2.3 Project execution

- FD as the Executing Agency (under the UNDP National Execution (NEX) modality)
- Project management team
- National functions
- Strengths and weaknesses of the exist strategy

3.2.4 Project implementation

- UNDP as the Implementing Agency

3.2.5 Comparative assessment

- Compare the execution and implementation elements of the project with similar projects in the region. Provide an opinion on the appropriateness and relevance of the structure and recommend alternatives (if required) for future consideration.

3.3 Project Finances

How well and cost-effective did financial arrangements of the project worked? This section will focus on the following three priority areas:

3.3.1 Project disbursements. Specifically

- Provide an overview of actual spending vs. budget expectations
- With appropriate explanation and background provide a breakdown of the ratio of funds spent “directly” in-country against total funds spent
- With appropriate explanation and background provide a breakdown of the ratio of funds spent “indirectly” in-country (i.e. external consultants and regional training) against total funds spent, and
- Critically analyze disbursements to determine if funds have been applied effectively and efficiently.

3.3.2 Budget procedures

- Did the Project Document provide enough guidance on how to allocate the budget?
- Review of audits and any issues raised in audits; and subsequent adjustments to accommodate audit recommendations;
- Review the changes to fund allocations as a result of budget revisions and provide an opinion on the appropriateness and relevance of such revisions, taking into account the increased duration of the project

3.3.3 Coordinating mechanisms

- Evaluate appropriateness and efficiency of coordinating mechanisms between national agencies,
- MoE, FD, UNDP and the GEF.
- Does the project approach represent an effective means of achieving the objective of the project? How can the approach be improved?

4. Methodology

The TE will be undertaken through a combination of processes including desk research, visits to selected participating sites, questionnaires and interviews - involving all stakeholders, including (but not restricted to): UNDP, MoE, FD, NGOs, communities and resource users.

The methodology for the study is envisaged to cover the following areas:

- Desk study review of all relevant Project documentation;
- Consultations with FD, MoE and UNDP;
- Visits to the sites as feasible within budgetary and timeframe constraints, and
- Presentation of the findings to the key stakeholders

5. Products

The main product of the Evaluation will be a Terminal Evaluation Report

The Terminal Evaluation report will include: i) findings and conclusions in relation to the issues to be addressed identified under sections 2 and 3 of this TOR; ii) assessment of gaps and/or additional measures needed that might justify future GEF investment in Sri Lanka, and iii) guidance for future investments (mechanisms, scale, themes, location, etc).

The report should also include the evaluators’ independent final rating on the following:

- Sustainability;
- Achievement of objectives/outcomes (the extent to which the project's environmental and development objectives and outcomes were achieved);
- Implementation Approach;
- Stakeholder Participation/Public Involvement; and
- Monitoring & Evaluation.

The rating should be within a 6-point scale as follows: Highly Satisfactory (HS), Marginally Satisfactory (MS), Satisfactory (S), Marginally Unsatisfactory (MU), Unsatisfactory (U) and Highly Unsatisfactory (HU).

The Evaluation Report will be written in the format outlined in Annex 1. It will be formally presented to UNDP, FD, MoE and ERD by 19 March 2007. It will also be forwarded to the GEF through UNDP-GEF for review and extraction of broadly applicable lessons by the Independent Evaluators. The reviewers will provide UNDP with an electronic copy of the final reports at the time of their submission.

6. Evaluators attributes

Team Leader (international)

- Academic and/or professional background in forest resource management with a minimum of 10 years relevant experience and a strong emphasis on community forestry
- Experience in the evaluation of technical assistance projects, preferably with UNDP or other United Nations development agencies and major donors is an advantage
- Experience in the evaluation of GEF-funded biodiversity conservation projects, particularly on forest biodiversity is an advantage
- Excellent English writing and communication skills
- Demonstrated ability to assess complex situations in order to succinctly and clearly distill critical issues and draw forward looking conclusions
- Experience leading teams to deliver quality products in short deadline situations;
- Proven capacity in working across the levels of institutions from policy, to legislation, regulation, and organizations
- An ability to assess institutional capacity and incentives, and
- Excellent facilitation skills

Resource Specialist

- Professional background in forest resource management with experience in linking socio-economic aspects or vice versa
- Excellent understanding of local governance systems, particularly the operations of Forest Department
- An understanding of GEF principles and expected impacts in terms of global benefits is a benefit
- A minimum of 10 years relevant working experience
- Experience in implementation or evaluation of technical assistance projects – e.g. UN system, donor – assisted, etc.
- Skills and experience in community involvement in resource management
- Ability to work within a team
- Excellent English writing and communication skills, and

7. Organizing the Evaluation

Role of UNDP

- Prepare the TOR for the evaluation according to GEF requirements,
- Identify the consultants with the support of the FD
- Request for clearance for the selected international consultant from FD through MENR and follow-up the process
- Provide contracts to the evaluators
- Arrange logistics to the evaluators (logistics support for the international consultant, vehicle to be used for evaluation related traveling, space to work while in UNDP)
- Arrange for the initial briefing
- Share all the documents related to the project and provide any verbal inputs as requested

Role of FD

- Provide inputs and support to UNDP to finalize the TOR
- Send the consultant clearance letter to ERD through MENR and follow-up the next steps
- Arrange all the interviews/meetings highlighted in the schedule below
- During the field visit, (1) arrange the meetings with DFOs, RFOs, EOs of Galle and Matara districts; (2) meetings with members of the CBOs established through the project funds at KDN and Sinharaja South; (3) meetings with local NGOs involved in the project as reported in Project Implementation Reports to UNDP; (4) meetings with beneficiaries of the revolving loan fund and fund managers of both sites; (5) visits to some of the business establishments of those beneficiaries; (6) Visits to Kanneliya and Pitadeniya Conservation Centres providing a briefing on what has taken place and demonstration of the outputs; (7) Visits to improvements made with in the forest
- Arrange the field visit schedule and accommodation for the evaluators, accompany to the field by the NPC
- Share all the documents and products related to the project and provide any verbal inputs as requested
- Arrange the final de-briefing with invitations to MENR, ERD, FRMP, FD staff, UNDP and key partners

8. Tentative Schedule

Date	Time	Description	Responsible party for organizing
03/09/2007	0900	Briefing at UNDP for the evaluators together with ARR, Environment unit, Deputy Conservator of Forests , Representative of ERD	UNDP Environment Unit
	Remaining morning & afternoon	Review of project related documents at UNDP (financial and operational reports, M&E reports, correspondence, etc.)	UNDP Environment Unit
04/08/2007	Whole day (Interview time to be informed by FD to UNDP for logistics)	Interview with Mr. Sarath Fernando Review of project related documents at FD (financial and operational reports, M&E reports, correspondence, publications related to outputs and any other relevant documentation)	FD
05/09/2007	0900-1200	An interview with the 3 National Project Coordinators who have handled this project including Mr. H.G. Gunawardena, Mr. Anura Sathurusinghe and Mr. Anura De Silva and support staff, particularly Ms. Pathma	FD
	1400	Interview with the Project Director of FRMP Interview with Additional Secretary, MENR	FD (FD should organize any other meetings with relevant individuals if necessary)
06/09/2007	Whole day	Continue review of documents and drafting of preliminary findings based on the first three days of work	UNDP
07/09/2007	0600	Travel to the sites Field visit itinerary to be provided later by FD	Vehicle for the evaluators to be arranged by UNDP, schedule to be prepared by FD,
08/09/2007		Field visit itinerary to be provided later by FD	FD
09/09/2007		Field visit itinerary to be provided later by FD	FD
10/09/2007		Field visit itinerary to be provided later by FD	FD
11/09/2007		Field visit itinerary to be provided later by FD	FD
12/09/2007	0800	Travel back to Colombo	UNDP
	Afternoon	Drafting of the report	UNDP
13/09/2007	Whole day	Drafting of the report	UNDP
14/09/2007	Whole day	Drafting of the report	UNDP
17/09/2007	Morning	Drafting of the report	UNDP
	1430	De-briefing of the findings	FD
	1700	De-briefing UNDP	UNDP

ANNEX 2 Mission Schedule

02.9.2007 Nairobi to Colombo
03.9.2007 In Colombo, met with UNDP and Co-Evaluator
04.9.2007 Met with Forestry

05 – 9 to 06 -9 2007: Reading Documents, met projects and IUCN, Team meeting Forestry

Field Visit Itinerary of The Evaluation Team

07.9.2007 : Started at 6.00 am from Colombo and reached Thawalama at 11.00 am.
Meeting with the DFP Galle, Addl. DFO Galle and RFO Thaalama and staff of GEF Project.
In the afternoon inspected the boundary of the Kanneliya FR, demarcation, boundary and enrichment planting. Night at Hiniduma.

08.9.2007: Meeting with the VPMC members, DFO, RFO and other staff at the visitor center of the Kanneliya FR.

In the afternoon visited enterprise development initiated by the project at Koralegama and Panangala. Night at Hiniduma.

09.9.2007: From Hinduma, came to Deniyaya at 3.30 pm and met DFO Matara, RFO Pitadeniya, EOs and guides at Mederipitiya and discussed the present status of the GEF Project in the Sinaharaja area. Night at Deniyaya

10.9.2007: Meeting with the DFO, FD staff and VPMC members of the Mederipitiya area.
Night at Deniyaya.

11.9.2007: Meeting with FD staff and Dehigampala VPMC members and some project assisted enterprises managed by the society members. Came to Galle and had further discussions with DFO Galle.
Night at Galle.

12.9.2007: Came to Colombo.

13.9 to 16.9 Meetings, discussions, drafting Findings

17.9.2007 Met with RTA Bangkok

18.9.2007 Debriefing with Project Steering Committee = Presentation of Draft Report Main Findings.

Annex 3 Documents Reviewed

1) Background Biodiversity

Baminiwatte, ANS. 2002. Management Plan for Kanneliya Medicinal Plants Conservation Area. IUCN Colombo

Bandaranake, WM & Sultanbwa. MUS 1999. A list of the Endemic Plants of Sri Lanka. Forest Department
Sinhakumara, 1994 The Biodiversity of Wet Forests. Report. IUCN Colombo

Rannil, RHG, Pushpakumara, DKNG et al 2004. Species Diversity of Pteridophytes in Kanneliya Man and Biosphere Reserve. The Sri Lanka Forester 27 pp 1-11

Banyard, SG & Fernando D. 1988. Sinharaja Forest Monitoring Changes by using aerial photographs. Ceylon Forester: Vol 18 101-108

Wickramasinghe, WMS 1995. Resource Assessment of KDN Forest Complex. IUCN Colombo

Gunawardene, HG. 2003 Participation of buffer-zone communities in the conservation and management of south-west rain forests, Sri Lanka. Some preliminary observations. Sri Lanka Forester 26: 63-66

Karunanayake, M 1994. KDN Forest Complex – A Socio-Economic Assessment. IUCN Colombo.

2 Project Administrative Documentation

1. The Project Document
2. The Mid Term Evaluation Report
3. The Annual PIRS (2002 – 2006)
4. Project Files with field visit reports, minutes of Steering Committees and TPRs.

3 Project Reports and Literature / Guidebooks on the Reserves

1. A Guide to Narangas Ella and Anagimala Ella Nature Trails in KDN
2. A guide to Pitadeniya and Kosumula Nature Trails in Sinharaja World Heritage Site
3. Sinharaja – Our Heritage, A Brochure
4. A Guide for Birds in KDN Forest Complex
5. Guides to Freshwater Fishes, Lizards and Snakes of Kanneliya Forest Reserve

Andrew Bovarnick and Darshani Dasilva 2004 Strategy to Institutionalize Participatory Management for Conservation Forest Areas, Sri Lanka. December 2004, Forestry Department, Ministry of Environment with support from UNDP (29 pp).

ANNEX 4 Persons consulted

1. Ms Darshani de Silva, UNDP, Environmental Focal Point.
2. Ms Beate Trankmann Deputy Res Rep UNDP
3. Mr. M.A.R.D. Jayatillake, Secretary, MENR
4. Mr. W.R.M.S. Wicramasinghe, Addl. Secretary, MENR
5. Mr. MP.A.U.S. Fernando, Conservator General of Forests
6. Mr. H.M. Bandaratilake, Director, FRMP
7. Mr. S.A.A. Saturusinghe, Conservator of Forests
8. Mr. P.M.A. de Silva, Deputy Conservator of Forests
9. Mr. H.G. Gunawardane, Addl. Director, Wildlife Project
10. Dr. Channa Bambaradeniya, IUCN
11. Mr. G.R. Padmajeewa, DFO Galle
12. Mr. P.Guruge, Addl. DFO Galle
13. Mr. P.A.N.R. Weerakumara, RFO Thwalama
14. Mr. R.A. Dissanayake, BFO Hiniduma
15. Mr. R. Sunil, RFO Kanneliya
16. Ms Durga de Silva, Extension Officer
17. Mr. A.R. Sasanka, Extension Officer
18. Ms. N.A.J. Padma Malani, Extension Officer
19. Mr. H Athapaththu, RFO Neluwa
20. Mr. W. Soysa, BFO Neluwa
21. Mr. Bandula Ratnayake, Tourist Guide
22. Dr. D.K.N.G. Pushpakumara, University of Peradeniya
23. Mr. Rashal Weerasinghe, DFO Matara
24. Mr. E.G. Uthsuka Prasanga, RFO Pitadeniya
25. Mr. U.G. Chaminda, Guide at Pitadeniya
26. Mr. W. Chaminda, Guide at Pitadeniya
27. Mr. Srinath Priyankara, Extension Officer
28. Mr. Ananda Mallawatantri UNDP Asst Res Rep
29. Approximately 100 villagers from 9 separate Village Committees

Annex 5 Main Questionnaires in Evaluation Process

The pattern of group interviews varied considerably from those of government officers (in forestry at both HQ and in the field, and in the Ministry) and with villagers within their Societies and Committees.

There were three separate village meetings, with 30+ people at each. The process was standard:

1. The DFO welcomed villagers and introduced the evaluation team.
2. The evaluators ostentatiously asked government staff to leave.
3. Abay translated questions and answers for Rodgers.
4. The introductory question was “How many people knew the project & how did they know?”
5. We asked about usefulness of project – in terms of forest conservation – “Why Conserve?”
6. This went on to ask if they thought it a very good project (10) or a project that did zero (0)
7. We asked HOW could the project have been improved (stock answers were more training)
 - This led to a series of technical questions on components: first on forests
 - Who farmed along boundary? And follow-on on changes of borders etc
 - Who gets resources from forest – water and NTFP were probed.
 - Who can name values of forest? Why is forest destruction a concern?
 - Has forest changed since logging stopped? And in what way?
 - Who has seen leopard or sambar or hyaena or primates?
 - History of NTFP in their village? Who uses what and why and where from?
 - Differences between NTFP in forest and in Home Gardens?
 - Who has been on and who still goes on Forest Patrols – with whom?
 - What have patrols achieved?
 - Discuss relationships with foresters? With other Government Officers? With NGOs?
8. We then focused on the community organisations:
 - Who was a member and why? For how long? What subscription – and is it worth it?
 - How did committees work? Age gender influence? Change and elections? Registration
 - What does Committee do and what do Members do?
 - Who benefited from training? How and in what way? (asking young / old; men / women)
 - Has training trickled down to others? Describe tea operation?
 - Linking training to loans; who got a loan to utilize training skills?
 - What happened to trainees? Who chose trainings? How did recipients react to conservation?
 - The LOAN. Who managed it? Usefulness? How many present had used it? What for?
 - Costs and timing? Difficulties? Who was ever refused? Why? Level of Payback and How?
 - Future of loan and of Society and Committees? What happens after the project?
 - Discussion on tourism, Discussion on land use issues and history of the area.

The discussion ended with calling back the Forest Officers and Rodgers / Abay reading out a list of key conclusions and suggestions from villagers and asking foresters to comment

We then visited sites (tea gardens, loan activities – shops, timber, carpentry etc). We asked to see accounts and queried markets etc

Questions were open ended and could be for a group as a whole or individuals in the group. We asked the Committees to give us numbers and show us books of accounts.

With Forest Officers, the process was more open-ended and less structured. Initial meetings were largely listening and note taking. We were able to travel with both DFO Galle I(ex NPM) and with DFP Matara, and so had several hours of profitable and detailed discussion.

ANNEX 6: SUMMARY OF METT SCORES 2001/2 to 2007 BOTH SITES

Qu No	ISSUE	Kanneliya Year		Sinharaja Year		Comments
		2001/2	2007	2001/2	2007	
1	Legal Status of PA	3	3	3	3	Legally gazetted
2	PA Regulations (control land use)	1	3	1	3	Project assisted FD to stop ag encroach
3	Law Enforcement – staff capacity	1	2	1.5	2	Much training and support
4	Is PA managed to clear objectives	2	2	2	2.5	Management objectives still vague
5	PA Design (ecological issues)	2	2	2	2	Need greater linkages corridors (E Sinh)
6	PA Boundary demarcation	1	2.5	1	2	Project inputs cleared borders
7	Management Plan in force	1.5	1.5	1	2.0	Management plan old outdated
7a	Additional - People participation?	0	+ 1	0	+1	People consulted formally regularly
8	Regular Work Plan	2	3	3	3	Strong government processes
9	Resource Inventory	1	1	2	2	Inventory old, not focused on priorities
10	Management Oriented Research	1	1	1	1	Research is ad-hoc
11	Resource Management eg IAS	1	2	1	2	Beginning to address mgnt needs
12	Staff numbers adequate to manage	1	3	2	2	Adequate at present, need specialists
13	Personnel Management	1	2	2	2	OK Government processes
14	Staff Training to Manage	1	2	1	2	Project gave support
15	Current Budget sufficiency	1	1	2	2	Just “OK” at present in Sinharaja
16	Security of budget (long term)	1	2	2	3	3 year rolling budget process
17	Is Budget Managed for needs	2	2	3	3	Yes – to great extent
18	Equipment to Manage PA	0	2	1	2	Project support – still gaps but OK
19	Equipment Maintenance	0	2	3	3	Yes (Government rules)
20	Education / Awareness Program	0	2	1	2	YES main thrust of project
21	Cooperation adjacent land users	1	3	1	2	YES main thrust of project. Sinha issues
22	Indigenous People NONE HERE	-	-	-	-	This means eg “tribals”
23	Local Community input to mgmt	0	1	0	1	No – but community do not wish to
23a	Additional - Community Trust?	0	+1	0	1	YES main thrust of project
23b	Additional – Community Welfare	0	+1	0	+1	This project inputs
24	Visitor Facilities	0	2	2	3	This project inputs
25	Commercial Tourism	0	1	1	2	Slowly Starting
26	Do fees assist management	0	1	1	1	Fees go back to Treasury
27	BD condition assessment	1	2	1	3	OK – KDN was heavily logged
27 a	Additional - Restoration Program?	0	+1	0	+1	Enrichment, restore degraded sites etc
28	Access to resources controlled	0	3	1	3	YES borders clear etc
29	Economic benefits assessed?	0	1	1	2	NO – little economic assessment (PES)
30	M and E processes?	0	1	1	1.5	Little resource or threat M & E
		27.5	60	44.5	67.5	
	TOTALS					

ANNEX 7

A Description of the NTFP Story, Changing Village Economies and Community Forestry¹⁸:

In the past the Forest Department issued permits to the villagers to collect NTFP from the Sinharaja and Kanneliya forests since long before the logging operations commenced. They were mainly to tap Kitul (*Caryota urens*) palm-trees, cut weniwel climbers (*Coccineum fenestratum*), canes (*Calamus*) and small bamboos (*Ochlandra*) on recovery of royalty. The conditions in such permits stated that the permit holders are bound to prevent forest offences in the area and help the forest officers to prevent them. In fact, most NTFP was collected by relatively few specialist people. The majority of people went occasionally into the forest for seasonal fruits collection.

Since the logging operations commenced, especially in Sinharaja, the forest became increasingly accessible – improved roads; and the local community developed more connections with other communities. Local villagers started cultivating tea in their lands (since end 1970s early 1980s) and because of the improved accessibility the transport of tea leaves to factories was possible. The tea small holdings began to spread in wet zone areas especially round the forests where the water was in plenty. The government provided incentives through the Tea Small Holdings Development Authority by providing subsidies and other technical support. The high yielding varieties of tea was introduced by the government.

With the increased income generated through tea cultivation the communities lost interest in NTFP which was more tiresome to collect. The family members themselves worked in the tea lands and kept them occupied and had no time to go in search of NTFP. Tea farming was considered to be more respectful than collecting NTFP and the younger generation did not wanted to tap kitul or go into the forest for NTFP.

However, the villagers collect Beraliya (*Shorea*), Hal (*Vateria*), Goraka (*Garcinia*) fruits and Wild Cardamom from the forest during the season. The FD officers allow these activities as it does not harm the forest. The other forms of NTFP collections are burning of Dorana (*Dipterocarpus glandulosum*) trees for oil, collecting bark of wild cinnamon (*Cinnamoum spp*) Kapuru Kurundu) and Kokum (*Kokoona zeylanica*) bark. These are harmful acts and according to villagers these acts are not common now.

This is in complete contrast to the dry and intermediate zones where the dependency on the forest is higher, and cash crops like tea, rubber and cinnamon cannot be grown. Especially in the savannah forests of the semi dry zone, where valuable medicinal products such as Aralu, Bulu, and Nelli are produced, the dependency by collecting these NTFPs are very high; and other forms of agriculture are not intensively practiced due to low rainfall. Forests in these areas have many medicinally important species of plants and also Beedi leaves. Therefore the NTFP is much in demand in these areas.

In the wet forests the most common form of NTFP in home gardens is Kitul, but these palms naturally grow in the wet zone and are relatively rarely planted. Kitul tapping is much common in home gardens in Sinharaja buffer zone than in Kaneliya where tea is much cultivated. Specific planting of past NTFP products in home gardens is not so common. The Medicinal Plant Project (CSUMP – GEF supported) tried to introduce some medicinal plant species into the home gardens in Kanneliya but success was not significant.

NTFP Collection:

20 years ago From Forest	Now From Forest	Species in Home gardens
Commercial		
Kitul (<i>Caryota</i>) Weniwel (<i>Coscinnium</i>) Bata Bamboo (<i>Ochlandra</i>) Canes (<i>Calamus spp.</i>) Goraka fruit (<i>Garcinia</i>) Hal fruit (<i>Vateria</i>) Kokum fruit (<i>Kokoona</i>) Dorana Oil and fruit (<i>Dipterocarpus glandulosus</i>) Resin (<i>Shorea spp.</i>)	Kitul Goraka	Kitul (Significant) Goraka Hal
Non Commercial		

¹⁸ Alan Rodgers is grateful to Abay Abayawardana for the detailed work that went into these reviews.

Some of above (fruits) Beraliya (Shorea spp.) Bandura vine (Nepenthes) Hatawariya (Asparagus sp.)	Hal Beraliya Weniwel Hatawariya Bandura	Kitul Goraka Hatawariya Hal
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Note that many species of medicinal and edible uses are found “naturally” in both the forest and home gardens. Examples include *Centella asiatica*, *Asparagus* spp etc.

Income of the people in Kanneliya and Sinharaja buffer zones:

Over twenty years ago the people in the buffer zones of Sinahara and Kanneliya forests lived from the income from their agriculture and NTFP from the forests. Their main income came from, especially in the Sinharaja area, by tapping Kitul trees for treacle, toddy and jaggery. In the early 1980s the government, especially after the establishment of the Tea Small Holdings Authority encouraged these people to grow tea in their home gardens. They were provided with subsidies, technical knowledge and better high yielding varieties of tea. This led the people from getting away from collecting and depending on NTFP. Kitul tapping which was once a primary livelihood was gradually reduced. It was not considered a respectful way of earning, and young people did not take this up. The tea factories established a mechanism of purchasing tea from villagers, providing for transport for collection of tea leaves, where payment is paid monthly.

At present the main income for communities in these areas come from their tea lands. These tea cultivations highly depend on chemical fertilizer and pesticides. The prices of fertilizer (about Rs. 2900 per 50 kgs) are so high; the people say that the profit is very low. Therefore some have sought employment elsewhere outside the village and others are engaged in small businesses and enterprises. The loans provided by the societies established by the project have helped most of them to support these income generating activities. Some society members have obtained loans to develop their tea gardens. The awareness and support provided by the project has enabled the beneficiaries to receive technical knowledge on tea management such as soil testing.

On average people interviewed saw income streams per household as coming from two sources.

Agriculture: 60% Family Member employment and remittance: 40%

From agriculture, tea gave the larger gross proportion (about 80%) but when the high cost of fertilizer is subtracted then tea net income falls to 30%¹⁹. Other sales (which need less overhead costs) are cinnamon and pepper. Tea price was Rs. 47/- per Kg. and yields were from 500 to 1200 Kg. per acre per month. Family holdings of tea were from 0.5 to 3.0 acres.

A History of Community Involvement in Forestry in Sri Lanka

Tree planting had been a traditional practice in Sri Lanka which has been recorded even in the ancient history. The oldest recorded incident was the planting of the Bo (*Ficus religiosa*) sapling which is a branch of the Sri Maha Bodhi tree in India under which Buddha attained enlightenment. This tree is still alive in Anuradhapura and is being worshipped by Buddhists and is considered the oldest historical tree in the world.

Taungya System (Cooperative Reforestation System):

There are no indications of community involvement in raising forest plantation until the Taungya system was introduced to plant teak in 1876 and was called Co-operative Reforestation System. According to this system, blocks of forests were leased out to farmers for 5 years under lease agreements and they planted teak stumps under the supervision of the Forest Officers and raised their cash crops in between teak plants as income generation. Once the teak plants are established after 3 years they leave the area, but are awarded with cash rewards until they maintain plants during this period.

Community Forestry Project:

During the early 1980s the FD identified two major problems related to forestry in Sri Lanka. They are:

¹⁹ Note that the project introduced the concept of simple soil testing before fertiliser application, reducing costs somewhat.

- a. A shortage of energy supplies in some areas, particularly for rural population;
- b. Rapid denudation of forest cover, by commercial extraction, chena (shifting) cultivation and illegal felling.

This resulted in a shortage in the supply of wood and wood based products for the people, especially firewood which supplies about 52% of all non-commercial energy needs of the country and about 80% of the needs of rural poor. It was realized that the reforestation programmes carried out by the FD and the other agencies was not adequate to meet the firewood and timber demand in future. As a result of the feasibility study carried out by the FAO and an appraisal report prepared by the ADB on that, a Community Forestry Project (CFP) was commenced in 1982 and was implemented in 5 districts for 6 years. This resulted in establishing 4000 ha of farmer's woodlots (0.5 to 1 ha.), 5 community woodlots in blocks of 25 ha, 5 demonstration woodlots of 25 ha, and 14000 ha of fuel wood plantations.

Participatory Forestry Project (PFP)

The PFP started in 1993, building on the lessons from CFP, and was implemented for a period of 6 years funded by the ADB. The objectives of this project were:

1. Increase tree planting by farmers and thereby create employment opportunities, enhance incomes, reduce poverty and rehabilitate environmentally degraded areas.
2. Strengthen the institutional capacity of the Forest Department to expand its programmes for non-forest tree planting, adaptations or on-farm research, extension delivery systems and privately operated village nurseries.

The main activities of the project included:

- a. Develop 9000 ha of home garden planted with timber, fruit and other cash crops.
- b. Establish 4000 ha of farmers' woodlots of 0.2 to 1.0 ha each in extent which were given on 25 years lease agreement.
- c. Establish 1500 ha of protective woodlots.

Conservation and Sustainable Use of Medicinal Plants Project:

This project was implemented by the Government of Sri Lanka through the Ministry of Indigenous Medicine with a grant from GEF/WB and with the technical assistance of the IUCN. The main objective of this project was to conserve the globally and nationally significant medicinal plant species and their habitats. The project was to achieve these objectives through:

- a. *In situ* conservation by establishing five medicinal plant conservation areas (MPCAs) in different ecological zones,
- b. *Ex situ* conservation by promoting plant nurseries, planting in home gardens, raising plantations, supporting propagation and agronomic research,
- c. Providing information and institutional support including promotion of appropriate legal and policy environment.

The project selected 5 forest areas which were important for conservation of medicinal plants, representing different ecological zones; and these were called Medicinal Plant Conservation Areas (MPCAs). Kanneliya PR was one of the MPCAs selected for the project to represent the low country wet zone. The project established 7 Village Project Management Committees (VPMCs) in each GN division adjoining the forest and a Conservation Area Management Committee (CAMC) was formed as an apex body to VPMCs out of their membership. Although the VPMCs participated in some of the forestry activities such as enrichment planting, weeding etc, it is not significant their participation in management decision making.

Steps taken by GEF Medicinal Plant Project for community conservation of Kanneliya

1. Both projects created awareness among the villagers, school children and other stake holders on the importance forest conservation with emphasis on Kanneliya forest.
2. Both projects established VPMCs in villages around Kanneliya forest.
3. Both projects took steps to appoint vigilant committees to protect Kanneliya forest, but the medicinal Plant project could not continue this activity.
4. Both projects carried out training and provided other facilities to obtain more income from tea small holdings to enhance the income of the buffer zone community.
5. Both project carried out training in income generating activities to enhance the income of the community to prevent them from over harvesting of forest products.

History of Forest Conservation Planning:

Forest Conservation has long been a tradition in Sri Lanka, especially with the introduction of Buddhism in 246 BC. In the 3rd century BC the first wildlife sanctuary was declared by King Devanampiyatissa in Mihintale area in the Anuradhapura district.

Later the Kings appointed so called forest officers called 'Kele Korals' to look after the forest and regulate activities. After that several efforts and initiatives were taken towards forest conservation from time to time during the time of the Sri Lanka kings and also during the Portuguese, Dutch and British rule periods. The history shows that real forest conservation and scientific forestry started in 1887. Before and after this period several laws, enactments and ordinances related to forest protection were implemented.

However in 1986 a Forestry Master Plan was formed and was heavily criticized by environmentalists and scientists as it was mainly focused on forest harvesting and had not considered environmental aspects. As a result of this the Forestry Sector Development Project (FSDP) was implemented. and Government requested the IUCN to assess the environmental implications of this. This resulted in the formulation of Environmental Management Component in the forestry sector. This formulation led to the implementation of the Environmental Management in Forestry Development Project (EMFDP) from 1991 to 1996 funded by UNDP/FAO/GOSL.

On the recommendation of the IUCN after a preliminary assessment, a moratorium of all logging operation was introduced in the wet zone forests pending a conservation evaluation. This resulted in the implementation of the Accelerated Conservation Review (ACR) which was a rapid study of biodiversity in 30 wet zone forests. The ACR prioritised 13 forests for conservation. These are:

Bamabarabotuwa FR	Dellawa PR
Delwala PR	Gilimale-Eratne PR
Kalugala PR	Kandewattegoda PR
Kekanadure FR	Kotawa-Kohmbala PR
Nahiti-Madampe PR	Massenna PR
Oliyagankele FR	Viharakele PR
Welihena PR	

The ACR was followed by the National Conservation Review (NCR) which was a major component of the EMFDP. The NCR was aimed at the evaluation of all natural forests including mangroves with respect to their importance for biodiversity, and their value for soil and water conservation. This study was carried out with the aim of designing an optimum protected area system of natural forests.

However this could not be implemented in Northern and Eastern regions of the country due to the prevailed civil war. Due to the time constrain only the forests above 200 ha were taken up for the study but even smaller forests with significant conservation value was included. The study was also restricted to woody plant species and also selected animal groups such as mammals, reptiles, birds, fishes, amphibians, mollusks and butterflies.

After completing the study of wet zone lowland forests another 17 forests were identified for conservation and these are as follows:

Morapitiya-Runakanda PR	Handapanella OSF
Rammalekanda FR	Nakiyadeniya PR
Walawe Basin FR	Kalubowitiya OSF
Kiribathgala OSF	Ingiriya FR
Haycock FR	Ranwalagalakanda PR
Kurulugala OSF	Diyadawa PR
Gongala OSF	Yagirala FR
Silverkanda OSF	Tiboruwakota OSF
Morahela FR	

A “Two tier” monitoring system will be in operation to ensure efficient delivery of inputs that will result in achieving the objectives of the project. These two levels will be at -

(a) The National level , and (b) The Project site.

A special committee will be set up for the monitoring of the project at the National level The Conservator of Forests, who will be the National Project Director (NPD) will preside at meetings. The membership will include the Director of Biodiversity of the Ministry of Forestry and Environment, the Deputy Conservator in charge environmental management, the DFO Galle, the Divisional Secretaries within whose areas the project falls, two representatives of the CBOs, and any other stakeholders nominated by the Conservator of Forests.

For the project areas fall within the Ranges of Neluwa, Deniyaya and Tawalama in the Forest Division of Galle, a Project Management Unit will be established. The DFO Galle will be in overall charge of the project. The project activities will be carried out by him. The DFO will maintain a running record of activities, field inspections, forest offences recorded in the project area, etc. These documents will be important as means of verification of the progress of work. Supervisory control of the project will be the responsibility of the DCF Environmental Management at the Forest Department headquarters in Colombo.

The project management unit will be set up at Tawalama, headed by a project manager, preferably seconded for service from the Forest Department’s cadre (at the ACF or senior Forester level). Four graduate officers with the appropriate qualifications and experience will be recruited for working with the communities, training the social mobilizers, and activating and promoting the whole range of community based activities. They will function for the first four years only, after which the CBOs should be well-established and able to function on their own.