

6. Lessons Learned

The project design focused on implementation of the long-term strategy through preparation of “implementation plans,” support to selected key strategic priorities and monitoring of such implementation. But this design inadequately considered the normal government planning system, wherein government efforts are directed by the national socio-economic development plan and related sectoral five-year plans, which are then translated into annual work plans and budgets. Thus, while the strategy provides a long-term vision, it does not easily translate into operational work plans.

As time passes, and new issues emerge as important for the forest sector – such as competing land uses, changes in other national policies, strategies, and institutional arrangements, climate change, and forest carbon and REDD initiatives – the Forestry Strategy gradually becomes increasingly outdated. This situation is true for any long-term strategy. The challenge, then, is to find ways in which it can be updated, if it is to remain relevant. Currently MAF and DOF are reviewing their implementation of the past five-year plans (2006-2010) and preparing the next five-year plans (2011-2015), which offers opportunities to incorporate such emerging issues. Moreover, MAF is currently preparing a larger Agriculture and Rural Development Strategy, so it is imperative that the forestry sector be active in this effort.

The FSIP project was intended to work with a committee, the Forestry Strategy Secretariat, to monitor sectoral progress and performance, especially vis-à-vis implementation of the strategy. Given the normal work responsibilities of members of this Secretariat, they were never able to undertake these additional responsibilities as originally envisaged. The project moreover assumed that such work could be done by this committee in lieu of project personnel. The project management, however, has been done primarily by the Head of the Planning Division. Given staffing limitations, the project has ended up contracting three young staff members to assist him.

The Forestry Sub-Working Group (FWSG), which is a government-development partner group, is one of now five such sub-working groups operating under the auspices of the larger government-donor working group for agriculture and rural development. The FSIP project has served as the secretariat for the FWSG. It became evident during the Evaluation that the FWSG needs to agree upon its working methods, and revise its terms of reference, to become more effective at contributing towards supporting sector goals and priorities – especially vis-à-vis larger ongoing initiatives, such as development of the NSED and the Agriculture and Rural Development Strategy, as well as to clarify its role regarding REDD efforts. This is an area where more support is clearly needed in the future. Some suggestions were provided to DOF and FSIP regarding some possible issues to clarify in revision of the group’s Terms of Reference.

7. Conclusions: Ideas for Follow-on Support

The project has made some significant contributions to the development of forest sector planning, coordination, and collaboration, and undertaken some important sector activities, but some activities clearly need further support.

On this basis, in July 2009 the Department of Forestry prepared a very initial concept note for a follow-on project, with a tentative name of forestry Sector Capacity Development Project. This concept note proposes continuation of some key FSIP activities, such as support to human resource development, forest policy formulation and dissemination, REDD, FSWG and other stakeholder coordination, work related to financing for the sector (such as proposal preparation for the Forest Development Fund, appraisal of forestry investment proposals, and additional funding sources, such as payment for environmental services), and further support to smallholder teak and non-timber forest products pilots.

This proposal needs considerable additional work, and analysis of the current situation and other support available, to agree upon a focus (core problem to be addressed) for the project. Additional work needed may, of course, also depend upon the requirements of any additional donor(s) that may be willing to join the project. During the Evaluation Mission, some preliminary ideas for a follow-on project were discussed. To provide an example of different ways in which a possible project could be configured, two contrasting examples were proposed – for a forest sector coordination project and a forest sector capacity-building project. The key points for each example are shown in Boxes 2 and 3.

Box 2. Possible Elements of a Forest Sector Coordination Project:

- Need to link to broader development issues in Lao PDR
 - NSEDP, Agriculture & Rural Development strategy, climate change strategy, investments, etc.
- Build capacity for improving planning, coordination, monitoring for sustainable forest management (a pre-requisite for forest certification, REDD, etc.)
- REDD Task Force and Forestry Sub-working Group need secretariat support
- Coordination on other implementation efforts, such as support to smallholder teak
- Increasing investment and support in forestry need to be well planned and coordinated, with greater sharing of information and stakeholder engagement in discussions, including making best use of available TA
 - Better organized consultations, information, website, etc.

Some further observations on possible project elements are provided in Annex 6.

Regarding possible funding of a follow-on project, it would possible to consider support by a sole donor (JICA), or two or more donors. Given the experience with the joint FSIP funding by JICA and Sida, this arrangement has provided for flexibility in fund use, as either source of funds could be used for specific budget items. JICA funds, managed by the JICA advisors, were available for a specific time frame, and had to be spent within that time period. The Sida funds went through the Lao Government system, which build Lao financial management experience and ownership. This approach, however, frequently experienced

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<p>Box 3. Possible Elements of a Capacity Building Project:</p> <ul style="list-style-type: none"> • DOF has well-trained senior management, many of whom were trained under the latter phases of the Lao-Sida Forestry Programme • Need substantial training for younger staff • Training needs in basic skills (English, IT, analysis, etc.) as well as substantive technical issues (REDD, climate change, sector planning, monitoring, etc.) • HRD needs assessment and plans required • In-service training of DOF & provincial staff vs. pre-service training (improvement of forestry curriculum)?
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numerous delays and paperwork, which at times delayed or otherwise affected implementation. Unspent funds could be “rolled over” into the next time period, i.e., fiscal year.

Rather than just seeking one single donor to replace Sida, one possible model might be to create a small basket fund of approximately the same size, i.e., US\$ 1 million for 4 years, which could be supported by two or more donors. These funds could be managed by the Department of Forestry subject to an approved annual work plan and budget, and annual audits – just as the Sida funds were. An example of such a basket fund is that which supports the Forestry Partnership in Viet Nam, i.e., the Forest Sector Support Partnership Coordination Office (FSSP CO) Trust Fund, which received roughly US\$ 1 million over 4 years from four bilateral donors – Finland, the Netherlands, Sweden, and Switzerland. More information can be provided on this model, if the Department of Forestry and donors are interested.

The advantages of having more than one donors are several, including:

- Larger support for forest sector coordination (Forest Strategy 2020 and other sector plans);
- Differing experience, perspectives, and technical advice from different donors;
- Build a stronger platform for dialogue among development partners; and
- Variety in funding mechanisms.

As no additional donor has yet been secured, the design of a follow-on project would need to be flexible, so that one or more donor(s) could join later, as shown in Figure 2.

Figure 2. Phased Donor Support over Time.

						Additional support of one or more donor(s) to additional activities
JICA Support to “Core Activities”						
	2011	2012	2013	2014	??	

8. Recommendations

Recommendations for Project Completion

1. Efforts should be made to bring as many project activities as possible to completion, and not to assume that they will automatically be continued in any follow-on project. Some activities, however, clearly require long-term support, which may be available from other sources, or may be supported by a follow-on project.
2. The project completion report should endeavor to clearly document all the project accomplishments, and aim to obtain data for adequately assessing the indicators.

Recommendations for Future Support

1. It is recommended that a follow-on project begin with an inception phase of three months, i.e., October to December 2010, to prepare a more detailed plan for the project.
2. Although it is understandable that there is a desire for coming up with a flexible, responsive design for the project, to be able to assist the Department of Forestry in meeting its needs as they emerge and evolve over time, the initial ideas for the project need more clarification, consideration, analysis, and planning. The initial project concept note proposes providing support to capacity building, REDD coordination, developing alternative ideas on financing for the forest sector, and continuing some initiatives supported under FSIP, such as support to improvement of smallholder teak plantation management and NTFP management. These ideas come across as just a collection of different activities, rather than a well-thought out project aiming to reach specific objectives. The design of a project focusing on supporting REDD coordination would, for example, differ significantly from that of a project focusing on building up human resource capacity within the Department of Forestry, although they could conceivably share some overlapping elements.
3. Support for a future project could be designed in several different ways, such as:
 - JICA could provide the entire donor support for the project;
 - a second donor could be identified as a partner in the project; or
 - two or more additional donors could be sought as partners, to contribute to a small basket fund to provide project funding in parallel with JICA funding.
4. Given that no donor(s) has (have) been yet been secured to replace Sida in co-funding support, a future follow-on project will need to be designed in a flexible manner. It is proposed that such support could be designed on a modular basis, with core activities that could be funded by JICA, and then additional activities (one or more additional modules, or components, of support) that could be supported by one or more donors, if they should choose to join the project. For example, JICA support could focus on supporting coordination of – and building capacity for – sustainable forest management and REDD+ initiatives, including mobilization of additional financial support for the forest sector through REDD and voluntary forest carbon financing mechanisms. Other donor support could assist DOF with analysis of, and mobilization of additional funding sources for the

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forest sector, including policy studies to look at improving functioning of the Forest Development Fund, assisting the forest sector to access support from the Environment Fund, and analyzing options for payment for environmental services.

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Annex 1. Terms of Reference.

**TERMS OF REFERENCE FOR STUDY TO SUPPORT THE
EVALUATION
OF
THE FORESTRY STRATEGY IMPLEMENTATION PROMOTION
PROJECT (FSIP)
THE DEPARTMENT OF FORESTRY
THE MINISTRY OF AGRICULTURE AND FORESTRY**

KEY DATA	
Title of Project	Forestry Strategy Implementation Promotion Project
Country	Lao PDR
Responsible Organization on partner side	The Ministry of Agriculture and Forestry, Lao PDR
Implementing Organization	The Department of Forestry
Responsible Office of JICA	JICA Laos Office, Vientiane, Lao PDR
Co-Supporter	Swedish Office for Development Cooperation, Vientiane, Laos
Implementation Period	1 Apr 2006 – 30 Sept 2010
JICA Contribution	1) US\$ 510,600 (initial estimate) 2) Two long term advisers 3) Short term training in Japan
Sida Contribution	SEK 8,560,000

BACKGROUND

After a few year of preparation and drafting the Government of Lao PDR (GOL) adopted the Forestry Strategy to the Year 2020 (FS 2020) in August 2005. A cross-Ministerial Steering Committee was established to direct and give guidance to formulation of FS 2020 with the Ministry of Agriculture and

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Forestry (MAF) playing secretariat roles. Several consultations with both national and international stakeholders were held and some studies with technical assistance were made including the assessment of forest cover and land use during 1992 and 2002. The Swedish International Development Cooperation Agency (Sida) and the Japan International Cooperation Agency (JICA) provided financial and technical assistance.

In order to assist GOL through MAF in implementing FS 2020, MAF, Sida and JICA supported the formulation of a project. The three parties officially agreed to implement the Forestry Strategy Implementation Promotion Project (FSIP) on 12 May 2006. The project is being implemented by the Department of Forestry (DOF) and is based on a Specific Agreement between MAF and Sida, and a Record of Discussions between MAF and JICA and a Minutes of Meeting between the three parties all signed on 12 May 2006.

In May 2008, the Mid-term Review of project was conducted based on the Mid-term Review Study prepared by a team of consultants including the same consultant for this evaluation. The three parties agreed to the most of findings and recommendations made in the study. According to the recommendations, the project design matrix (logical framework) was revised, capacity building activities were strengthened and FS 2020 strategic actions to be supported by FSIP were prioritized. The original Goals of FSIP are identical to those set in the revised project design matrix (logical framework) as follows;

Super goal

Forestry sector's contribution to sustainable socio-economic development, especially poverty eradication, and environmental conservation in Lao PDR is promoted on a long term basis through facilitating FS 2020 implementation, and sound and efficient management of the Lao forestry sector.

Development objective/Overall goal

Sustainable and productive forest use in Lao PDR through appropriate sector planning and management is promoted.

Project purpose/Project objective

Capacity of forestry sector on planning and management is developed through formulation and monitoring of implementation plans, dialogues with stakeholders and addressing policy related priority Actions for the initial five year period of FS 2020 implementation.

The project aims to fulfill these goals/purposes by achieving 2 results or outputs as follows:

1. Improved capacity of FS Secretariat and Div. of Planning, DOF to plan, manage, monitor and evaluate forest sector development and implementation of the Forestry Strategy.
2. Key selected strategic priorities in the FS 2020 are supported, which further strengthen overall Forestry Strategy implementation and sector management.

One unique aspect of FSIP is its institutional set-up that it doesn't have fulltime Lao counterpart officers and instead the Secretariat for Implementation of FS 2020, which was established according to a MAF instruction and consists of Deputy DG, directors of DOF Divisions and focal point at the National Agriculture and Forestry Research Institute (NAFRI) and the National Agriculture and Forestry Extension Service (NAFES), is the counterpart. This FS 2020 Implementation Secretariat has recently been expanded to include a senior representative from the National Land Management Authority (NLMA) and

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NAFRI and NAFES also send senior level members. This unique set-up of FSIP reflects its purpose, which is to assist GOL in implementing FS 2020 prepared, adopted and owned by GOL.

Another unique aspect is its wide range of direct stakeholders from government agencies to private sector and to INGOs. Given the broadness of the forestry sector and coverage in FS 2020, this is not a surprise but it gives a particular nature to formulation and implementation of FSIP activities.

In Aug 2009, GOL/MAF/DOF submitted to JICA a request for adoption of the Forestry Sector Capacity Development Project (provisional title), which is essentially a second phase of FSIP, and the request has been approved and JICA is planning to send a project formulation mission in Jun 2010. Due to the revision of development cooperation policy by the Swedish Government, Sida support to Laos is being phased out and there will be no Sida support to the new project. DOF and JICA are currently seeking a new partner to join the implementation of new project.

OBJECTIVES

This Terms of Reference is prepared in accordance with the JICA's guidelines for Project Evaluation and is also agreed upon by the three parties.

The objectives of the Evaluation Study are:

- To provide achievement status of FSIP Project Purpose/Objective and Outputs/Results by completing Annex 1 "Accomplishment Grid" through close check of annual work plans, progress reports and other project outputs.
- To provide in-depth analysis of FSIP achievement and performance from the points of view of its institutional set-up, planning/implementing/monitoring processes, main project focus and others.
- To provide analysis of evaluation factors, which are relevance, effectiveness, efficiency, impact, and sustainability based on Annex 2 "Major checkpoints in Terminal Evaluation Studies"
- To provide recommendations as to the design and implementation of the new project in terms of institutional set-up, planning/implementing/monitoring process and main focus of the project based on the project outline submitted to JICA in Annex 3.
- To summarize the result of the study and fill in Annex 4 "Summary Sheet Template"

SPECIFIC WORKS

The Consultant shall study and review each main element of the project design, log frame, work plans and achievements made so far and answer the following questions, which are specified below.

The first question concerns the result area/output 1, which relates to forest sector development and FS 2020 implementation. The Stakeholder Consultation on FS 2020 Implementation has been organized only once in Nov 2007 against annual meeting planned. Background for this poor performance needs to be analyzed in terms of time/staff available for preparation/organization, other urgent activities and others. Question should even go further e.g. whether this planned approach is essential for sector-wide coordination or sector management. Other cases of coordination such as the one between DOF and the Department of Import and Export, the Ministry of Industry and Commerce (MOIC), which is promoted by SUFORD, and the meetings of Forestry Sector Sub-working Group, for which FSIP has been playing

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secretariat roles, needs to be looked into to see how the FSIP approach for sector coordination is expected to work and what it has achieved.

The Consultant shall also analyze the current and expected future functions, mandates and organization of MAF esp. DOF, Department of Forestry Inspection (DOFI), NAFRI and NAFES in relation to other concerned organizations inter alia NLMA, the Water Resources and Environment Administration (WREA) and MOIC. In question 1 the Consultant shall also develop specific recommendations to sector management activities to be conducted by the new project in terms of functions and mandates including coordination with the three GOL organizations for implementation of FS 2020. In connection with this, the Consultant shall recommend necessary capacity development activities based on the analysis of planning and implementation of activities in this area and existing capacity both human and institutions at DOF and the Secretariat for Implementation of FS 2020.

In question 2 the Consultant is asked to review the project approach, design and work plan formulation and implementation, selection of activities, counterpart capacity and organizational set-up to implement the activities of annual work plans both in the result areas/outputs 1 and 2. Even through many activities are implemented, some activities were not implemented at all and some others were delayed. The Consultant shall provide analysis of strengths and weaknesses in each aspect of project mentioned above. The Consultant shall also include recommendations on how weaknesses can be overcome in the new project.

In question 3 the Consultant shall look into the project activities related to REDD in the Result Area 2. FSIP has been playing key roles in coordinating/promoting REDD activities through support to DOF and the REDD Task Force. It also conducted two seminars on remote sensing and the study on land/forest use change analysis and its driving forces as direct contribution to REDD preparation and development of Readiness Preparation Proposal. The Consultant shall pay attention to appropriateness of the FSIP support to REDD in terms of implementation of other activities (matter of priority), cooperation with other concerned projects notably SUFORD and coordination/promotion of REDD activities. The Consultant shall provide recommendations on REDD related activities of the new project in terms of roles, types of activities, inputs and cooperation with SUFORD and the Lao-German Program on Climate Protection through Avoided Deforestation (CLIPAD).

The last question is the effectiveness and efficiency of having two donors e.g. JICA and Sida in terms of planning, implementation and monitoring of activities including financial arrangement. The Consultant shall analyze these aspects and provide recommendations for the new project.

The main focus points of the project, which the Consultant shall review, are listed hereunder:

- Existing institutional set-ups for implementation of FS 2020 including the FS 2020 Implementation Secretariat, Annual Stakeholder Consultation on FS 2020 Implementation and GOL-Donor Sub-working Group on Forestry
- Existing plans and tools for implementation of FS 2020 including 5-Year MAF Implementation plans/reports, MAF 5 Year Development Plan (2006-2010), Sector Development Report and Indicators for monitoring of forestry sector performance
- Integration with GOL activities esp. with the Forest and Forest Resource Development Fund
- Annual work plans and Agreed Minutes signed by the three parties
- Achievements or results of the policy related activities under the result area 5

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DURATION, INPUT AND DUTY STATION

The duration of the assignment is 5 weeks. The estimated total input of the Consultant is 25 person days. The duty station is at DOF Office, Vientiane, Lao PDR.

TASKS, OUTPUTS AND TIMESCHEDULE

The assignment and all works shall be carried out and completed in Lao PDR.

The tasks and outputs, which the Consultant is expected to undertake and deliver, are presented in Table 1 below.

Table 1. Tasks and Outputs

Tasks	Outputs	Timing of outputs
1. Start-up meeting with MAF/DOF and Sida/JICA; 2. Prepare detailed work plan for the assignment;	Minutes of start-up meeting Detailed Work Plan for the assignment	To be completed immediately after start-up meeting
3. Peruse and review relevant project documents including but not limited to: <ul style="list-style-type: none"> a. The FSIP Project Document and Log Frame; b. The FSIP Work Plans and Progress Reports; c. Project outputs; d. Minutes of annual and semi annual review meetings; 4. Meetings/interviews with project management, Sida, JICA and advisers; 5. Conduct interviews with important partners as follows: GOL; MAF (DOP, DOFI, NAFRI and NAFES), NLMA, WREA, NOUL Donors; SDC, GTZ, World Bank, Finland (represented by CTA of SUFORD) Projects; SUFORD, CLIPAD, URDP (NAFRI/Sida), Land Policy Development and Registration Project (NLMA/GTZ) NGOs; IUCN, WWF, VFI, TFT Private sector; Lao Wood Processing Association, Lao Small Tree Plantation Association 6. Conduct interviews with some DOF trainees of English, IT and others. 7. Progress meeting where the Consultant, Project	Minutes of meetings/interviews	To be completed immediately after the meetings/workshops

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<p>Management, Sida, JICA and advisers shall discuss the progress and changes in study schedule and so on, if any.</p> <p>8. Report the result of the study to “detailed planning survey team for new project” (TV conference)</p>		
<p>9. Prepare draft Study Report</p> <p>10. Present the draft Study Report</p>	Draft Evaluation Study Report	To be completed 4 weeks after start of assignment
<p>11. Revise the final report based on comments from Sida, JICA, the Project Management and the project advisers;</p> <p>12. Present the Final Evaluation Study Report</p>	Final Evaluation Study Report	To be completed at the end of assignment

As shown in Table 1, the main output of the assignment is an Evaluation Study Report with the two Annexes, which shall be delivered in final version at the end of the assignment. It should be emphasized that whilst the Evaluation Study Report with its analysis and recommendations is important as an output, this assignment is in itself part of the FSIP Project’s institutional development process, and the Consultant is therefore required to work closely with the FSIP managers and implementers and present and discuss tasks, methods and findings throughout the assignment.

The FSIP Management will assist with

- Arranging office space for the Consultant;
- Arranging meetings;
- Provide copies of project related documents;
- Provide transportation to visit other concerned organizations and people