

Terminal Evaluation Report

Socialist Republic of Viet Nam

**Promotion of Sustainable Forest and Land Management
in the Viet Nam Uplands
(GEF-MSP-19-VN)**

7 April, 2014

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Currency Equivalents (Average, life of project)

Currency Unit = Vietnamese Dong (VND)
USD 1.00 = VND 19,272
VND 1000 = USD 0.0519

Weights And Measures

International metric system, unless specifically described in text; except:
1 acre (ac) = 0.4047 hectares (ha)
1 hectare = 2.47 acres

FISCAL YEAR

1 January – 31 December

Abbreviations and Acronyms

3PAD	Pro-Poor Partnerships for Agro-Forestry Development Project
4FGF	Food, Fuel, Fiber for Green Future Initiative
APIF	Agribusiness Promotion Investment Fund
ARDO	Agriculture and Rural Development Offices
AWPB	Annual Work Program and Budget
BISC	Business and Investment Support Centre
CASRAD	Centre for Agrarian Systems Research & Development
CDB	Community Development Board
CDF	Community Development Fund
CDM	Clean Development Mechanism
CFM	Community Forestry Management
CFMB	Commune Forestry Management Board
CIG	Common Interest Group
CMB	Commune Management Board
CPC	Commune Peoples Committee
CPPSFLM	Country Partnership Programme for Sustainable Forest Land Management
CTITP	Center of Investment, Trade & Tourism Promotion
DARD	Department of Agriculture and Rural Development
DOET	Department of Education and Training
DOF	Department of Finance
DOLISA	Department of Labor, Invalids and Social Affairs
DONRE	Department of Trade
DPC	District People's Committee
DPI	Department of Planning and Investment
EM	Ethnic Minority
ESIA	Environment Social and Impact Assessment
FDD	Forest Development Sub-Department
FPD	Forest Protection Department
FPH	Foundation Charles Leopold Mayer for the Progress of Humanity
GoVN	Government of Viet Nam
HH	Household
ICRAF	International Centre for Research in Agro Forestry
IFAD	International Fund for Agricultural Development
LARC	Livelihoods and Rights Club
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development
MIS	Management Information Systems
MOF	Ministry of Finance

MONRE	Ministry of Natural Resources and Environment
MOU	Memoranda of Understanding
MPI	Ministry of Planning and Investment
MTR	Mid-term review
NGO	Non-Governmental Organization
NRM	Natural Resources Management
NTFP	Non-Timber Forest Product
P135 II	Program 135 (the second phase) for Socio-economic Development in Communes Facing Extreme Hardship in Ethnic Minority and Mountainous Areas
PES	Payment for Environmental Services
PFPDF	Provincial Forest Protection and Development Funds
PMU	Project Management Unit
PPC	Provincial Peoples Committee
PPP	Public – Private Partnership
PSC	Project Steering Committee
PSC	Project Steering Committee
PY	Project Year
REDD	Reducing Emission from Deforestation in Developing Countries
RECOFTC	The Center for People and Forests
RRI	Rights and Resources Initiative
RUPES	Rewarding Upland Poor for Environmental Services
SCG	Savings and Credit Group
SEDP	Socio-Economic Development Plan
SFM	Sustainable Forest Management
SLM	Sustainable Land Management
SNV	Netherlands Development Organization
SOE	State Owned Enterprise
SRI	System of Rice Intensification
TA	Technical Assistance
ToT	Training-of-Trainers
UNCBD	United Nations Convention on Biodiversity
UNCCD	United Nations Convention to Combat Desertification
UNFCCC	United Nations Framework Convention on Climate Change
VAC	A traditional, intensive method of small-scale farming
VDB	Village Development Board
VFMB	Village Forestry Management Board
VSO	Volunteer Services Overseas

Executive Summary

The Terminal Evaluation Review (TER) of the *Promotion of Sustainable Forest and Land Management in the Viet Nam Uplands* (GEF-MSP-19-VN) – a mid-sized project (MSP) – gave the project an **overall rating of Moderately Satisfactory**. The less than satisfactory rating is primarily a result of (i) the project's original design having been excessively ambitious and complex and; (ii) the failure during implementation to appreciate this fact and, accordingly, formally modify the project's scope and indicators. As a consequence, the TER was obliged to measure the project's activities and achievements against its original design and indicators and, as such, grant it the lower rating. Nonetheless, Bac Kan Province was able to achieve a great deal of value with the GEF resources. Indeed, the project may have merited a "Satisfactory" rating had its scope been more realistic and its goals and targets better grounded in the existing potential and opportunities.

The project made significant contributions towards the long-term goals of reducing land degradation pressures and enhancing the conservation of biodiversity in a number of areas. In all cases, these were in those areas where the project supported existing institutional strengths, systems and, processes. Its most notable, direct contributions to the desired long term goals – and good practice examples – included:

- The establishment of enabling conditions for SLM and biodiversity conservation through the successful development, validation and up scaling of a participatory forest land allocation and land use zoning/planning methodology.
- A significant contribution to SLM through the introduction of improved fodder grass/animal husbandry systems for upland/sloping land production. Though still early in the process, the level of interest, uptake and commitment by producer households and government extension service is very significant. Short term results are highly promising and the potential for up scaling is high. Its direct and immediate benefits are diverse and sustainable. They range from soil conservation and fertility improvement to increased household income to increased resilience to weather risks and climate change impacts.
- A voluntary Payment of Environmental Services (PES) scheme that was conceived, brokered and facilitated by the project to resolve an upstream-downstream conflict in a manner that is equitable and mutually beneficial to the involved communities and stakeholders. The downstream stakeholders comprise small-scale, private tourism enterprises who make direct payments to an upstream community as an incentive for their preserving the environmental values upon which tourism is based. The model is simple, efficient and has good sustainability potential. It is theoretically replicable wherever environmental externalities are perceived locally, the principal stakeholders on both sides of the issue are readily identifiable and, an economic incentive exists for their resolution.
- The identification of 43,200 ha of forest with high biodiversity values, comprising all classes of tenure type (individual, community and state). These forest were subsequently mapped and participatory plans developed for their protection and management with 15 communes and 45 villages.
- Forest management planning completed and management/protection activities put in place in 24,520 ha of Protection Forests (210% of the target).
- Support to the implementation of protected area management plans in Ba Be National Park and Kim Hy Nature Reserve, including the physical demarcation of protected area boundaries. Short term outcomes include the reduction in reported conflicts between the protected areas and local communities and individuals as a result of the participatory processes utilized.

A number of important lessons can also be taken away from the implementation experiences of the *Promotion of Sustainable Forest and Land Management in the Viet Nam Uplands* project. These include:

- The critical importance of ensuring realistic project designs that are grounded in local experience, capacities and the practical potential for improvement within the implementation period. Bac Kan is a relatively low (technical) capacity Province, especially as regards dealing with issues of mainstreaming biodiversity conservation into production landscapes. The MSP simply took on too many thematic areas – all of which were new and innovative from the local perspective – than feasible for the project implementers and supervisors.

- The project's weakness in monitoring global environmental benefits is a cautionary note on matching available resources (both time and financial) to a project's monitoring ambitions. Though the project was rightfully required by GEF to provide clear targets and indicators, compared to the project's short time frame and small size, measuring improved ecosystem function was neither feasible nor practical. For MSPs, it would likely make more sense to focus on aspects such as improvements to systems, processes, capacities and, thus, enabling conditions (e.g. how protected area conservation is improved, how habitat conservation is improved) versus attempting to measure improvements to ecosystem services (e.g. number of species).
- Alternative types of PES that are initiated in response to local conflicts that stem from felt externalities and that rely on direct, negotiated arrangements between the involved parties have great potential and should be explored as viable options and alternatives to the more traditional, centrally-driven models relying on payment schemes beyond the project's control or ability to influence.
- Sustainability ultimately rests on buy-in from local people and this, in turn, requires close and continuous contact between project implementers and communities in order to build trust and ensure good communication. This, in turn, requires: a presence in the community, systematic follow up, horizontal dialogue, flexibility to respond to local needs and, usefully, cross-visits to provide concrete examples in practice and to develop knowledge within the community.
- Conflicts are inevitable and may be common. A project must provide for the capacity, flexibility and local knowledge to work through and resolve them.
- Objectives of changing people's behaviors and traditional practices are not realistic within the time horizons of most projects unless there are very strong incentives that the project can bring to bear (e.g., sustainable, economic incentives). A corollary to this is that in working with the rural poor they must perceive tangible benefits in the short-term to maintain their interest in participation (e.g., fast developing options).
- Projects of this nature must create spaces and conditions for people to communicate and learn from each other. This requires targeting communications to local leaders and messages must be simple. Processes need to be "one step at a time" and becoming overly ambitious must be avoided. In working with ethnic minorities, having project staff with local language skills is EMs critical. Among others, this is crucial as local people will tend not to express their real opinions to project staff but do so among themselves.

I. Introduction

A. Basic Project Information

Country:	Socialist Republic of Viet Nam
Grant Title:	Promotion of Sustainable Forest and Land Management in the Vietnam Uplands
Grant Type:	Medium Sized Grant
GEF ID Number:	3627
GEF Focal Area	Multi-Focal Area (Land Degradation, Biodiversity)
GEF-4 Strategic Programs:	LD-SP2; BD-SP4; BD-SP5
GEF Implementing Agency:	IFAD
IFAD Grant Agreement:	GEF-MSP-19-VN
Umbrella Project:	Viet Nam Pro-Poor Partnerships for Agro-Forestry Development (Project No. 1477)
Parent Program:	Vietnam Country Partnership Programme for Sustainable Forest Land Management
Other Executing Partners:	Bac Kan Provincial People's Committee and Dept. of Agriculture & Rural Development

Key Dates											
GEF/PIF Approval	GEF/PPG Approval	GEF Approval	IFAD Approval	Signing	Effective-ness	Mid-Term Review	Final Eval-uation	Completion		Grant Closing	
								Orig.	Actual	Orig.	Est.
5/6/08	6/18/08	9/15/09	12/8/09	7/19/10	10/13/10	5/07/12	1/12/14	6/30/13	12/31/13	12/31/13	6/30/14

Financing, Proposed (USD '000)						
GEF		Co-financiers				Project Total ¹
PPG	Project Grant	IFAD	GoVN	Beneficiaries	ICRAF	
100.0	654.5	4,490.0	399.5	50.0	50.0	5,644.0

¹Excluding Project Preparation Grant (PPG)

Actual Costs and Financing (USD '000)						
GEF		Co-financiers				Project Total ¹
PPG	Project Grant	IFAD	GoVN	Beneficiaries	ICRAF/Others	
100.0	654.5	4,478.3	311.3	939.2	100.0	6,483.2

¹Excluding Project Preparation Grant (PPG)

Proposed Financing vs Actual Expenditure by Component (USD '000)						
Component	GEF		Co-financing		Total	
	Proposed	Actual	Proposed	Actual	Proposed	Actual
1. Sustainable & Equitable Forest Land Management	114.6	144.6	1,034.2	2,093.0	1,148.8	2,237.5
2. Generating Income Opportunities for the Poor	0	0	2,402.8	2,041.5	2,402.8	2,041.5
3. Innovative Environmental Opportunities	477.7	390.6	1,077.1	918.8	1,554.8	1,309.4
4. Project Management	62.2	119.4	475.4	775.4	537.6	894.8
Total	654.5	654.5	4,989.5	5,828.7	5,644.0	6,483.2

Project Ratings:

(HS = Highly Satisfactory, S = Satisfactory, MS = Moderately Satisfactory, MU = Moderately Unsatisfactory, U = Unsatisfactory, HU = Highly Unsatisfactory, NA = Not Applicable)

TER Assessment Categories	IFAD Supervision (3PAD) & PIR Ratings						GEF-MSP TER Rating
	2010 3PAD	2011 3PAD	2012		2013		
			3PAD MTR	PIR	3PAD	PIR	
Overall Project Assessment	MS	MS	MS	S	S	S	MS
Preparation and Readiness	NA	NA	NA	NA	NA	NA	MS
Attainment of Objectives & Planned Results	MU	MS	MS	MS	S	MS	MS
Achievement of Outputs & Activities	MU	MS	MS	S	S	S	S
Stakeholder Participation/Public Awareness	S	MS	MU	NA	MS	NA	S
Implementation Approach & Adaptive Management	MS	S	S	MS	MS		S
Monitoring & Evaluation	U	MS	MU	U	MU	MS	U
Financial Planning & Control	MS	S	S	NA	S	NA	S
Sustainability	MS	MS	MU	MS	MS	MS	S
Catalytic Role & Replication	MU	S	MS	NA	MS	NA	MS
Country Ownership/Driven-ness	NA	NA	NA	NA	NA	NA	S
IFAD Supervision & Backstopping	NA	NA	NA	NA	NA	NA	MU

II. Background

Original Objectives. The objective of the GEF Medium Sized Grant for the Promotion of Sustainable Forest and Land Management in the Vietnam Uplands (hereinafter referred to as “MSP”) was to promote forest and biodiversity conservation and sustainable forest land management practices in selected districts of Bac Kan Province by enhancing capacity and improving community livelihoods. To achieve this objective, the MSP was designed to be fully integrated within the IFAD/Government of Vietnam Nam-financed “Pro-Poor Partnerships for Agro-Forestry Development” (3PAD) project. While the 3PAD Project was to create the institutional, investment, technological and sociological environment necessary to support sustainable, pro-poor growth in the Bac Kan rural economy, the MSP was to strengthen the overall approach by deepening and broadening the project’s focus and orientation in order to improve outcomes from the perspectives of environmental management, land degradation and biodiversity conservation.

Bac Kan Province was selected, among others, due to a very high percentage of its lands being forest lands (87%) and for being the home to several sites of international importance for biodiversity conservation. One of the most important of these is Ba Be National Park – part of the Ba Be/Na Hang Conservation Complex and an ASEAN Heritage Park. The park supports the only significant natural mountain lake in Viet Nam – a RAMSAR site¹ – that is the most important wetland in the country’s protected area system. More than 102 mammal species, 327 bird species, 41 reptile species and 28 amphibian species have been recorded in the park; 34 of which are listed as nationally or globally threatened. Among these latter are the Tonkin Snub-nosed Monkey, Francois’ Langur Monkey, White-eared Night Heron, and the Vietnamese Salamander. The other high value conservation area in the province is the Kim Hy Nature Reserve. It contains globally important populations of two primates: Francois’s Leaf Monkey and the eastern subspecies of Black-cheeked Crested Gibbon. And, it also supports several other species of global or national conservation importance, including Forest Musk Deer, Southern Serow, and three species of conifers (Chinese Keteleeria, Chinese Douglas Fir and, and Chinese Hemlock). The main threats to biodiversity in the area come from habitat fragmentation, forest clearance for agriculture, large-scale infrastructure development, illegal hunting, over-exploitation of non-timber forest products, and livestock grazing.

The 3PAD project area covers 46 communes in three of Bac Kan’s seven districts: Na Ri, Ba Be and, Pac Nam. The three districts represent: (i) the Province’s largest area of natural forests (Na Ri), (ii) its largest area of protection forests (Ba Be) and, (iii) areas adjacent to the Kim Hy Nature Reserve and with potential for PES related to reforestation for carbon sequestration and slope protection (Pac Nam). In total, the project area contains about 170,000 ha of forest land, comprised of special use forests (12%), protection forests (21%) and, production forests (67%). Only about 19,000 ha of the project area were are classified as agricultural land. The GEF resources, for their part, were focused in 13 of the 46 communes, which were those situated in the buffer zone or watersheds of Ba Be National Park, Kim Hy Nature Reserve and, of one protection forest in the North of Pak Nam District.

The main beneficiary/target groups for the 3PAD and MSP were the same: poor upland communities of Bac Kan Province. The majority population of these communities are ethnic minority peoples – mainly Dao, Tay, Nung and Mong – who are heavily dependent on agriculture, forestry and livestock production in sloping lands. In the three districts the 3PAD targeted all poor, rural households – estimated to be 11,300 – that, in the aggregate, represented 48% of the three districts 23,400 rural households. Indirectly, all households in the three districts were expected to benefit from the improvements to be achieved in forest and land management, from improved access to forest land and extension services and, from infrastructure investments. For the MSP no estimate was made or targets set for the number of direct and indirect beneficiaries in the project design documents. However, in the Grant Agreement, the number of approximate beneficiaries is defined as approximately 100% of the estimated rural population (117,807) of the three districts and, especially, female farmers..

¹ Ba Be Lake was designated as a RAMSAR site on 2 Feb 2011. Source: www.ramsar.org/cda/en/ramsar-documents-list-anno-vietnam/main/ramsar/1-31-218%5E15775_4000_0__

Revised Objectives. The objectives of both the Promotion of Sustainable Forest and Land Management in the Vietnam Uplands and 3PAD projects remained unchanged during the period of implementation.

Original Components. The MSP was designed to be integrated into the 3PAD project's component structure. The GEF resources were to be used primarily to finance technical assistance, training, studies and services in four areas, detailed below, in order to supplement the planned 3PAD activities and secure global and national benefits of relevance to GEF's Strategic Programs. GEF resources were to:

- provide for capacity building for forest land use planning and allocation, for participatory community-based forest management and biodiversity conservation planning and, for conservation of ecosystem services (biodiversity, watershed protection, etc.);
- generate environment-related inputs for extension services and piloting/testing innovative environmental options for PES, community-based ecotourism and sustainable forest and land management practices;
- test, pilot and promote options for sustainable management of sloping lands and forest, for PES and, strengthen capacity for development of pro-poor ecotourism options, particularly in communities living in the vicinity of the Ba Be National Park and;
- provide for environmental training of PMU staff, technical support on environmental aspects of the project, including environmental monitoring and, expenses for operational travel.

For its part, the 3PAD's principal components were:

- Component 1. *Sustainable and Equitable Forest Land Management* through which forest land use planning and allocation were supported in order to create a framework for agro-forestry planning, regulation and the equitable allocation of forest lands to households and communities. Subsequently, the project would promote the sustainable utilization of production and protection forest lands and seek to ensure that income and benefits from forest resources accrued to poor households and women.
- Component 2. *Generating Income Opportunities for the Rural Poor* through the provision of improved, demand-driven services, technologies and capital in the form of loans for private and grants for community managed public investments. The project would support public-private partnerships and community managed investment funds with the goal of stimulating pro-poor, agro-forestry investments.
- Component 3. *Innovative Environmental Opportunities* for promotion and dissemination of new alternatives for sustainable land use management and bio-energy and for assessment of options for Payment for Ecosystem/Environmental Services (PES) through pilot projects, including for Reducing Emissions from Deforestation in Developing Countries (REDD), catchment protection for erosion control, water resources management and, potentially, development of eco-tourism opportunities.
- Component 4. *Project Management*, primarily in support of a Project Implementation Unit, responsible for financial management and procurement, information management and monitoring and evaluation.

Formally, the MSP was structured as follows to integrate into the 3PAD project:

- Component 1. *Sustainable and Equitable Forest Land Management* – A sub-component, (1.3 *Integrating Ecosystem Conservation into Forest and Land Use Planning*) was to be added, which would be partially funded by GEF. This sub-component would support rapid assessments in the project districts to identify important areas for the conservation of biodiversity and watershed protection to guide government authorities in the ongoing processes of forest land allocation. The assessments were to be done at both a macro level for purposes of conservation policy and zoning and at the micro-level (i.e., commune and/or village levels). The outputs would feed into the other two sub-component's (*Forest Land Use Planning and Allocation* and, *Forest Land Management*) activities. No GEF funds were allocated to these other two sub-components. **Total cost was USD 1.15 million, with GEF financing of USD 0.12 million (10%).**

- Component 2. *Generating Income Opportunities for the Rural Poor* – No GEF resources were allocated for this project component. Rather, it was expected² that 25% of the resources in a fund for demand-driven community development would be directed to supporting and scaling up of successful pilot activities (developed under Component 3. *Innovative Environmental Opportunities*) or for the involvement of communities in testing and scaling up other sustainable land use management (SLM) and/or sustainable forest management (SFM) activities, including alternative livelihood or income generating options identified through the GEF Grant. That is, GEF investments under the other components were to leverage investment funds for implementation of biodiversity conservation-compatible, SLM/SFM activities by eligible communities and individuals. **Total cost was USD 2.40 million, with no GEF financing.**
- Component 3. *Innovative Environmental Opportunities* – The majority of the GEF resources were allocated to this component in support of all three of 3PAD’s sub-components³. GEF resources were to be used to test and pilot appropriate options for: (i) alternative, sustainable livelihoods; (ii) SFM/SLM (e.g., fodder crops, agroforestry, NTFPs, sloping agricultural land technology) and; (iii) sustainable bio-energy to reduce dependence on fuelwood from forests, as well as to promote those options proven successful. The second area of support was to develop and test Payment for Ecosystem Services (PES) schemes that would benefit local communities. The third area of support was to deepen the focus in ecotourism promotion and development toward greater inclusion of the poor (i.e., pro-poor ecotourism) in Ba Be National Park. **Total cost was USD 1.55 million, with GEF financing of USD 0.48 million (31%).**
- Component 4. *Project Management* – GEF resources were allocated to support monitoring and evaluation activities related to improving environmental management and securing global environmental benefits, including technical support to the PMU for M&E and environmental protection, environmental training for Project staff and partners and, environmental monitoring. Support was also provided for project management and reporting. **Total cost was USD 0.54 million, with GEF financing of USD 0.06 million (12%).**

Total project cost was USD 5.64 million, with GEF financing of USD 0.65 million (12%).

III. Evaluation

Overall Project Rating: Moderately Satisfactory

A. Preparation and Readiness

Rating: Moderately Satisfactory

A review of preparation and appraisal documents revealed an extensive project preparation and design process that was well supported by detailed analysis and quality technical inputs. Indeed, for a mid-sized grant project, it is unusual to see the depth and breadth of analysis and detail contained in the Project Appraisal Document and Annexes. Clearly the preparation of the grant project benefitted greatly from its close association and synergies with the preparation of the IFAD-financed umbrella project *Pro-Poor Partnerships for Agro-Forestry Development Project* (Project No. 1477).

As redacted, the project’s objectives were clear and unambiguous. The components, viewed as instruments for achieving the project’s objectives, were appropriate. The concepts and strategies behind the design were, for the most part, reasonable and feasible. And, those involved locally in the preparation reported that during the design process “*Districts, Communes and, the three line agencies were consulted*”. There are, however, a few elements worth noting that diminished overall appropriateness and

² The Project Appraisal Document states that “During formulation it has been agreed in principle that 25% of the resources in the [Component 2] Community Development Fund will be directed....”. No mention of this intention is reflected in either the GEF Grant Agreement or the 3PAD Loan Agreement.

³ Sub-component 3.1 Forage/Sustainable Land & Forest Management, Sub-component 3.2 Payment for Ecosystem Services and, Sub-component 3.3 Pro-poor Ecotourism Development.

led to what this reviewer considers to have been an overly-ambitious and too-prescriptive design. Specifically:

- i) The original project design is reported to have been for an MSP that focused on sustainable land management (land degradation), which was developed based on a (predicted) grant almost three times larger than what was finally approved. Coming at the end of a GEF funding cycle, however, only limited funds were available and those from the Biodiversity window. In translating the original concept into a smaller, “Multi-Focal Area (Land Degradation, Biodiversity)” project it appears that little was done to pare back on the initial thematic areas of coverage while additional, biodiversity-related objectives and operational themes were added. As a result, the range of thematic and activity areas in the project was very broad relative to the MSP’s modest resources.
- ii) The relatively modest sum of the grant, its relatively few areas of intervention and short implementation period lent themselves to the development of a highly detailed project design that fell into the error of becoming prescriptive to the point of micro-management. The design “Outputs Summary” list 32 separate activities to be accomplished through the grant funding and these range in complexity from one off analytical studies to activities that in-and-of themselves would have constituted a challenge worthy of a significantly greater investment in time and resources than the MSP itself (e.g., “*testing of PES at pilot sites*” and introduction of “*participatory, community-based forest and biodiversity planning*”). Even the originally requested grant amount would have been insufficient to do justice to a project of such breadth and inherent complexity.
- iii) The biodiversity conservation aspects of the project design were well-posed and integrated where they played to existing strengths (systems) and processes for land use zoning and management (i.e., within the broader SLM agenda). Where they attempted to be ground-breaking and innovative, however, they tended to be overly-ambitious (e.g., “*monitoring of diversity and abundance of aquatic biodiversity indicative of watercourse siltation due to soil erosions and land degradation...*”), difficult for the project implementer’s to understand⁴ and lacking in a foundation upon which a three year project might build.⁵
- iv) The challenges inherent in changing forest management practices within the Viet Nam context were completely underestimated and so, while the project goals regarding Community Forest Management (CFM) were worthy, they were unrealistic and infeasible for a project of this magnitude and diverse focus. The Viet Nam forest sector lacks an enabling framework for the integration of CFM into GoVN programs and thus for successful implementation at the local level as an instrument for sustainable livelihoods and improved forest resources management.⁶

⁴ In discussions with the PMUs’ staff on what was attempted and was accomplished as regards biodiversity conservation, repeatedly the TER mission was told that they were “unclear on biodiversity aspects” and that a number of the activities specified for underpinning biodiversity conservation efforts (i.e., activities under Sub-component 1.3 “Integrating Ecosystems into Land Use and Forest Planning”) were “redundant because reports on soil, water, air, soil erosion and forest cover already had been done”.

⁵ For example, within the project design “Sustainable Forest Management” (SFM) is both a means to an end and an end itself. As designed, there is an implicit assumption that the challenge was primarily to capture and replicate successful SFM experiences in Viet Nam. As such, the design failed to appreciate Viet Nam’s highly developed regulatory system and the fact that **it does not include a national standard for SFM** that provides the principles, criteria, indicators and verifiers needed to guide the GoVN agencies charged with implementing the project’s SFM efforts. By extension, neither was/is there an institutional and technical framework to guide the adoption of SFM for forest user groups. If the design had merely wished to replicate SFM pilots carried out by other, internationally funded projects instead of mainstreaming SFM, it may have been more successful. However, even this would have been difficult and merited an entire project by itself as there is a severe shortage of trained and experienced individuals with capacity to engage in technical and financial aspects of SFM and, available models of SFM planning are very high cost (Forest Trends, 2012).

⁶ While it is beyond the scope of this report to critique community and smallholder forestry in Viet Nam faces, RRI and RECOFTC have recently done so (Gritten et al, 2013) and found very significant policy, institutional and, regulatory challenges that are not amenable to resolution through *ad hoc* small-scale, local initiatives and pilots. Among the more important concerns for developing community and smallholder forestry are: (i) a significant number of regulatory barriers that greatly inhibit the ability to profit from forest tenure rights, (ii) regulatory compliance is complex and technically demanding, (iii) the costs of regulatory compliance in Viet Nam are particularly high, relative to other Asian countries, (iv) the small areas managed by local people are at a competitive disadvantage to the larger, forestry SOEs, (v) the forests allocated are often poor quality and Red Book recipients perceive little (forestry) benefit in the short to medium-term without significant prior investment, (vi) very limited opportunities and options to

- v) The apparent failure to fully recognize and appreciate the difficulties that would be faced in the implementation of a project of this nature. Specifically, project areas lacking year-round road access; ethnic minority populations with strong production traditions and cultural preferences; significant areas with limestone-derived soils with low, inherent productivity; language barriers; limited skills among government staff, particularly in successful introduction of sustainable livelihoods and SLM approaches among ethnic minorities and the rural poor and; the limited knowledge and availability of appropriate technology and systems for these conditions. These are among the factors mentioned repeatedly in annual progress reports, by the MTR team and evaluations (i.e., 3PAD, 2013a).

Institutional capacity for implementation. The MSP was to become effective at the same time as the 3PAD project. The fact that its effectiveness was delayed for almost 17 months⁷ was, in terms of institutional capacity for implementation, a blessing in disguise. The 3PAD project start up and implementation was seriously delayed – relative to design projection and assumptions – due to the need for very significant initial efforts in training and capacity building at the District and Commune-levels. With its late start up, the MSP was the beneficiary of over one year of intensive training and organization carried out by 3PAD.

While the need for significant training was foreseen, its implications were not internalized as regarded phasing and proposed annual targets for either the 3PAD or the MSP. Project implementation has had a continuous struggle with the weak institutional capacities at all levels and among all project actors. The line agencies themselves were unable to shift priorities prior to 2012 to actively implement and internalize the project components and activities that were ostensibly their responsibilities to implement. One result of the over-estimation of available capacity and line agency responsiveness was that the PMU ended up having to take a very active role as an executor in order to advance the project's implementation. This has resulted in two undesirable outcomes: (i) much higher than anticipated project management costs and (ii) a parallel execution structure that weakens the potential for sustaining and replicating project outcomes through the responsible line agencies.

Incorporation of relevant lessons in project design. During design significant attention was paid to evaluating and incorporating within project design the experiences, lessons learned, constraints and opportunities in Viet Nam as regarded Payment for Environmental Services (PES). Also, the project appears to have well internalized within the design many of the experiences and lessons learned from IFAD's and others (e.g., CARE, ICRAF, 4FGF) agriculture and rural development experiences in Viet Nam and the region. Specifically, it can be mentioned: (i) promotion and extension of improved agricultural practices through alternative means (e.g., farmer-to-farmer, Farmer Field Schools, private service providers, CIGs, LARCs); (ii) rural finance with women's SCGs and the Women's Union and; (iii) value-chain promotion. The Midterm Review noted, however, that *"During the design process, experiences in decentralized participatory development in Tuyen Quang and Ha Giang and investment ownership by communes and CDBs was not taken into account, particularly in the Community Development Fund Component [which financed agro-forestry development and technical services, among others]...Resultantly, the Commune and community ownership and empowerment aspects, particularly of upland poor communities, did not get sufficient attention in design and subsequent implementation"*. Also, as previously noted, design may have benefited from greater exposure to the lessons and experiences as regards the policy and regulatory frameworks that define the potential for community forest management.

Institutional and implementation arrangements. The project employed the same institutional arrangements established for the IFAD-financed, umbrella project (3PAD) for management and implementation. The only additions for the project were those elements to strengthen technical capacity of the PMU, through recruitment of specific consultants. Overall, these arrangements were properly identified and the implementation roles and responsibilities correctly aligned within each

engage in value-added activities and increase income from existing forest resources (timber and non-timber) and/or to actively compete in the market and sell products.

⁷ 3PAD became effective in May 2009 and the MSP in October 2010.

institutions legal and policy mandate. Both the 3PAD Loan Agreement and the MSP's Grant Agreement provide clear indication that the arrangements were negotiated and agreed prior to implementation.

Enabling framework. The 3PAD project and the MSP were prepared jointly, ensuring to the extent possible not only the coherence between the two project designs but also the MSP's benefitting from the leverage of the larger project in discussions with both national and provincial authorities as regarded counterpart financing (with MOF, MPI, PPC, DOF and DPI), implementation staff from line agencies (PPC, DPI, DARD, DONRE and, DOET), local authorities (PPC, DPC, CPC) and organizations (Farmer's Union, Women's Union). This same framework also ensured the proper vetting by national counterparts and attention by IFAD and the project preparation teams to aligning design within GoVN policies and legal framework. With the exception of the lack of an enabling framework for CFM, as mentioned above, no significant issues or problems were encountered during implementation that stemmed from the gaps or oversights in the preparation as regarded the enabling framework.

Grant Agreement. Where the project design may have been, in part, too detailed and prescriptive, the Grant Agreement went to the other extreme. In particular, the presentation of Component 1 (*Sustainable and Equitable Forest Land Management*) in the Agreement's Schedule 1, Project Description failed to include any mention of the proposed studies and analytical work on best practices, lessons learned and experiences; capacity building in best practices and forest land use planning at all levels and; outreach activities. The only legally binding activities to be carried out under Component 1 comprised those that "...shall complement the land use planning activities of 3PAD by identifying areas of importance for biodiversity and watershed protection." This sparse and incomplete interpretation of the project design literally meant that by implementing the full set of project activities called for in the design, the project was violating the Grant Agreement. In terms of preparation quality, the Grant Agreement does not seem to have received the attention and rigorous review by the IFAD design team that such a critical document deserves.

B. Attainment of Objectives and Planned Results

Rating: Moderately Satisfactory

The MSP's project's major objectives were only partially achieved, which in part is the reason for a less than fully satisfactory rating. Nonetheless, Bac Kan was able to achieve a great deal of value with the GEF resources, sufficient that the project may have merited a "Satisfactory" rating had the project scope been more realistic and better grounded in the existing potentials and opportunities. Annex I presents the MSP logframe, with results against project indicators.

Attainment of objectives, overall project.

This section assesses what were both the 3rd level impacts/results specified in the MSP's logframe as well as the global environmental benefits of the project, as approved by GEF.

In terms of delivery on its specific objectives, there was no systematic attempt by the project to capture impacts (3rd level results); though arguably trying to do so would have been cost prohibitive and/or premature after only three years. The project did, however, make clear (and occasionally quantifiable) contributions toward the achievement of its higher level objectives. It also, in some instances, possibly contributed to short-term outcomes that are at odds with its objectives.

It is important to note the current situation as regards land degradation (and, by extension, biodiversity) in the Province in order to assess project impacts within that context. Provincial statistics (DARD, 2013) show an increase in vegetative coverage, province-wide, of 30% from 2007 to 2013. ICRAF (Do et al, 2013) estimated that net CO₂ emissions from Bac Kan in the period from 2005-2010 was -56,385 t CO₂ eq/yr, indicating an overall positive trend where the landscape was sequestering carbon. Village-level surveys in project communes (Do et al, 2011) reported encountering no significant drivers of deforestation and forest degradation as the majority of forests in the surveyed area were being restored gradually.

At the same time, the ESIA carried out by 3PAD (2013a) in 17 communes found that between 2009 and 2012 that the total area of forest land remained unchanged but the area of natural forest had been reduced. The differences could be accounted for by the types activities promoted for agroforestry: forest

plantation monocultures (either of a native species “Mỡ”, *Manglietia conifera* or an exotic *Acacia mangium*) or agroforestry with *Acacia* and cassava.

In this situation, the MSP approach for achieving biodiversity conservation goals was both sensible and practical: first, identify, prioritize and zone for conservation those areas important for the provision of ecosystem services (i.e., those classified as “Special Use” and “Protection Forest” in the Vietnamese system). Second, (i) ensure the appropriate management and protection of the Special Use and Protection Forest and (ii) seek to mainstream options for maintenance of key biodiversity values within the production landscapes through SLM approaches and techniques. By doing so, the foundations for long term biodiversity conservation and SLM are appropriately strengthened. As this evaluation hopes to demonstrate, the MSP’s performance and results were Satisfactory to Highly Satisfactory in all these aspects but the latter. In terms of potential impacts from the integration of biodiversity conservation concerns into SLM, the MSP was Moderately Unsatisfactory. Regarding potential, future impacts towards meeting SLM objectives, the MSP was Satisfactory.

Reduced pressure and enhanced conservation of biodiversity. The project made significant contributions towards the long-term achievement of these goals, as well as making some very immediate contributions. First and foremost were its contributions to establishment of enabling conditions. All natural resources management must depart from land use zoning/planning and a clarity over land tenure and who are the responsible land managers. Through the successful development and validation of a participatory forest land allocation and land use zoning/planning methodology the foundations for reducing pressures and enhancing biodiversity conservation were put in place on a scale exceeding project targets. The methodology resulted in a faster, less conflictive, lower cost⁸ and more “reality-based” process that took into account local knowledge (e.g., land use suitability, natural disaster risk, socio-cultural preferences, etc.). The guidelines developed have been approved by the Provincial Department of Natural Resources and Environment and submitted to the PPC for approval. Other notable contributions that directly support achievement of the desired results over the long term include:

- Those areas allocated for Protection and Special Use Forest⁹ were supported to develop and implement management plans consistent with their designations¹⁰. Forest management planning was completed and management/protection activities are underway in 24,520 ha of Protection Forests (210% of the target).
- Participatory planning for forest management and community-based biodiversity conservation in 15 communes and 45 villages. The process sought to identify forest and biodiversity status (wildlife and vegetative communities) and resulted in 43,200 ha (40% of the forest areas zoned and planned) being identified as forest with high biodiversity values. The forests so identified included all classes of tenure type (individual, community and state). These forest were mapped and plans developed for their protection and management.
- Support is being given to the implementation of protected area management plans in Ba Be National Park and Kim Hy Nature Reserve. Among others, that support has reduced conflicts (pressures) in the protected areas with local communities and individuals by the participatory, physical demarcation of protected area boundaries (in Kim Hy Nature Reserve and Ba Be National Park) and, in Kim Hy, the delimitation and allocation of agricultural lands in the Reserve, resolving a conflict that had remained since the creation of the Reserve in 2003.
- A PPC Decision (1718/2012/QĐ-UBND) resulting from a project-supported program (in Kim Hy Nature Reserve) on the regulation, management and, control of the use of chainsaws in protected areas and national parks in the province.

⁸ The existing approach had been an exclusively top-down procedure, carried out by technicians drawing lines on maps with little or no local knowledge or input. Subsequently these lines were superposed in the field (delimitation). The cost norm was VND0.75 million/ha (~ USD 37/ha). Under the new methodology, local communities and their members define the boundaries between their individual lands and their neighbors. Technicians delimit only the boundaries between Production, Protection and Special Use forest lands. The average cost for the new approach is 20% lower or VND 0.6 million/ha.

⁹ A total of 107,391 ha (149% of target) were zoned and planned as per existing national laws and regulations. Of this, 28% was dedicated to Protection and Special Use and the remainder to Production Forest.

¹⁰ Special Use Forests comprise National Parks and Nature Preservation Areas and Protection Forests comprise, among other, watershed protection forests and protection forests for environment, ecology and landscapes.

- The aggregate impacts expected to be accrued through a series of project interventions including PES-financed village patrols in Protection and Special Use Forests (e.g., watershed protection forests); improved stoves; establishment of CFMBs as focal points for improved management; an initiative to rezone natural forests by more precisely defining their future use value for conservation, restoration or alternative, productive uses (e.g., propagating medicinal plants).

Enhanced sustainable management & biodiversity conservation of production forests. Through the MSP planning was completed on a total of 76,949 ha of production forest. By project closing, some 23,810 ha (107% of target) of these production forest lands had been formally allocated through issuance of certificates of usufruct (“Red Books”) to 7,763 households (94% EM, 47% poor or near-poor) for their use and management. Also, 80 community forest management plans were completed in 80 villages on communal lands. In all cases, management of these lands is closely prescribed in Viet Nam’s forest laws and regulations. Resultingly, forest management plans’ form, objectives and content are as dictated by law. In this context, they are neither forest resource management plans nor plans for the development of economic activities. Rather they are more akin to a “village regulation on forest management, protection, use and development” that serves to articulate the specific regulations that must be complied with given the management objectives as dictated in law and based on the forest’s zoning (Special Use, Protection, Production) and forest land use sub-classification¹¹. The plans consist of set formats to be filled out. Such a formal scheme leaves little room for experimentation or deviation from prescribed norms.

Given this situation and that the quality of the forest resources allocated to households and communities was generally quite poor¹², “management of production forests” primarily consisted of plantation establishment, agroforestry plantations (e.g., forest tree plantations, fodder, cassava) and improvements to upland/hillslope farming (e.g., fodder establishment). An ESIA, carried out in 2013 (3PAD, 2013a), sampled and subjectively rated the results and effectiveness of the 3PAD/MSP’s efforts in these three areas (i.e., plantation establishment, agroforestry and, upland agriculture)¹³. The resulting ratings showed: plantation establishment – moderately satisfactory overall, with most falling into the satisfactory to moderately satisfactory range; agroforestry, moderately unsatisfactory overall, with most falling into the moderately satisfactory to moderately unsatisfactory range and; upland farming moderately unsatisfactory overall, with most falling into the moderately unsatisfactory to unsatisfactory range.

In the approach in the production landscapes, the greatest weakness encountered was the lack of attention to the potential of secondary regrowth areas – i.e., the “natural forest” areas noted by the ESIA as diminishing – to have any value except through clearing for conversion to “SLM” options. In areas visited by the TER mission a common practice was to clear native vegetation (often comprising dense, secondary regrowth with some scattered dominants) for development of agro-forestry options (e.g., a taungya system for the establishment of Mō plantations with mixed fodder and cassava production). Annex IIIa illustrates a typical situation encountered. To what extent this is an issue or not cannot be assessed here. No systematic evaluations were available that gauged potential biodiversity values and management alternatives to encourage the maintenance of patches of natural vegetation (e.g. for NTFPs¹⁴, assisted natural regeneration of more valuable species present). Project staff recognized that

¹¹ “Forest land use classification” refers to the different categories and sub-categories of forest based on biophysical factors such as % forest cover, type of forest cover (natural, plantation, bare), etc.

¹² A benefit-cost analysis of agro-forestry activities carried out by the MSP (3PAD, 2013b) noted that there had been no income generated from wood or timber due to “*allotting poor forest land*”, and went on to suggest that “*it is necessary to consider allotting rich forest areas having economic value to community to help them increase income, especially in the first period*”

¹³ 128 farmers in 9 communes and 17 villages across the three project districts were interviewed by a team of specialists. A scoring system was developed based on 5 factors – (1) technical suitability of the activity to site conditions; (2) quality of growth and model development; (3) current yield and yield estimates; (4) quality of management by household and; (5) value of products (marketability or for direct use). Each factor was rated 1 (good), 2 (average) or 3 (poor).

¹⁴ Interviews with local people implied that such forest patches did/did not have value as wildlife habitat, NTFPs, timber or other construction materials. Clearing did appear to generate income from fuelwood sales. Where NTFPs were mentioned, those included honey, mushrooms, certain leaves collected for Tet, bamboo shoots, resin, dry fuelwood, bananas, medicinal herbs, vegetables for pigs and human consumption. The head of the Women’s Union on one village (Leo Keo, Quang Khe Commune) estimated the importance of NTFPs to village households to be “*4 on a scale of 10*”. The ESIA (3PAD, 2013a) confirms that NTFPs are widely known, utilized and harvested by rural households. It also notes that their “*Improper exploitation to meet market demand easily leads to degradation, depletion, declining biodiversity, and increasing risk of extinction of rare species*”.

clearing may have unknown biodiversity impacts but also noted that ICRAF studies (e.g., Hoang and Do, 2011) demonstrated that any carbon losses “*would be recovered within 3 years, from revegetation*”.

Finally, the MSP made some gains in promotion of reforestation with native species (see Annex IIIb) with commercial potential for establishing community nurseries and supporting reforestation efforts in the Kim Hy Nature Reserve buffer zone, among others. The Provincial reforestation policies and priorities, however, are not necessarily conducive to native reforestation. Priority has been given in Bac Kan to the establishment of (exotic) *Acacia mangium* plantations in the past and apparently continues to be¹⁵. Farmers interviewed reported they were “*instructed to plant Acacia for the MDF plant*” despite a current over-supply and falling prices. According to one source (VFEJ, 2012), market demand from outside the province for poles was driving a switch to a native species, *Mõ* (*Manglieta conifera*). The same source reported that in 2011 the planting of *Mõ* accounted for 70% of plantation establishment and that farmers were converting *Acacia* plantation to *Mõ*. In the absence of (i) enabling policies to direct provincial reforestation funds towards native reforestation and, (ii) any information on the tradeoffs in biological values of short rotation monocultures of *Acacia mangium* versus short rotation monocultures of native species, it is uncertain if the gains made by the project represent any significant benefits to biological diversity in production forest areas.

Improvement in ecosystem functions & services in target areas. It is not feasible within a 3 year project to capture impacts of this nature resulting from the kinds and scales of improvements in forest and land use practices being promoted by the MSP. The proposed indicator of “*diversity and abundance of aquatic biodiversity, indicative of watercourse siltation due to soil erosion and land degradation within southern catchment of Ba Be Lake (Leng River Basin)*” was poorly conceived¹⁶ and, wisely, the MSP did not set out to monitor it. At best, one might point to the MSP’s accomplishments as discussed in the prior two sections and the one immediately following in order to conclude that there is reasonable likelihood that over the long term the MSP will have contributed to improvements in some specific geographical areas (especially Ba Be Lake and Kim Hy Nature Reserve) and at more local scales¹⁷.

Enhanced land stewardship. In terms of SLM improvements through adoption of improved systems by individual households and producers, by far the MSPs greatest area of success (and the one with the highest potential for landscape level impacts over the long term) is that of the introduction of improved fodder grasses for upland and hillslope farming systems. Though still early in the process, the level of interest, uptake and commitment by producer households raising livestock (cattle and buffalo) and DARD (responsible for development and extension) is very significant. The ESIA (3PAD, 2013a) concluded that, in terms of “*initial impact[s]...on environmental efficiency...agroforestry also had a positive increase of soil depth, moisture content, porosity (ascribed to)...nearly 80 projects to produce fodder for livestock and land protection...[with] both economic and environmental efficiency...*”.

¹⁵ A medium-size MDF plant is reportedly under construction in northern Bac Kan (Pac Nam & Bab Be are the northern districts). Its planned capacity would require at least 30,000 ha (of hybrid acacia) to 75,000 ha or more (of “traditional” acacia) to supply it (assuming ACIAR reported average yields). If the plant comes on line a shift back to *Acacia* is likely, especially in northern Bac Kan. In which case, in the absence of enabling policies and programs for native reforestation, it is unlikely that over the medium term that there would be much support or incentives for native reforestation at scale.

¹⁶ Absent a profound understanding of (i) sources, sinks, temporal scales, historic erosion and depositional processes, and the basins fluvial geomorphology as a basis for determining the types, locations and scales of intervention needed to reduce sedimentation impacts on Ba Be Lake and, (ii) the ecology and population dynamics of the lake’s aquatic communities, there would be no reason to *a priori* conclude that the 3PAD/MSP’s interventions – even if wildly successful – would have any impact whatsoever on sedimentation rates in Ba Be Lake over the next decades, if at all. Further, assuming that one might arrive at and implement an experimental design that could control for all other environmental factors that might affect aquatic diversity and population dynamics in order to attribute any observed changes to actions taken by the project would be neither trivial nor, likely, affordable.

¹⁷ This is, obviously, highly subjective. Arguably the kinds and scales of intervention would almost certainly be felt at a micro-watershed scales (<500 ha) and highly likely to be felt at scale in some sub-watersheds (500 – 5,000 ha). Beyond that would be pure, unsupported conjecture. Where this is most likely to be the case will be where: (i) interventions were targeted at Special Use and Protection Forests, that comprised 28% of all forest lands zoned and planned and (ii) in those upland and hillslope production forest lands where good success has been achieved with the development and introduction of SLM models based on fodder grass production and animal husbandry. This latter is discussed in the next section.

The short term results for the improved fodder systems are very promising and the potential for up scaling of this system should be high. Its direct and immediate benefits are diverse and, with appropriate management, sustainable. It is a perennial system that minimizes soil disturbance, maximizes soil cover and runoff protection thus reducing erosion and soil loss, improves soil fertility and improved the yields of associated crops. It significantly reduces livestock mortality in winter time when feed is scarce and cold spells – which have an annual occurrence frequency >10% – cause death due to poor animal nutrition¹⁸. Resulting from the increased availability of feed and lowered mortality risk, households are increasing herd size and keeping the animals longer before sales. This increases household income. The cut-and-carry fodder system promotes stable feeding that allows more efficient collection of manure, resulting in greater organic inputs into the cropped areas with resulting improvements in soil productivity and biology and reductions in chemical fertilizer inputs. And, the sum total of these benefits incentivize a reduction in area under annual cropping (e.g., maize) on sloping lands in favor of this more stable and sustainable land use. DARD, through MSP support, has made good progress in institutionalizing the system through research and local high schools now have a curricula and are teaching the system to students. The schools also operate nurseries to produce vegetative material and seed for sale.

The improved fodder systems, while the most successful and promising, are not the only systems or technologies whose introduction and development the MSP has supported. Through support to DARD (including international experts), DARD has developed new research agendas and activities to promote financially attractive and technically viable, SLM alternatives for farmers that respond to both short and long term livelihood needs and protect the environment. This included the SRI system for rice¹⁹, which is also a climate change adaptation and mitigation system; horticultural systems with mixed fodder grasses, legumes and fruit trees; VAC²⁰ and, mixed rice/fish/duck-raising systems (that, among others, reduce pesticide usage).

While clearly too early to judge how significantly these systems can be extended, adopted and maintained at levels capable of enhancing overall stewardship at the landscape-level, the signs are reasonably positive.

Reduction of net GHG emissions from forest degradation. The indicator for this was not measured. The project received significant support from ICRAF to conceptualize and design PES pilots that were to be the instruments for achievement of this objective. Ultimately two types of PES pilots were developed and implemented through the MSP – one indirect and one direct as per Decree 99 definitions²¹.

The indirect scheme consisted of the attempt to implement the ICRAF-proposed scheme of bundling PES for water supply, carbon sequestration and landscape beauty services with payments deriving from the Na Hang and Ta Leng hydropower plants (water); state-owned and private small-scale enterprises surrounding Ba Be Lake in Ba Be National Park (scenic beauty) and REDD+ (carbon). Funds from the foregoing sources would be paid to the Provincial Forest Protection and Development Funds (PFPDF) and, from the PFPDF to the communities (providers). For its part, the MSP was able to organize the communities and households, formalize a payment scheme for the communities and, obtain PPC approval for both the scheme and to provide the payments from 3PAD project funds. For their part, the

¹⁸ This is also a climate change adaptive response. Severe cold spells in the mountains of northern Viet Nam have caused massive mortality among poorly nourished buffalo and cattle in recent years (e.g., in 2008, 10% of the livestock in the Bac Kan was lost to cold, some 10,000 animals died), function of lack of adequate feed for winter. Now have. Needs support from vet services (*no chickens as too many die*). Climate change scenarios for this region predict increased occurrences. Also, in some areas of northern Viet Nam, upland farmers are going out of maize farming into livestock, as increasingly variable weather patterns (drought, early or late onset of rains, intense storm events, etc.) make maize a risky crop.

¹⁹ The System of Rice Intensification (SRI) changes the management of plants, soil, water and nutrients in ways that substantially raise productivity, reduces the 'water footprint' of rice production and cuts methane emissions.

²⁰ The VAC is a traditional form of integrated, smallholder agriculture that makes optimal use of land, water and solar energy and minimizes external inputs.

²¹ Decree 99 (GoVN, 2010) stipulates that payment will be monetary and either direct or indirect. Direct payments can be made from users to suppliers under agreements specifying the amount and methods. They are based on voluntary, negotiated agreements. With indirect payments, user payments are made to an intermediary organization such as a specific fund, e.g., the Provincial Forest Protection and Development Funds (Guignier & Rieu-Clarke, 2012). In this case, the MSP, as an instrument of the Bac Kan PPC, functioned as the intermediary organization

communities are carrying out their responsibilities under the agreement (contract). The payments from the targeted sources to the PFPDF, however, have yet to materialize. That the hydropower plants will pay a set VND 20/kWh into the PFPDF is established by law (Decree 99). How those funds will be utilized is, as yet, under discussion by provincial authorities. As to payments from ecotourism enterprises in Ba Be Lake, following consultations regarding their willingness to pay, a different scheme with a different set of upstream actors (see below) was agreed and put into effect. Regarding carbon payments, REDD+ is not yet a functional alternative and there is no clarity as to when (or if) there will be a REDD+ “free market” of the sort required to allow projects such as the MSP to rely on it as a potential financing source²². The project is thus the only source of payments and, by the appearance of it, the payments are for biodiversity conservation and watershed services. Obviously unsustainable unless the Bac Kan PFPDF comes online in time to take over with watershed services payment from the hydropower plants as a complete or partial substitute for the 3PAD payments.

The other scheme – direct, voluntary payments for watershed services and landscape beauty – appears to be successful, sustainable following 3PAD closing, replicable and, quite possibly providing the full bundle of services sought under the other scheme detailed scheme at a much lower cost and without that scheme's complexities and policy, political and institutional vulnerabilities. Box 1 provides details of the scheme and its function.

Undoubtedly both of the pilots are resulting in some level of GHG reduction from forest degradation. This assertion is based, among others, on the PES schemes having resulted in systematic and continuous community forest patrols to protect their forests from timber poachers and potentially other types of forest degrading activities. Whether or not the reductions are of practical significance cannot be answered as no attempts were made by the MSP to monitor or quantify any such impact. This reviewer doubts that any significant differences would be found. Province-wide and, for over a decade, there has been a significant reduction in GHG from land use and land use change. Communities participating in the PES pilots indicated that illegal logging was not currently or, in recent history, a serious concern. ICRAF (Hoang and Do, 2011) concluded that the potential for REDD+ payments for Bac Kan province is more likely to be from payments for ‘forest carbon-stock enhancement’ of existing forests rather than ‘prevention of deforestation and forest degradation’. In conclusion, the potential for a practically significant reduction in GHGs through the MSP seems unlikely, though undoubtedly it is making some small contribution.

Attainment of objectives, component-wise.

Component 1: Sustainable & Equitable Forest Land Management. This component sought the equitable allocation of forest lands and forest resources within communities and that, subsequently, sustainable management procedures were defined and put into operation. The metrics were to be the achievements in the promotion of SFM and forest protection in project districts and the consideration of biodiversity and watershed management considerations within forest management plans. As has been discussed in detail in the prior sections, MSP achievements ranged from the noteworthy in forest land allocation to satisfactory as regarded attention to watershed management and biodiversity conservation in forest land zoning and planning.

Of particular significance are the MSP's achievements in terms of ensuring equitable allocation of forest lands were highly satisfactory and potentially best practice. To achieve equitable outcomes at times required the re-distribution of land from those with more to those with less, or none; potentially a very conflictive scenario. By developing and implementing a socially-grounded approach, it was possible to empower communities to find their own solutions leading to the re-allocation of land from households that had been disproportionately benefitted by past land allocation processes that were largely externally imposed and undoubtedly fraught with some degree of self-dealing and favoritism. Some households

²² Pursuing carbon forestry through the 3PAD/MSP turned out to be both overly-ambitious and overly-optimistic. That REDD+ would come online in time to benefit project participants was a highly risky assumption from the outset. The TER mission encountered great confusion at all levels – project, responsible local staff and, especially, those who had been led to believe that they would receive carbon payments for their actions – regarding how carbon payments might function. Unfortunately, the MSP ended by creating expectations among participants that they would receive payments and these are unlikely ever to be met.

reportedly had been allocated “*hundreds of hectares*” of forest land under past processes. The previously favored households agreed to give up lands in favor of households that were landless or with little land. In addition, the communities were able to choose to allocate common lands (community lands) to land poor households. By leaving the outcomes to the communities’ internal dialogue, negotiated solutions were arrived at with minimum conflict.

Regarding forest land management, arguably for the 28% of forest lands that were zoned as conservation forests (i.e., Special Use and Protection Forests) project contributions were of practical significance and do contribute to the long term achievement of goals for conservation of ecosystem services, specifically biodiversity and watershed services. Contributions of note came through, *inter alia*, the forest land zoning and planning processes and subsequently for the implementation of those plans, including training, capacity

Box 1. Voluntary PES – A successful & practical model with great potential

The village of Ban Duong in Hoang Tri Commune, Pac Nam District resides in the upper watershed of Ba Be Lake. It is home to 32 households, mainly people of the Dao ethnic minority who are benefitting from a Payment of Environmental Services scheme that was conceived, brokered and facilitated by the project. The source of the payments is Pac Ngoi village in Ba Be National Park. Finding a conflict between the environmental practices of upstream communities and the economic interests of downstream actors in the park, the project worked with both parties to develop a scheme that, from the perspective of those involved, is reasonably simple and straightforward. The scheme resolves the conflict in an equitable and mutually beneficial manner. Importantly, it is easily monitored by the parties as regards payments and the provision of desired services.

Tourism is the major income source for communities around Bab Be Lake in Ba Be National Park. In Pac Ngoi village, tourism was said to account for 80% of the village's economy. Sightseeing excursions by boat and provision of lodging and meals at guesthouses (called *homestays*) are the principal business activities. Of the 99 households in Pac Ngoi, 21 have boats and 14 have guesthouses; the rest are engaged in agriculture and fishing. Participatory planning exercises revealed concerns about upstream forest loss and degradation's impact on the lake and tourism (sedimentation, siltation of lake, loss of scenic beauty) and of the upstream communities' trash washing down into the lake's and reducing its desirability as a destination. At the project's suggestion and with its guidance, the local tourism stakeholders began to explore the idea that by sharing some of the benefits from tourism they could incentivize upstream communities to assist in preserving the lake's environment and sustaining its values for tourism. Ultimately it was agreed to establish a fund – financed by 2% of gross receipts from boat excursions and VND 4,000 per homestay guest – and seek an arrangement with upstream communities for forest protection and solid waste management.

Concurrently, the project worked with the upstream communities, among others, raising their awareness of the downstream impacts of their solid waste disposal practices (e.g., throwing of plastic bags and bottles and animal corpses into the stream) and of forest loss/degradation in the community's forest lands. Through community meetings and discussions it was agreed that reducing their downstream impacts was good both for their downstream neighbors as well as for providing a "*clean environment*" for themselves. A plan for doing so was developed with project support and, in February 2013, the upstream and downstream communities entered into a one-year, pilot agreement. The downstream community would pay the upstream community to stop throwing waste into the streams draining into Ba Be Lake and to reduce forest loss/degradation in their forestlands.

To date two payments totaling more than VND 26 million (~ USD 1,300¹) have been made to the upstream community. The funds are utilized as follows:

- 30% for livelihoods thru women's Savings and Credit Group as lending capital
- 30% is used for reforestation
- 20% is for forest protection in 180 ha of protection forest and 350 ha of production forest, paying for 3 to 4 patrols per month by local community members (4 teams of 7 persons each) to detect and report illegal logging and timber theft to government authorities
- 10% is used to cover the costs of solid waste collection and disposal.
- 10% is for other community purposes

The next payment, scheduled for February 2014, will be dedicated to purchasing seedlings for planting in the community's protection forest.

Both the downstream "service payers" and the upstream "service providers" are satisfied with the arrangements. With the 2013 pilot year coming to a close, both parties plan to extend their agreement under the same terms for at least the next three years. All parties interviewed were of the strong opinion that the scheme would be sustained following the project's closing as it is beneficial for all parties. Further, the experience of "payment for services" has engendered a discussion in the upstream village of levying upon themselves a yearly tax of VND 20,000 per 1,000 m² of land to complement the PES funds and provide for other, priority community needs (e.g., maintenance of irrigation system).

The model is simple, efficient and has good sustainability potential. It is theoretically replicable wherever environmental externalities are perceived locally (e.g., a conflict exists), the principal stakeholders on both sides of the issue are readily identifiable and, an economic incentive exists for their resolution. The main external ingredient necessary for its success is an honest broker to organize and facilitate a deal between the parties.

¹ The value of the payment is equivalent to the returns to almost 1,000 days of labor as an upland maize farmer (Pandey et al, 2006) or 1.14 years of wage labor at the official government-mandated minimum wage (GoVN, 2013).

building, delimitation of lands and, in the case of Bab Be National Park, strategy development and PES piloting. More detailed justifications are provided elsewhere in this report (see *Reduced pressure and enhanced conservation of biodiversity*, above and *Component 3: Innovative Environmental Opportunities*, below). For the remaining 72% zoned as production forest, similar levels of success were not achieved. Details supporting this statement are found above (see *Enhanced sustainable management & biodiversity conservation of production forests*). In addition, CFM was to be one of the principal instruments for achievement of component objectives. As previously noted (see Footnote 6), there are a number of structural obstacles to successful CFM beyond the laboratory of GoVN-sanctioned pilots. Huy (2005) summarized the situation's impacts on CFM in Viet Nam succinctly – a situation that the recent RRI and RECOFTC (2013) analysis indicates has not changed significantly in the intervening years – when he concluded that:

“The reality of the forest land allocation process in Viet Nam is that there is currently not enough guidance in terms of the mechanisms, policies, organizational systems, and techniques for implementing CFM. The most challenging issues are related to post-allocation sustainable forest management and how poor people can benefit from these allocated forests....With the slow growth of forest and extended periods with no profitable returns, it is easy to understand why people do not benefit significantly from forests immediately after allocation. Forests have not yet become a competitive economic component in the uplands...”

Component 2. Generating Income Opportunities for the Poor. The MSP did not directly finance this component of the 3PAD. Rather, its outputs were to influence the components implementation so as to leverage investments and improve outcomes by providing alternatives for enhancing sustainability and SLM and biodiversity conservation within production system. The metrics for doing so were local capacity improvements for sustainable livelihoods through improved extension services, better understanding on the part of communities of improved and sustainable livelihood options and, availability of investment funds through 3PAD's CDF to support households choices to invest in sustainable. Results appear to have been moderately satisfactory within the specific contexts of these metrics. The MSP's ultimate impact is, however, dependent on the performance of the 3PAD project in implementing this component and, it is outside the scope of the TER to evaluate that performance.

For purposes of this evaluation, what can be noted is some of the relevant information from more recent IFAD reports (e.g., IFAD, 2013). The 3PAD has made moderately satisfactory progress in improving extension capacity and the synergies between the MSP's support for introduction of proven, alternative technologies and 3PAD's extension efforts and financing facilities have been sufficient to ensure their inclusion into training, capacity building and, leveraging of local investment resources. Some of the details substantiating this outcome are provided above (see *Enhanced land stewardship*) and the MTR (IFAD, 2012a) noted that the 24% of CDF that was to be made available as seed funds for SLM investments by households was operating in all 48 communes, with over 4,600 households already having benefitted, mainly for agroforestry activities. Finally, early indications of income impacts from MSP's pilots of the improved fodder systems are very promising. Among the 732 poor households participating in the improved fodder pilots, income increases allowed 45% of them to move out of “poor household” status. In another example, one pilot area was near a livestock market that created a demand for the purchase of fodder. For that community (Quan Lang village in Quang Phong commune), the combination of fodder sales and improvements to their animal husbandry systems resulted in 100% of participating household to move out of “poor household” status with additional income averaging VND 35 million/year (~ USD 1,707), of which about 30% came from the fodder sales.

Component 3: Innovative Environmental Opportunities. The goal of this component was to create capacity and provide alternative systems for socially, environmentally and economically sustainable sloping land conservation and protection. The indicators for success were defined as improvements to local capacity for engaging in sustainable sloping land conservation and protection systems, capacity for community involvement in PES and ecotourism. Despite falling short in numbers of pilots and pilot areas, the overall results of this component were satisfactory.

The MSP successfully introduced and piloted a significant number (relative to project financing) of SLM options including the improved fodder systems for animal husbandry and conservation of sloping lands; bio-energy applications, particularly, improved stoves; PES pilots, that include participatory forest protection, one of which has significant potential for replication and; eco-tourism. A robust support

system has been put in place to sustain and expand the improved fodder system applications, including: (i) seed production and vegetative propagation capacity, for 12 forage varieties, utilizing improved germplasm imported through the MSP; (ii) capacity built in DARD's Agriculture and Forestry Extension Centre to provide extension services to organized farmer groups for transfer of technology and training for management of the system, including through the use of FFS techniques and farmer-to-farmer extension; (iii) capacity built, curricula developed and teachers trained in the Department of Education to educate high school students in project districts on the improved fodder systems, the schools are also propagation and demonstration centers and; (iv) widespread piloting has demonstrated a high degree of interest and enthusiasm among households owning and raising livestock that bodes very well for future expansion and sustainability. The model is also new at the national-level and attracting attention of decision-makers.

Improved stoves that reduce fuelwood usage by 40%-60% have been introduced as have a limited number of biogas units. The latter have been of greatest interest to better off households who can afford to raise a significant number of pigs and for whom the project's subsidies are probably unnecessary for adoption. The target population of rural poor do not have the numbers of animals necessary for biogas production.

The PES pilots have already been discussed at some length in prior sections. Despite being piloted in only half the number of communes as established for the project's target, the value of the learning experience for the Province and its relevant agencies (DARD, DoNRE) was probably not diminished in any significant fashion by the shortfall.

The MSP's contributions to the development of eco-tourism in Ba Be National Park has also been significant and will have lasting results. Through MSP support, an eco-tourism strategy was developed with assistance from an international consultant and approved by the PPC in 2012 and now under implementation; a significant number of people have been trained in provision of tourist services and as tour guides in the National park; promotional materials have been developed, tourist information stations constructed and, national-level tourism promotional events/exhibitions attended to promote Bab Be Lake tourism to both national and international tour agencies and; the construction of infrastructure associated with eco-tourism (e.g., solar street lighting, access roads, waste management). Significant increases in park visitation and employment generation has been recorded. The MSP has also served a key role as a facilitator on the resolution of conflicts between park authorities and communities engaged in ecotourism and putting their relationship on a more productive footing. This was accomplished, in part, through partnering with a number of national (CASRAD) and international (FPH, France) institutions to put on a 2012 conference in Bac Kan entitled "*Sustainable Development Of Rural Tourism And Hospitality: Policies and Experiences*" in order to expose provincial and park authorities to successful international experiences that lowered their perceptions of risk, opened their eyes to the need for livelihood activities and greater flexibility in park management from strict protection to compatible uses and, convinced them on the benefits to the Park of allowing ecotourism development. Also, the MSP has promoted the development of tourism supply chains among for Ba Be tourism service providers for a variety of goods and services, including fresh food supplies from local farmers.

The impact potential is still constrained at this time by the lack of : (i) a provincial strategy and action plans for the scaling up the improved fodder/animal husbandry systems; (ii) involvement of the private sector in the fodder/livestock value chain so that propagation potential remains at smaller scale than its potential; (iii) a Department of Education commitment and budget to continue to train teachers and copy and update educational material to institutionalize and scale up environmental education; and (iv) of a feasible strategy for replicating the direct, voluntary PES model.

Component 4: Project Management. The objective here was to ensure that the project was effectively managed and technically guided in order to achieve MSP objectives. The areas of MSP support were to ensure that project staff at all levels was trained in environmental management and for development of environmental monitoring and protection measures at the commune-levels. The participatory M&E system for environmental monitoring was not implemented. Regarding development of environmental management capacity, the MSP's results demonstrate that this was achieved. Specifically, the MSP's most important results in: (i) the development and implementation of a participatory forest land allocation methodology; (ii) identification and participatory planning for biodiversity conservation in over 40,000 ha of lands with high biodiversity value; (iii) introduction and development of the improved fodder/animal

husbandry system as an SLM alternative for sloping lands management; (iv) the successful piloting of a voluntary PES mechanism with high potential to be sustained and as a model for replication and (v) the development and implementation of an ecotourism development strategy for Ba Be Lake in Ba Be National park.

C. Achievement of Outputs and Activities

Rating: Satisfactory

Component 1: Sustainable & Equitable Forest Land Management

Sub-Component 1.1: Forest Land Use Planning and Allocation. This subcomponent was to ensure the efficient implementation of the framework for agro-forestry planning, regulation and equitable allocation of forest lands. The MSP provided financing for three specific areas of support: (i) an analytical study on provincial agro-forestry best practices and identification of priority needs for improvement to guide subsequent project actions, including for training; (ii) support for capacity building in forest land allocation and zoning and; (iii) support to ensure the participatory nature of forest land use planning.

According to the MTR (IFAD, 2012a) the agroforestry study (3PAD, undated) was completed on time, in 2011 (PY 1). The quality of the report is average at best and focuses much more on agricultural systems and aspects than on agro-forestry *per se*. While it does a credible job of inventorying existing systems and assessing their generic strengths and weaknesses, its recommendations (including for training needs) are not operational, rather they tend to be quite general, generic and somewhat repetitive of the project design documents and early progress and supervision reports. As the basis for a project strategy or for the orientation of a project strategy it is lacking. It fails to provide a sense of priorities or to recommend goals, outputs or critical inputs. There is no guidance on suggested organization, phasing or critical paths for achieving the general improvements it identifies as desirable. For example, it notes the poor quality of reforestation (seedling quality, site matching, establishment, etc.) by households and high seedling mortality rates (70%), but neither provides concrete or substantive recommendations on what is needed to overcome what is a very significant and serious problem for a project of the 3PAD/MSP nature²³. Its utility beyond the project is low and it is not clear that it had any influence on project activities.

For capacity building in forest land use allocation, the target was to have strengthened capacity in 25 communes through development of trainers and commune-level training programs. The project fell slightly short in total number of communes, but in terms of quality, coverage and impact the actions taken and results could be considered best practice. Capacity was built for the taking of a wholly new approach of participatory forest land use allocation at all levels – Provincial, at District in the 3 project districts and in 20 communes (80% of target). A total of 23,807 ha of forest lands were allocated (107% of 3PAD target) to a 7,763 households (47% of which were poor or near poor, and 94% EM households). The approach developed and its successful introduction and implementation has resulted in the process and manual for participatory land use planning and forest land allocation having been approved by the Provincial Department of Natural Resources and Environment and submitted to PPC for formal approval. MSP funds were utilized for a high quality evaluation and appraisal of the new process and methodology that demonstrated not only does it achieve goals of greater equity in allocation while reducing local conflicts around allocation, but also does so more rapidly, efficiently and at a 10% lower unit cost. The results are attracting interest and attention at the national-level, from MoNRE (institution charged with forest land use allocation).

The MSP's target was to support local dialogue (participation) in forest land use planning at the level of the Commune and Village Management Board meetings in 25 communes. Again, the number of communes achieved fell somewhat short of the target, but overall the levels of achievement were good. Participatory forest land use planning was completed in 267 villages in 20 project communes. A total of

²³ The TER mission observed several plantations established by households, the quality of which was variable (from quite good to very poor). A hallmark of quality plantation forestry (i.e., monocultural block plantations) is uniformity of growth and form within and between blocks. The one nursery visited by the mission produced seedlings that were both highly variable and of very poor quality that should not be considered for distribution to or use by households by the 3PAD project.

80 CFM plans were completed with and through the Commune and Village Forest Management Boards. In addition, participatory forest management and biodiversity conservation planning was carried out in 15 communes and 45 villages.

Sub-Component 1.2. Forest Land Management. The goal of this sub-component was to help ensure that production and protection forest lands were efficiently utilized and effectively monitored in 25 communes. To achieve these ends, the MSP resources were to be applied to strengthen forest management planning by providing technical support in the form of a provincial-level forest management planner and nursery advisor and, district-level forest management advisors. Capacity for forest management and forest-based livelihoods was to be built through the development of trainers and the implementation of commune-level training programs. Finally, the MSP resources were to facilitate the participation of and consultation with Commune and Village Forest Management Boards in plan development in order to incorporate, among others, local knowledge on biodiversity issues.

Utilizing these inputs, the MSP provided training, technical assistance and guidance throughout forest management planning processes in 20 communes. In all, at Provincial, District and Commune-levels: (i) 390 staff/individuals trained in Participatory Forest Land Use Planning and Participatory Forest Land Allocation and (ii) 50 people were trained in use of professional software for land management. Forest land management plans were discussed at Commune and Village Forest Management Board meetings in 20 communes. One noteworthy achievement was work with the communities and Boards to identify 43,200 ha of forest lands with high biodiversity value (comprising all tenure types). These areas were identified through local meetings and participatory field validations. Plans for the protection of those areas falling under the communes' jurisdiction (common and individually held lands) were developed. Consisting of maps with protection and economic development plans, the plans were primarily zoning plans. Subsequently, the plans were formalized and approved by each of the participating communes' CPCs. As yet these plans have no formal recognition beyond the commune-level; it remains to see them linked both to formal provincial planning processes (SEDP) and the relevant land and environmental management institutions (e.g., DARD, DONRE). In the production forest lands, however, opportunities for biodiversity conservation (e.g., NTFPs) were largely ignored. This is discussed in further detail in the section below.

As to capacity building for forest management and forest-based livelihoods, the best indicators available to the TER are those from the ESIA (3PAD, 2013a) carried out in the final year of the project. The results from a survey carried out in 17 project communes implies that the outcomes from the planning and training processes were positive. The survey found that *"Following participatory planning processes and awareness raising activities, in 100% of participating villages:*

- *Local activities to protect forests and forestry production increased;*
- *Violations of forest laws and conflicts over land use decreased significantly;*
- *Significant increase in reforestation, agroforestry, upland farming taking into account soil and water conservation through planting grass, trees and intercropping under reforestation;*
- *Tree planting is the most widely applied practice in forest lands after allocated to HHs for management. On average 83% of HHs plant Mõ or Acacia as well as practice other new techniques learned from the project. The rate of household tree planting in is 98%, 84%, and 68% in Ba Be, Pac Nam and Na Ri Districts, respectively."*

Sub-Component 1.3: Integrating Ecosystems into Land Use and Forest Planning. The goals and activities proposed under this sub-component were implemented, but not under a formal sub-component structure as proposed in the project design and logframe. As the goal (*"Biodiversity and watershed management considered when planning for land use and forest management"*) and desired outcomes/indicators were largely to feed into the implementation of other MSP activities in Components 1 and 3, there apparently never was any felt need to separate this out as a "stand alone" subcomponent. Nonetheless, the indicators and targets remained valid and can be assessed by the TER.

Regarding the desired outcome of increased levels of knowledge on importance of forests for biodiversity, biodiversity hotspots and watershed management in 25 communes, as previously noted the MSP only managed to reach 80% of the target communes in terms of macro-level planning (i.e., forest land use allocation, zooming and planning). For biodiversity and biodiversity hotspots, micro-level planning was carried out through a participatory forest management/biodiversity conservation planning exercise that was completed in 15 communes and 45 villages, identifying 43,200 ha with high biodiversity value (as

mentioned above). The training programs that accompanied the forest land allocation, zoning, planning and subsequent management activities were developed and implemented under sub-components 1.1 and 1.2 and 2.1, with the results that are described in each of the pertinent sections of this report.

The outcome most central to this sub-component was to be the mainstreaming of biodiversity conservation and watershed management concerns into land use and forest management planning. As has been noted in prior sections, biodiversity conservation aspects were strongest at the macro-level where forest zoning and planning allocate forest lands for conservation purposes, i.e., to Special Use (National Parks and Nature Preservation Areas) and Protection Forests (watershed protection, protection of environmental, ecological and/or landscape values). In these type forests, the current systems and framework incentivize, support and enable planning and management actions of the nature the MSP sought to promote. Thus the value-added from the MSP activities in terms of improving outcomes through socially-grounded approaches (e.g., participatory planning) and quality technical assistance and training to expand the menu of technical options (e.g., that resulted in new SLM options, PES pilots, ecotourism and alternative livelihoods, etc.) was tangible, relevant and timely. For the 28% of forest lands that were zoned as conservation forests, MSP contributions were of practical significance for the conservation of biodiversity and watershed services.

It was in the production forests, where the challenges for mainstreaming biodiversity and watershed services into the sustainable land management agenda conservation encountered some difficulties. In terms of watershed services, this is less an issue as mainstream thinking on SLM in Bac Kan already incorporated concerns for on-farm and off-farm practices to conserve soil and protect water resources. In result, MSP activities targeted at development and dissemination of SLM technologies had an audience and found relatively ready acceptance. Further, with the development of the PES pilots (particularly the voluntary PES for Bab Be Lake) watershed services were readily internalized by the local communities and authorities. The principal missing ingredient for effective promotion of SLM for the conservation of watershed services was a lack of a watershed management framework to inform the MSP on what should have been the objectives and focus of the interventions, i.e., what are the existing/emerging issues in watershed hydrology, what are their drivers, where do they occur and what are the proper responses? A project activity was designed to fill this gap, but was not carried out²⁴.

Biodiversity conservation in the production landscape is where MSP outputs and activities had only minimal results. This appears to be due, to a great extent, to the lack of a client for these outputs of the Special Use and Protection Forests. The ESIA (3PAD, 2013a) survey results provide an indication of the problem. It starts off by noting that as a result of the project “...*general awareness of the management and protection of forests at the local-level, through forest protection and patrols, is significantly increased compared to pre-project*”. But, the general awareness does not extend to all forest values, as the survey also noted that “*Very few households or government authorities at any level even think about development (regeneration and protection) of natural forest and protection of biodiversity.*” In consequence, “*Although the total area of forest land [in the areas surveyed] has remained basically unchanged, the area of natural forest has decreased due to development of the forest plantations, forage grasses and agro-forestry activities*”.

It has also been noted previously in this report that in the production forest lands allocated to communes and households, little attention was given to the potential biodiversity values and management alternatives to encourage the maintenance of patches of natural vegetation, especially NTFPs. Attention to this aspect may have been relevant, useful and timely. The assessment of potential benefits from forestry activities carried out by the 3PAD (2013b) noted that “...*the potential areas for community forest are significant, but the resource quality and value of timber from community forests is insignificant,*

²⁴ Project design contemplated and budgeted for the “*Collation and analysis of existing information and results of other studies to better understand the hydrological functioning of the land systems in the project area. This will include better understanding of the water balance and the impact of land use changes/forest rehabilitation on the water balance and quality.*” The activity was not carried out and, even if it would have been, it is rare that one finds this type of detail in “existing information”, particularly on the watershed scales that would have been the most relevant for the project in its work with communes and communities (i.e., sub-watershed <5,000 ha). For these, other approaches that combine participatory diagnostics and expert consultation are likely to provide more relevant and useful answers from the perspective of the local land managers.

particularly the commercial timber from natural forest [and] it is difficult to sell timber from plantation forests because of poor access and transport difficulties.” The only resources of potential interest in the short-to-medium-term that may have provided an incentive for maintenance of natural forest were potentially NTFPs, as described by the report authors: *“From the existing [forest] resources, the major benefits are from non-timber forest products....”*. The same assessment surveyed 90 household in the three project districts and found that 88% of them reported income from NTFPs. It concluded *“...people only harvest, process and use [NTFPs] according to traditional experience....so this resource has not developed its [potential] value yet....training courses [on NFTP management are needed] especially on medicinal, aromatic and edible plants which are available in [a number of] localities..”*

Component 2: Generating Income Opportunities for the Poor

Sub-Component 2.1. Community Driven Technology and Service Development and Sub-Component 2.2. Investment for Growth. The scope of the TER does not include an evaluation of these 3PAD subcomponents. However, since about one-third of the total MSP cost was to come through orientation and leveraging of resources under these sub-components, it is difficult to ignore them. Therefore, a brief overview of outputs is provided.

The ultimate value of the MSP’s outputs, relative to Component 2, are predicated on that component’s success and thus its ability to influence policy and decision-makers regarding SLM options that can be replicated at scale in the Province and, potentially, beyond. The two subcomponents provide instruments for *“Improved services and technologies developed and provided through pluralistic, pro-poor demand driven transfer mechanisms”* and *“Pro-poor agro-forestry investment enhanced through public-private partnership and community driven and managed investment funds.”*. From 2010 to 2012 IFAD supervision reports, the component’s progress and performance had consistently been rated as “moderately unsatisfactory”. In 2013 the performance was upgraded to “moderately satisfactory” and expectations are that the component’s performance will continue to improve until closing in 2015. If this comes to pass, it would bode well for the valuation of the MSP’s outputs (see Component 3, below).

The indicators for the MSP *viz.* Component 2, were reasonably positive as of project closing; targets were exceeded in all of them:

- At least 36 communes (target 15) were receiving direct technical support and training with knowledge and capacity (supported by MSP development of trainers and training) that included issues related to innovative environmental options, PES, community-based ecotourism, and forest land management (see Component 3, below).
- >1,500 CIGs formed by 3PAD with mass organizations (mainly Farmer’s Union), including 173 in 36 communes (target 15) through which 2,214 households are engaged in improved sloping land cultivation (i.e., improved fodder cultivation/animal husbandry system).
- Alternative livelihoods, e.g., intensive canna production introduced in 2009 with 1,200 ha produced in 2012 and 3,000 ha 2013; net profits of up to USD 5,000/ha
- CDF operating in all 46 3PAD communes (target 10) communes and providing loans for agro-forestry activities.

Component 3: Innovative Environmental Opportunities.

Sub-Component 3.1. Forage/SFM/SLM Options Introduced. The goal of this subcomponent was to review and develop options for socially, environmentally and economically sustainable sloping land conservation and protection systems in project districts. Its principal activities for achieving this goal were to introduce and test proven options for sustainable land and forest management; to identify new alternatives relevant for Bac Kan, assess and validate their potential; promote the adoption of proven and validated options to organized farmers groups (CIGs) through provision of training programs and promotional materials and; increase capacity for dissemination and uptake of SLM/SFM practices through community and school-based programs.

The initial focus under the project was on SLM techniques for sloping lands management; conservation-oriented fodder systems forage for livestock development and; bio-energy development. Project design also proposed work on the development of NTFP options, which as discussed previously, would have been very relevant and potentially highly relevant and useful, but which was not taken up.

The most successful activities were those associated with the introduction of the improved fodder/animal husbandry systems whose outcomes and results have been detailed elsewhere (see *Enhanced land stewardship* and *Component 2. Generating Income Opportunities for the Poor*) and that attest to the quality, timeliness, relevance and credibility of the actions undertaken. The MSP's value-added to the process was high. The systems introduced were relatively new to Viet Nam, thus by providing international experts who brought knowledge and expertise, it was possible to advance more rapidly and short cut the trial-and-error period. The MSP's soft money was key here as Provincial authorities were willing to take risks in hiring international consultants and importing high quality seed that they would not otherwise have done with Provincial budget (including the IFAD resources). The importation of seed was also key as it allowed a more rapid scaling up of the initial results and to access more remote areas versus having to develop supply through vegetative propagation and attempt to transport quantities of bulky plant material to remote upland sites with poor access. As of project closing the MSP has left a well-established framework for the replication, expansion and up scaling of the improved fodder/animal husbandry systems. The necessary capacity and technical expertise had been developed both within and outside DARD's extension services with FFS trainers developed as well as key farmer/technicians for farmer-to-farmer extension services. Both teaching materials and curricula on fodder grass production and management have been developed, teacher training has been completed by DOET and, the program integrated into school curriculum and being taught in 60 schools in the 3 project Districts. The 60 schools also operate fodder nurseries for sales of seed and cuttings and 500 m² demonstration sites. Through outreach activities (training; promotional materials, including in local languages) 173 organized farmer groups have been reached and over 2,200 households have adopted the improved fodder/animal husbandry systems in 36 communes (target was 10 communes). FFS and farmer-to-farmer methodologies (developed through training support from the MSP) were the primary means of reaching the current levels of adoption.

In terms of bio-energy, given failed past attempts in the province²⁵, early assessment work focused efforts primarily on improved stoves. By project closing 910 stoves that utilize 40-60% less fuelwood had been constructed and each stove-owner trained to construct them so that they could support wider dissemination in their communities. Biogas was also promoted, with a total of 63 biogas units installed. The latter does not appear to be a particularly viable option for the project target population. Only better off households built the units with a 50% subsidy from the project. The few householders interviewed that constructed biogas stoves seemed to indicate that the subsidy was potentially unnecessary, i.e., given the knowledge and experience they would be willing to pay 100% of the costs. These households also appeared to be those with the greatest numbers of pigs, who thus had the manure to charge the units.

A number of other SLM options initiated by the MSP were still in the "farmer validation and adaptation" stages at project closing. These included cultivation systems such as VAC and SRI; the use of minimum tillage methods and compost and; the promotion of shifting from maize to fodder crops/livestock (a key "climate smart" intervention). More than 2,000 households in 36 communes are involved or 360% of the target for number of communes involved. This level of outreach has been possible due to the improvements in extension service delivery to remote villages as a result of the increased usage of FFS and farmer-to-farmer approaches; many of the farmer/technicians work in the local, ethnic minority languages. This has been particularly important for promotion of improved maize cultivation, soil & moisture conservation and, vegetable production. All technical/promotional materials for this work have been translated into ethnic minority languages and distributed.

Also worth noting, regarding other innovative SLM/SFM approaches now launched through the MSP are a couple that resulted from the project's being opportunistic. These include support to the Kim Hy Nature Reserve for: (i) a biodiversity inventory and management plan; (ii) the implementation of a program for the registration and control of 500 chainsaws and the certification of the chainsaw owners within Reserve area and; (iii) the physical demarcation of Reserve and boundaries between individual/community lands and Reserve. These specific types of interventions were not contemplated in the original design, but

²⁵ A situation noted in the ESIA (3PAD, 2013a) when it advised that "*Development of bioenergy, particularly in remote communities, is still tarnished*" and that therefore the project would be wise to avoid pushing too hard on this aspect.

when the need and opportunity arose, the MSP was able to provide critical assistance for technical support, methodology development and training.

In terms of overall capacity building on SLM/SFM practices, the critical mass of experience, knowledge, trained individuals and promotional/educational materials developed with MSP support constitutes a valuable asset to the 3PAD project in its last two years of implementation. Currently, 3PAD has facilitated the delivery of 662 technical/extension service contracts to almost 24,000 households in 46 communes (MSP target was 15 communes). The capacity is there to consolidate the MSP-supported advances and scale them up significantly over the next two years and institutionalize them through the DARD system. As yet, 3PAD has not developed its strategy with the PPC and DARD for scaling up and institutional sustainability following project closing; this is a priority item on both IFAD's and 3PAD's agendas for 2014 and 2015.

Sub-Component 3.2. Payment for Ecosystem Services. This subcomponent was to design and test PES mechanisms at pilot sites and then support their replication and up-scaling in some few selected sites. The major activities, with the exception of replication and scaling up in other sites were accomplished.

The initial subcomponent activities were to be an assessment of PES options and the design of PES pilot areas for 10 communes in three districts by PY 2. This was accomplished in a timely fashion with ICRAF's support. The specific outputs included:

- ICRAF's assessment of PES options within the context of Decree No.99²⁶ for the Nang and Ta Leng River basins. This covered 30 communes in total (15 in Ba Be, 10 in Pac Nam and, 5 in Ngan Son). ICRAF's estimate was that the total average per hectare value of ecosystem services in this areas amounted to VND 181.6 million/hectare (USD 9,100/ha) with potential for REDD+ carbon credits in Na Ri at VND 100,000-200,000/ha per year (USD 5 to 10/ha).
- ICRAF designed two PES pilots in two districts: (i) a mechanism for bundling environmental services and payments in Leo Keo village, Ba Be district and; (ii) a mechanism for carbon sequestration payments in To Dooc village, Lang San commune, Na Ri district. They also designed a scoping study on potential for a CDM project on efficient use of fuel wood in Pac Nam district.
- Using ICRAF's initial designs, the MSP set out to operationalize them through a participatory process in the two communes. What resulted were two types of PES (Indirect and Direct)²⁷ piloted in 5 villages in 4 communes:
 - Bundled PES/Carbon sequestration (indirect) in Leo Keo & To Dooc. A total of 81 households are receiving payment through project to protect 93 ha of special use (biodiversity, watershed function, landscape beauty) and protection forest (watershed function). Among others, it includes support for reforestation in Kim Hy Reserve buffer zone with aspirations of carbon payments. The contract is between the 3PAD and the communities. A total of VND 72 million in payments have been made to date. Funds used for: (i) organization, meetings, administration, awareness raising–20%; forest patrols/protection–20%; training agro-forestry & forest management–20% and; agro-forestry/reforestation investments (livelihoods)–40%.
 - Local, voluntary (direct) PES for watershed services and landscape beauty in Ban Duong (rural highlands) and Pac Ngoi, Bo Lu (lowland villages), Bab Be and Cho Don districts. 29 upland households receive payments to protect 360 ha of Protection Forest and manage their solid waste. The contract is between the upland and lowland village. The latter is economically dependent on tourism at Ba Be Lake. The source of funds is a voluntary levy by tour boat cooperative and small hotel owners. VND 26 million in payments have been made to date. Funds used for: (i) forest patrols/protection–20%; reforestation–30%; community livelihoods fund–30%; sanitation/solid waste management–10%; other community's purposes–10%

²⁶ Decree No. 99/2010/ND-CP of 24 September 2010 on the *Policy for Payment for Forest Environmental Services*, adopted in 2010

²⁷ Decree 99 stipulates that payment is either direct or indirect. Direct payments can be made from users to suppliers under agreements specifying the amount and methods. They are based on voluntary, negotiated agreements. With indirect payments, user payments are made to an intermediary organization such as a specific fund (e.g., the Provincial Forest Protection and Development Funds). In this case, the MSP, as an instrument of the Bac Kan PPC functions as the intermediary organization.

While falling short of the targets for the activities, the quality of the voluntary PES scheme and its potential influence are high. It is attracting attention at Provincial-level and beyond due to its being as yet a unique and pioneering experience in Viet Nam on direct and voluntary PES at a local scale and between community actors. It will be a challenge for 3PAD to institutionalize and see this experience replicated, though its potential for such should be very good. The main issue is that replication requires a soft, socially-grounded approach by an “honest broker”, community organizer and facilitator. The current plan is to rely upon DARD as the institution for continuance. DARD does not fit the description of what is needed nor as an institution does it have a comparative advantage in “soft approaches”. Developing this capacity in a civil society/NGO-type institution would seem to be more promising.

The post-project potential of the indirect PES experience will depend upon the establishment and operation of the Provincial Forest Protection and Development Fund (see *Reduction of net GHG emissions from forest degradation*, above). This is beyond the scope of either the MSP or 3PAD to influence. However, the MSP developed experience will serve as a model once (if) the PFPD comes online.

Sub-Component 3.3. Pro-Poor Ecotourism Promotion The goal of this subcomponent was to enhance the involvement of local communities in ecotourism activities at Ba Be Lake in Ba Be National Park, as well as in other, appropriate sites. The main activities supported included the development and implementation of a Pro-Poor Ecotourism Development Strategy and plan for Ba Be National Park (by PY 2); the facilitation of community investment in eco-tourism through the 3PAD CDF funds (by PY2) and; capacity building for pro-poor involvement in ecotourism in 3 communes through both training and development of eco-tourism activities.

With the assistance of an international expert, the MSP carried out an assessment (completed in PY 1) of the potential for eco-tourism development in the Ba Be region. The consultant assisted the MSP in identifying an ecotourism route within the region that included the identification of opportunities beyond the lake and national park. Subsequently, MSP capacity and efforts were absorbed in by the Ba Be Lake initiative so, as of project closing, no additional sites beyond the lake were incorporated. Still, the consultant report did serve to awaken District and Provincial authorities to the potentially broader opportunities for ecotourism, other than the lake.

The assessments served as basis for development of pro-poor ecotourism strategy and plan for Ba Be Lake. Among the outputs from the MSP’s support to that plan’s implementation are:

- Study tours were organized (in PY 2) for 80 families from Bab Be Lake to visit both eco-tourism and PES models operating in Thanh Hoa, Quang Nam. Of the families participating, 25% were classified as poor or near-poor.
- Capacity building activities (in PY 2 and 3) for 360 people (43% poor) through 12 training courses (cooking, food service, hygiene, basic English, communications, cultural behavior, first aid). Also, 30 tour guides were trained for Ba Be national park and; “hands-on” training through the development, negotiation and implementation of the voluntary PES scheme with the upstream village.
- Resources were leveraged from the CDF for the construction of an access road for tourism purposes into a village that previously was accessible only by boat. The MSP helped introduce low-impact construction techniques for the road building in order to avoid the use of potentially damaging heavy equipment in a national park. In addition, there has been significant private investment in eco-tourism opportunities by local families.
- For pro-poor livelihoods:
 - Establishment of a women’s embroidery group in Ba Be Lake to supply a Hanoi contract buyer. About 60 families are participating (majority poor/near-poor), mostly female labor. Participating households have increased their average incomes by about VND 10 million/year (~ USD 500). The last IFAD supervision mission (IFAD, 2013) estimated that 917 poor and near-poor households have benefitted from tourism-related activities.
 - Support to the organization and establishment of a Council of Tourism Service Providers for Ba Be’s tourist district. Among the roles that the Council seeks to provide is to ensure the wide participation and sharing of benefits from tourism activities within the local communities. Recognizing the broader opportunities for pro-poor, employment generation through direct and

indirect services, the Council seeks *inter alia* to: (i) organize local agricultural, forestry, and fisheries production to supply tourist establishment and benefit farmers and fisherfolk; (ii) provide training and retraining for members in clean production technology in agriculture, forestry, fishery and customer service skills in tourism and cultural exchanges; (iii) develop groups of local cultural performers (a signing and dance group has already been established and is performing professionally for tourists); (iv) provide for professional tourism marketing and support for member production, sales and services and; (v) promote and facilitate investment in maintenance and upgrading of privately owned tourism infrastructure (houses, motels, hotels, restaurants, equipment and vehicles) and service development (accommodations, sightseeing, dining, travel and entertainment).

- Development of promotional and educational materials for tourists, establishment of information stations, outreach to national and international tour agencies in Hanoi and Da Nang, among others.

While it is not possible to demonstrate attribution, since the MSP initiated work, employment in tourism-related activities has been increasing substantially each year:

Tourism Employment, Ba Be Lake			
Jobs	2011	2012	2013
Direct	ND	312	412
Indirect	ND	578	788
Total	712	890	1,200
Increase over prior year:		25%	35%

The quality and relevance of the MSP’s efforts in eco-tourism and reflected in the results that have been obtained. The local community members interviewed by the TER mission were all highly complementary of the quality and focus of support from the MSP and attributed the growth in visitors to the MSP support. The voluntary PES model is very much a product of the close relationship the MSP was able to forge with the local tourism interests. What the MSP accomplished appear to have adequate buy-in from local stakeholders as well as critical mass to allow it to be sustained through private efforts. The experience should stand Provincial authorities in good stead as a model for development of community-based tourism in other appropriate areas around the province.

D. Stakeholder Participation/ Public Awareness

Rating: Satisfactory

Information dissemination. The MSP was largely reliant upon the 3PAD project’s information dissemination infrastructure for sharing of its own information. Looking at it from that perspective the MSP efforts in knowledge sharing with the public were satisfactory. Provincial television and radio broadcasts, including in ethnic minority languages, were regularly made regarding project activities to the local levels. National newspapers (e.g., Vietnam News) reported on project activities and results. A number of exchange visits were made (e.g., for ecotourism and PES) to other provinces for project actors. The co-hosting of the conference on “*Sustainable Development Of Rural Tourism And Hospitality: Policies and Experiences*” for national, provincial and park authorities was an important information sharing event that improved the quality of the dialogue and decisions by local authorities on livelihood development issues within protected areas. However, due to the change in Knowledge Management Officers in the PMU, there was a gap of almost one year in the issuance of the newsletters. The project website was recently revised but still needs significant improvements for communicating and informing about activities, achievements and other relevant information and developments in the province. Very importantly, a significant number of project staff, including in the PMU, spoke ethnic minority languages. Some were multilingual, speak 2 or more ethnic minority languages; one PMU staffer spoke four.

Consultation. The MSP’s approach and methodologies for stakeholder consultation appears to have been very successful. This can be judged by a series of project outcomes, especially: (i) participatory land allocation process that allowed the reallocation of lands within communities with a minimum of

conflict; (ii) the overall pace of the land allocation process which, through participatory approaches, was able to exceed targets well before project closing; (iii) the organization and facilitation of the voluntary PES agreement and (iv) the success in introducing, validating, adapting, disseminating and expanding the adoption of the improved fodder/animal husbandry. The TER mission also noted in discussions with project management that they revealed a very good understanding of ethnic minority cultures and were able to articulate well the need to understand and respect EM cultures in order to engage and have an effective dialogue with them. When asked, they were able to give concrete examples.

Stakeholder participation. The 2013 IFAD supervision mission rated stakeholder participation to be moderately satisfactory. This was flagged as an issue in the 3PAD MTR (IFAD, 2012) and the recent supervision mission noted that the quality of participation in the year following the MTR improved. Evidence of this was found in improved bottom up planning processes; the good participation of the beneficiaries in forestland use planning and allocation where households with little or no lands are included and supported to obtain lands; the decentralized implementation of project activities by communities, among others. However, there are strong challenges yet to be overcome in order to reach more remote communities in the uplands where poverty rates are highest, language and accessibility are barriers and, dependence on the natural resources base (forests, sloping lands, etc.) is greatest due to poverty, marginalization and, remoteness from markets. As fully realizing the MSP objectives will depend on 3PAD's capacity to provide support to these areas, the TER agrees with the moderately satisfactory rating. Also, the MSP closed, dependent on 3PAD to work with line agencies in its last two years to ensure the continuance and up scaling of MSP outputs. This is somewhat late in the process and demonstrates that coordination with and participation of the line agencies likely required greater attention.

E. Implementation Approach and Adaptive Management

Rating: Satisfactory

Project management framework. The project was designed with a complex institutional arrangements, which assumed that local authorities (DPCs, CPCs) and line agencies (DARD, DPI, DONRE, DOLISA) would be responsible for all execution and the PPC, through a Steering Committee representing all the implementing partners, would guide the implementation while a Project Management Unit would function as a technical secretariat of sorts and coordinate between the implementation actors and primarily handle financial management, procurement, administration and monitoring and evaluation. In practice, however, given the limited capacity of the partners and their initial inability to assume the roles expected of them, the PMU evolved fairly rapidly to take on additional roles of technical assistance to the partners for implementation as well as implementation responsibilities for itself. In result, project management costs increased by 64% overall for the MSP, while the GEF portion of those costs rose more than 90% from the original proposal. Frequent staff turnover at District and Commune levels, an issue that persisted throughout the project, was another contributing factor to the PMU's expanded role and increased costs.

As of the MSP closing the the project management system was still based on a significant number of staff and national consultants at PMU, DPMUs and, CDBs with the attendant high operational costs. IFAD supervision was flagging the implementation approach as parallel to the responsible institutions and thus detrimental to promoting capacity building in local agencies. The PMU reports that it planning to develop its institutional exit strategy and put it into effect in 2014. It is expected that under the strategies cooperation modalities with line agencies would change to one of delegation, reinforcement of their ownership and institutionalisation of project activities and outcomes to ensure post-project sustainability.

Adaptive management. Within the limits imposed by Viet Nam's centralized political authority and decision-making structures and heavily regulated public administration procedures, project management did a very credible job of utilizing its limited discretion to make minor adjustments as needed. Beyond the limits of its discretion, project management partnered well with IFAD to agree upon needed adjustments and obtain its no objections that allowed it to go to the PPC with the leverage needed to make needed changes with relative facility.

After a slow start, the pace of physical and financial progress picked up considerably and, with the MSP, the flexibility conferred by the GEF grant allowed for activities otherwise not have been possible or unlikely. For example, the voluntary PES pilot is a good example of adaptation when the ICRAF proposed schemes were not seen by the target of group of "voluntary service payers" as being of interest.

The MSP adapted certain parts of the ICRAF framework but developed them into a wholly different and highly promising, successful model. The MSP was able to implement within its original three year time frame (though the closing date was extended due to late start up) and largely deliver on its objectives despite the unfavorable conditions created by the low institutional capacity environment. These experiences and outcomes attest to the PMU's capacity for adaptive management.

Partnerships. The MSP has been quite successful in developing partnerships with (i) other IFAD and donor-funded programmes (e.g., ADB-funded Tourism Development in Ba Be Lake) for knowledge exchange and cross-visits; (ii) with ICRAF for support to implementation, evaluation, baseline survey and the pilot PES program; (iii) with CIAT for implementation of the IFAD-supported regional grant project *Food, feed, fuel and fiber for greener future* (4FGF) for testing/research of sustainable farming systems on sloping land, intercropping systems and study tours for farmers; (iv) with the Embassy of Australia that donated US\$20,000 to support ecotourism activities; (v) Volunteer Services Overseas (VSO) that provided 3 volunteers to support CDF and eco-tourism activities; (vi) CARE International for replicating with the Women's Union a successful organizational model for women's groups and (vii) CASRAD and FPH for the *Sustainable Development Of Rural Tourism And Hospitality: Policies and Experiences* conference.

Project design changes. In formal terms, project components remained unchanged. However, informally, the project components varied from design intentions in that sub-component 1.3 (*Integrating Ecosystem Conservation into Forest and Land Use Planning*) was never "developed" as a standalone subcomponent. Instead, its goals, activities and functions were delivered through activities under Components 1 and 3. To a certain extent, this constituted a "revision by neglect" of the project's formal structure. No formal changes, but due to late start, project was focused on land use zoning and allocation.

Overall project management. Throughout the life of the MSP, IFAD supervision missions were generally quite complimentary of project management's overall performance. The MTR (IFAD, 2012) noted that the "*PPC and PIU have led the project with fair amount of dexterity and competence.* It was only as of the last IFAD mission (IFAD, 2013) that management's performance was downgraded to moderately satisfactory. On the positive side, the mission noted management's achievements, many of which were relevant to the MSP. Some of the reasons for the downgrade included: (i) a failure to have made progress towards defining and implementing an institutional exit, thus putting at risk post-project sustainability; (ii) the continued weakness of the project M&E system, with the outcome indicators not being systematically monitored and used for improving project management at all levels and no fulltime staff responsible for maintaining the M&E system at the district level; and (iv) training programmes and short-term consultancy activities needing considerable improvement in terms of relevance, content, delivery, and sequencing. From the limited time that the TER was able to spend with project management, the overall impression was that the project was in the hands of competent professionals who knew the project's strengths and weaknesses well, had a sense of priorities on where to focus given the limited capacity of most of the other implementation actors and, were committed to delivering quality products.

F. Monitoring and Evaluation

Rating: Unsatisfactory

Quality, application and effectiveness of M&E plans and tools. The last two IFAD supervision missions (2012 and 2013) have rated M&E as moderately unsatisfactory. Among the weaknesses and gaps persisting into 2013 were: (i) project impacts surveys lacking the appropriate tools to measure results; (ii) hiring of consultants to review the system and propose revisions and needed modifications to the MIS, with no evidence that the proposed revisions are implemented; (iii) the lack of targets for results' indicators at the 2nd and 3rd levels, making monitoring difficult; (iv) no annually monitored outcomes in the AWPBs, resulting in the absence of M&E-based planning; (v) an activity-oriented rather than results-based approach and; and (iv) M&E capacity at district and commune levels still weak and insufficiently linked to the province level M&E system. Prior missions has also noted the lack of annual M&E plan and sufficient financial allocations to enable the M&E section to undertake its work in an organized/planned and self-reliant manner and a unreliable, internet-based MIS system that was designed without attention to the unreliable and inadequate IT infrastructure in the districts and communes.

Discussions between the PMU and the TER mission confirmed that there was no systematic attempt to implement a monitoring system that would capture the global environmental benefits of interest from the MSP. Some *ad hoc* implementation of specific activities proposed in project design were partially carried out, for example, the participatory planning for forest management and community-based biodiversity conservation that was carried out in 15 communes did constitute an assessment of forest area contributing to biodiversity conservation or sustainable use, but there was no subsequent follow up through M&E to ascertain what were any results from this mapping, zoning and planning. Project staff indicated that in their views that types indicators of interest for the MSP were 3rd level indicators and that it would therefore be years before any measurable impacts might materialize. Thus, in their view, it made little sense to attempt to measure such impacts. Further discussion led to the conclusion (confirmed by the Project Director) that the biodiversity aspects of the MSP were not fully internalized by the PMU as per project design and this was one of the factors in the absence of visible efforts to monitor environmental outcomes. It can be noted that the MSP and 3PAD did produce a very large volume of environmental studies, a list of which is included in Annex IIIc. However, these were one-off, static analyses that do not substitute for an M&E system.

Project risk management. During preparation no major risks were identified, only a number of “constraints and limitations” related to the forest sector at national level. These comprised:

- Institutional capacity and support – lack of coordination among GoVN agencies responsible for forest management and protection and; limited capacity, especially at local level. In response, the was to strengthen local capacity and reinforce collaboration among relevant institutions at the local level.

Preparation severely underestimated the capacity issue. The MSP provided capacity building but an effective risk management strategy also required the PMU to support the line agencies with TA and become an implementer. This significantly increased project management costs and increased risk of unsustainability of outcomes, post-project.

- Legal and regulatory framework – forest policy system not yet integrated, with many policies still not being implemented, or at a very slow pace. The project will particularly support the implementation of the forest allocation process and the testing of PES Frameworks.

Regulatory risk was not recognized in terms of it being a severe impediment to CFM and how that would impact the potential for SFM and biodiversity conservation in production forest lands. Development of NTFPs and other activities targeted at valuing remnant natural forests and maintenance of patchy landscapes might have provided a path forward.

- Forestry development relies on state budget with non-state actors, especially private sector, largely absent – Forest sector investment is very low. The project will back efforts being developed by the FSSP as well as encourage private sector investment.

The lack of competitiveness of smallholders versus large-scale SOEs, the high costs of developing productive forest management (e.g., building of road networks), the remoteness of the project areas and non-competitive haul distances for timber, and a regulatory framework that creates high and costly barriers to community and smallholder forestry are among the factors that explain the absence of private sector investment. These obstacles do not lend themselves to resolution by projects of the MSP/3PAD nature.

- Climate change risks – Increased occurrence of extreme rains, flash floods, severe droughts, crop failures, water shortages and forest fires. These potential dangers render even more necessary and relevant the actions proposed, such as good practices for land cultivation, appropriate management of forest resources, and reduction of GHG emissions.

Project responses largely appropriate, especially in terms of agriculture and SLM technologies. The improved fodder/animal husbandry system in particular is important given the potential for increased frequency of winter cold spells resulting in large-scale mortality among poorly nourished buffalo and cattle.

- Government administrations reluctant to relinquish their forest planning and use control mandate – The project would provide training in participatory land use planning and allocation supported by national and international expertise and will employ an institution experienced in this area to implement the field program. Experience in other projects indicates that trained staff quickly adapt to participatory process, trading power for respect.

Analysis was correct and participatory forest land use planning and allocation was one of the more successful areas of project endeavors.

- Lack of absorptive capacity or willingness of poor households to understand and adopt technologies and farm management practices, especially complex technology – A significant group of resource poor farmers are unlikely to be early adopters under the livelihoods program. The project will reduce this problem by providing training in farming systems and farm financial management, the latter particularly for women and by supporting grass roots level extension, including farmer-to-farmer extension, which is expected to lead to improved communication of technologies and raise poor farmer confidence in technical recommendations.

Project is still in too early a stage viz. transfer of improved technologies into the more remote, resource poor areas to ascertain permanence of technology adoption. Early indications positive, at least as far as FFS and farmer-to-farmer approaches for improved uptake of technology. ESIA (3PAD, 2013a) still finds fairly limited numbers practicing new technologies away from pilot areas, though affirms that preliminary yet to draw conclusions.

G. Financial Planning and Control

Rating: Satisfactory

Financial management, planning and control. Consistently IFAD’s supervision missions have found project financial management to be satisfactory. The PMU has circulated a financial management manual and updated documents, regulations, guidelines in financial management, internal control, tasks and responsibility assignment properly for each project position. The accounting section at the PMU effects financial settlement monthly at all CDBs, enabling the examination of proper expenditures, validity of documents, collection of cash checking records, reconciliation of the balance at State Treasury account, summary table of Disbursement with payment controlled by State Treasury of districts by categories of activities for accounting data entries for preparing Withdrawal Applications at PMU level. Capacity building at District and Commune-levels allowed the PMU in 2013 to request that all Commune Management Boards, implementing agencies and PMU departments prepare quarterly budget plans to enable the PMU accounting section synthesize project budget needs and disbursement based on plan and progress. Audits have been timely and recommendations from auditors and previous IFAD missions complied with by the project. In 2012, the MTR mission (IFAD, 2012) concluded that “*At the PMU level, the financial management has been excellent and can serve as a model for other IFAD Projects*”.

Actual project costs. The table below details proposed versus actual project costs. As has been noted previously, additional costs were incurred in project management due to pervasive low capacity requiring the PMU to take on a more active role in project implementation than had been contemplated. The 25% increase in Component 1 costs are largely due to the difficulty of access in the project area increasing the costs of participatory processes.

Proposed Financing vs Actual Expenditure by Component and Financing Source (USD '000)						
Component	GEF		Co-financing		Total	
	Proposed	Actual	Proposed	Actual	Proposed	Actual
1. Sustainable & Equitable Forest Land Management	114.6	144.6	1,034.2	2,093.0	1,148.8	2,237.5
2. Generating Income Opportunities for the Poor	0	0	2,402.8	2,041.5	2,402.8	2,041.5
3. Innovative Environmental Opportunities	477.7	390.6	1,077.1	918.8	1,554.8	1,309.4
4. Project Management	62.2	119.4	475.4	775.4	537.6	894.8
Total	654.5	654.5	4,989.5	5,828.7	5,644.0	6,483.2

Co-financing. The table above details co-financing, showing total co-financing was about 15% higher than the agreed amount. In part this reflects higher than expected levels of beneficiary cash contributions.

H. Sustainability

Rating: Satisfactory

The most important contributions made through the MSP are also the ones that appear most likely to be sustainable and sustained following the closing of the project. In part this is due to the MSP’s umbrella project (3PAD) having two more years to further consolidate the gains made with the MSP and work with

the PMU and Project Steering Committee on the implementation an institutional exit strategy to enhance the potential for long term . But, more importantly it is also has to do with the nature, tangible benefits and contexts of the outcomes:

- Participatory forest land use planning and allocation – the methodologies developed and successfully applied resulted in a process that was more rapid, less conflictive and lower cost than the traditional top-down approach. A critical mass of individuals, institutions and authorities at local levels have participated in and have “hands-on” experience with a process that has now delivered over 100,000 ha of forest land zoning/planning, allocated almost 24,000 ha and, resulted in the issuance of nearly 22,000 Red Books (forest land usufruct certificates). The efficiency and effectiveness of the new methodologies have apparently convinced the PPC to apply the approach across the province. The manual for its replication has been approved by the Provincial Department of Natural Resources and Environment and submitted to the PPC for official approval. Broader benefits from the process also lend credence to its being sustained and, in some cases and locations, enhancing the potential for biodiversity conservation. These benefits are: (i) social – reduced conflicts over land and land use within communities and between communities and protected areas; (ii) environmental – the delimitation of areas clarifies responsibilities for management and conservation, especially between natural forest areas for protection versus those for production and; (iii) economic – access to land, especially for ethnic minorities and landless, enhances opportunities to access credit as well as to avail oneself of extension and training services and GoVN programs for agriculture and forestry.
- Ecotourism at Bab Be Lake – this sector is now well-launched and in the hands of what appears to be a dynamic private sector and community entrepreneurs. The growth in recent years and evidence of continued private investment in tourism infrastructure by community members demonstrates financial viability and a level of profitability sufficient to incentivize further investment²⁸. Early indications are that there exists vision, local leadership and significant social capital in the participating communities that bodes well for sustainability. An example of this is the formation of an inclusive association of tourism service providers that reaches out to farmers and other community members to widen the potential benefits from tourism to the community and to support its further development. Assuming the Ba Be National Park Management Board maintains its current policies and norms regarding eco-tourism development in the Park, these conditions should support sustainability. As a successful model and example, it is also likely to engender attempts at developing ecotourism opportunities in other areas of the province.
- Voluntary PES model – This is now an established, mutually beneficial relationship (in the perception of the participants) between the upstream and downstream communities. They have expressed their desire to declare as successful the first years’ pilot experience and now enter into a three year contract. As tourism grows at Bab Be Lake, this is likely reinforce the willingness to pay on the part of the downstream tourism service providers as well as increase the availability of funds to broaden participation among upstream communities. What is uncertain is if this experience will find the right institution (or institutions) to see it applied in other areas and circumstances where environmental externalities are perceived locally and have risen to the level of conflict (actual or potential), the principal stakeholders on both sides of the issue are readily identifiable and, an economic incentive exists for their resolution. The ideal institutions to replicate this model would be those with a mandate or mission and experience as an “honest broker” and that works closely with communities, empowers them to build consensus and propose solutions, organizes and facilitates a deal between the parties and, nurtures its implementation. The institution currently identified by the PMU for this role is DARD, which *a priori* would not seem to fully meet the definition proposed here of “ideal” .
- The improved fodder/animal husbandry model for SLM in the uplands, reduced climate change vulnerability and enhanced climate change resilience – Though still early in the process, the level of interest, uptake and commitment by producer households raising livestock (cattle and buffalo) and

²⁸ In an interview with a homestay owner (small hotel), the TER mission was informed that the family had started with 6 rooms and 8 beds. Within two years they added 3 more rooms with 6 beds. In recent months they began construction on 2 more rooms with 4 beds. The family’s members were all fully employed in provision of tourism services (homestay, tour boat, member of cultural performance group) with a reported net income that averaged VND 20 million/month (~ USD 1,000/month)

DARD (responsible for development and extension) is very significant. Results to date are very promising and the potential for up scaling is high. Costs of entry into the system are relatively low (for households already owning livestock) and tangible, direct benefits begin to accrue within one growing season. Reportedly poverty rates declined by 45% among the 732 poor households that participated in the improved fodder pilots. Another community with access to a market for fodder saw all participating poor household move out of “poor” status, with additional income averaging VND 35 million/year (~ USD 1,707/yr). Risk of livestock death in winter from the combination of scarce feed/poor animal nutrition and cold spells is significantly reduced; allowing households to invest in keeping more animals and thus further increasing household income. The benefits from this system provide an incentive to reduce annually cropped sloping lands in favor of this more stable and sustainable land use.

Environmentally, the system is well-adapted to upland conditions and qualifies as an SLM system for sloping lands. It is perennial, minimizes soil disturbance, reduces erosion and soil loss, improves soil structure and fertility and, increases the availability of manure for cropping.

A reasonably robust support system has been put in place to sustain and expand the improved fodder system applications, including: (i) seed production and vegetative propagation capacity; (ii) capacity built in DARD to provide extension services for transfer of technology and training for management of the system, including through the use of FFS techniques and farmer-to-farmer extension; (iii) capacity built, curricula developed and teachers trained in the Department of Education to educate high school students in project districts on the improved fodder systems and; (iv) a critical mass of current users (173 CIGs with more than 2,200 households in 36 communes). The prospects for sustainability and up-scaling are high, assuming that in the last two years of the 3PAD, the project can develop and implement a feasible strategy for scaling up and, promote involvement of private sector to bring propagation capacity to scale.

I. Catalytic Role and Replication

Rating: Moderately Satisfactory

The MSP’s effectiveness as a catalyst for change depends from the 3PAD. The most recent assessments of that project (IFAD, 2013) note that the project’s potential to impact policy has not yet been realized. No formal, provincial policy documents have yet incorporated learning and experiences from MSP/3PAD. The MSP-relevant, priority areas identified for systematic and intentional efforts on the part of the 3PAD to effect such change (through policy research and dialogue) are: (i) participatory forest land use planning and allocation and; (ii) policies to support:

- PPP in rural development through business competitiveness improvement and business development service provision (e.g., private sector involvement to bring fodder propagation capacity to scale);
- diversify agricultural services such as the farmer-to-farmer extension and private firms and association-to-farmer services;
- poor ethnic minorities based on economic capacity development rather than social protection and;
- forest conservation, PES, ecotourism, etc.

Assuming a reasonable degree of success with affecting policy changes at provincial-level, the potential for scaling-up of the more promising areas outcomes that have benefitted from MSP contributions would be greatly improved, both within and outside of the province. The areas of greatest potential, and the justifications for that potential, are those detailed above in *Sustainability*.

The other critical area for potentiating catalytic change is the extent to which 3PAD’s institutional exit strategy will be successful. This aspect is currently rated “unsatisfactory” by IFAD as the project has yet to formulate a clear strategy, but will have done so in early 2014 for IFAD’s review.

In turn, the success of an exit strategy (and the potential for the MSP’s catalytic impacts) will depend upon the 3PAD’s success in fomenting the institutionalization of project developed processes, system, capacity, experiences and outcomes and supporting the institutional development required for sustaining them. support for institution building from 3PAD). In these aspects, IFAD currently rates the 3PAD as “moderately satisfactory”. To date, the main contributions to institutional development have been in: (i) decentralization of resource management to the grassroots level in line with local capacity empowerment efforts; (ii) reform of the forest land allocation and planning process to become more participatory,

followed by promulgation of a permanent provincial policy and regulation for replication throughout the province; (iii) introduction of CDF and participatory bottom-up socio-economic development planning; (iv) development of CIGs for economic collective action; (v) establishment of the BISC and APIF for promotion of private sector investment in the agriculture sector; (vi) establishment of the first associations of agriculture service providers; (vii) development of a model for women's Livelihoods and Rights Clubs (LARCs); and (viii) establishment of saving and credit groups under the women's union management. While all of these gains are useful, the areas identified as still weak and requiring work give reason for concern, viz. the MSP. Those are plans (with identification of budget resources) to replicate environmental innovations under component 3 and for DONRE to replicate the processes and procedures detailed in the participatory land allocation manual.

J. Country Ownership/Drivenness

Rating: Satisfactory

National priorities that initially influenced the selection of Bac Kan Province as the project site continued to be relevant throughout the project implementation period and will remain so for into the foreseeable future. Those are: national-level policies to address the interlinked issues of forest/biodiversity protection and persistent poverty among ethnic minority peoples who are disproportionately reliant upon the exploitation of forest lands and resources for their subsistence. Bac Kan supports a high level of botanical diversity and globally threatened fauna. Ba Be National Park in the Ba Be District in Bac Kan has been recognized as a Natural Preserve Zone since 1977 by the Government of Vietnam (CRES 1998), is listed as one of the twelve priority sites for biodiversity conservation in the Vietnam Biodiversity Action Plan in 1995 (PARC 2001). The Kim Hy Nature Reserve in Na Ri district is also important nationally for the high levels of biodiversity it supports and unique ecosystems. The significant areas of forests in the province that are outside of protected areas (Special Use and Protected Forests) are an important environmental and economic asset such that having viable options for their protection and sustainable use by local communities is critical.

The very detailed accounting of international conventions (UNCBD, UNCCD, UNFCCC, CITES) and relevant national policies, laws, strategies, action plans and programs contained in the IFAD/GEF Project Appraisal Document remains valid and may be referenced for further historical perspective (see GEF/IFAD, 2009; Section 2.2 *Country Eligibility, Ownership and Drivenness*, pg. 20-22).

Since then, additional international agreements and commitments have come into effect that reinforces the MSP's relevance into the future. In particular, those are:

- REDD+ – Viet Nam is one of nine countries initially identified for country programming under the UN-REDD Programme. In 2010, the Ministry of Agriculture and Rural Development established the National REDD+ Network and REDD+ Working Group to create awareness of the REDD+ mechanism and built capacity at national and provincial levels to coordinate activities by ministries, other international agencies and organizations,. The National REDD+ office was established in 2011 to coordinate and manage the process of developing tools to implement Viet Nam's National REDD+ Program.
- RAMSAR – Ba Be Lake was designated as a RAMSAR site on 2 Feb 2011.

Of perhaps greatest importance nationally, was the promulgation of *Decree No. 99/2010/ND-CP* of 24 September 2010 on the *Policy for Payment for Forest Environmental Services*, adopted in 2010. By its signing, Viet Nam became the first South-Asian countries to implement a national policy on PES. The Decree focuses on forests ecosystems whether they are protected areas (special-use forests) or not (protection and production forests). It defines the relevant environmental services provided by forests as: soil protection and reduction of erosion and sedimentation of reservoirs, rivers and streams; regulation and maintenance of water sources for production and living activities; forest carbon sequestration and retention, reduction of greenhouse emissions through measures for preventing forest degradation and loss of forest area, forest sustainable development; protection of natural landscape and conservation of biodiversity for tourism services; and provision of spawning grounds, sources of feeds, and natural seeds, use of water from forest for aquaculture. It establishes a payment for forest environmental services,

defined as “a supply and payment relationship in which the users of forest environmental services pay the suppliers of forest environmental services”. Therefore, an “organisation or individuals benefiting from forest environmental services must pay for forest environmental services to forest owners of forest that create the supplied services”. The PES mechanism is based on contracts. The beneficiaries of payments are defined as “forest owners of forests that supply forest environmental services” and “owner” relates mainly to those who are allocated or leased forests by the Government for long-term use (Guignier and Rieu-Clarke, 2012).

K. IFAD Supervision and Backstopping

Rating: Moderately Unsatisfactory

The PMU staff reports that the support received from IFAD and through the IFAD supervision mission was very good. They were particularly appreciative of IFAD’s responsiveness when difficult issues arose and the PMU required assistance or to consult on possible solutions. Their only suggestion for improving IFAD’s support was that they would have liked more frequent visits for implementation support, especially in those new areas where the project was introducing innovations (from the local perspective).

In the TER mission’s discussions with the PMU on the MSP/3PADs actions and accomplishments as regarded biodiversity conservation actions – including the significant lack of attention to these in the M&E system and activities – the mission was informed that they (the PMU) had been “unclear on biodiversity aspects” and, as previously mentioned, the Project Director confirmed that biodiversity aspects of the MSP were not fully internalized by the PMU as per project design. This led to the PMU’s conclusion that it would have been beneficial if early on in the MSP a “GEF person” would have accompanied the supervision missions.

A review of the IFAD supervision reports from 2010 through the MTR in 2012, reveals that attention to the MSP implementation and goals was variously weak or largely mechanical. The first supervision report, about one year after MSP effectiveness, failed to notice and comment on the fact the Sub-Component 1.3 (*Integrating Ecosystem Conservation into Forest and Land Use Planning*) had not been constituted as per the agreed project design. The main concern raised was on lack of disbursements under Component 3, but little discussion was evident on the substance of the MSP or its components. At the MTR, again there was a lack of substance in the evaluation and discussion. Instead there was more of a mechanistic review of activities and inputs with no reference to if these would lead to achievement of the MSP’s desired goals and outcomes. Indeed, no supervision report clearly demonstrates familiarity with the MSP design document. The 2013 IFAD supervision mission report, written six months before MSP closing, was a clear improvement in these aspects and gave the most attention of all to the goals and results sought through the MSP. However, at no time did: (i) the critiques of the M&E system note the discrepancies between what was ostensibly agreed through the MSP design versus M&E implementation or (ii) note issues with project design (e.g., complete underestimation of the policy and regulatory barriers to CFM as the type of tool conceived in project design) that led to inconsistencies between what was proposed and what was feasible to accomplish. The MTR was principal opportunity to make some adjustments to the MSP and refocus the overly-ambitious and unrealistic aspects of the original design, and thus project efforts, on those aspects where the greatest strengths and opportunities existed. That this did not occur is unfortunate.

In fairness, it must also be noted that the resources available to IFAD for supervision of the MSP were extremely limited and did not allow for the specialized implementation support that would have been desirable. The complexity of the issues and challenges raised by the MSP would have required in each supervision mission (and the MTR) the full attention of a technical professional, competent in project implementation support as well as in technical and institutional aspects of participatory natural resources management and biodiversity conservation. The resources provided simply did not contemplate that level of support. Among others, this should sound a cautionary note to project design teams: if one will not have the resources required to fully backstop implementation, it becomes doubly important to comprehend what will be feasible to accomplish in the absence of meaningful implementation support.

Annex I Logframe Indicators and Project Results

Table 1. Attainment of Objectives and Planned Results

Impacts	Objectively Verifiable Indicators		Attainment of Objectives & Planned Results
	Target	Indicators	
Reduced pressure and enhanced conservation of biodiversity	Levels of harvesting of natural resources within Special Use Forests (i.e. protected areas) by adjacent communities	Reduction in level of harvesting and encroachment in protected areas by communities in six communes in targeted buffer zones. Set target Yr 1.	Indicator not monitored/Target not set
	Level of effective conservation of the Protection Forests	Enhanced management and protection of 8,000ha (29%) of Protection Forest in target districts.	<ul style="list-style-type: none"> Forest management planning completed, management & protection activities underway in 24,520 ha of Protection Forests
Enhanced sustainable management & biodiversity conservation of production forests	Coverage (ha) of production forests/forests under commune management that adopt best practises in SFM for biodiversity conservation and sustainable use	40,000ha (20%) of production forests/forest areas under commune management adopt SFM practises for biodiversity conservation & sustainable use of resources.	<ul style="list-style-type: none"> 76,949 ha of production forest planned & under individual household & commune management. Management as per GoVN forest management laws & regulations Clearing of secondary natural vegetation for fodder production & reforestation
Improvement in ecosystem functions & services in target areas	Diversity & abundance of aquatic biodiversity, indicative of watercourse siltation due to soil erosion and land degradation within southern catchment of Ba Be Lake (Leng River Basin)	Increasing area distribution and species number of aquatic biodiversity indicative of lower siltation levels & improved up-stream erosion control.	Indicator not monitored.
Reduction of net GHG emissions from forest degradation	Level of carbon stock in selected PES pilot sites in Pac Nam and Na Ri districts	Maintenance/reduced loss of carbon stock compared to baseline. Targets set in PES project design.	Indicator not monitored/Target not set.
Outcome 1: Sustainable and Equitable Forest Land Management Strengthened in three districts			
Component 1: Sustainable & Equitable Forest Land Management Forest land resources equitably allocated and sustainable management procedures defined and operational.	Status of promotion of SFM and forest protection in project districts Biodiversity and watershed management consideration in forest management plans	Strategies for protection forest management developed in 5 communes and SFM approaches promoted in 10 communes by Yr 3 Biodiversity and watershed management issues incorporated in forest management plans in two districts and 10 communes	<ul style="list-style-type: none"> Forest land planning in 25 communes, covering 107,391 ha Biodiversity management issues incorporated in plans for 5,992 ha of Special Use Forest in 2 Districts Watershed management issues incorporated in plans for 24,520 ha Protection Forest management plans in 3 Districts

Impacts	Objectively Verifiable Indicators		Attainment of Objectives & Planned Results
	Target	Indicators	
Outcome 2: Generating Income Opportunities for the Poor			
<p>Component 2: Generating Income Opportunities for the Poor</p> <p>Livelihood of the rural poor sustainably improved through investments in infrastructure, human capacity development, better technology and agro-forestry business management practices and effective service delivery systems.</p>	<p>Knowledge and services for generating income from sustainable environmental activities</p> <p>Livelihood options available for the rural poor in Bac Kan</p> <p>Opportunities for community to be engaged in public-private partnership investment</p>	<p>Capacity of local community members to generate income enhanced through improved extension services in 25 communes by Yr 3</p> <p>Understanding enhanced of communities in 15 communes of improved and sustainable livelihood options Yr 3</p> <p>Seed funds available through CDF increase farmers opportunities for sustainable livelihood options in 10 communes by Yr 3</p>	<ul style="list-style-type: none"> • 6 associations of service providers in crop production & animal husbandry formed & functioning in 3 project districts • 105 farmer-trainers trained & providing on-farm training services to CIGs, LARCs & households • Farmer-to-farmer & FFS in local languages introduced & delivery capacity developed. • Improved capacity of public service providers for testing & replicating new technologies. • 662 service contracts delivered benefiting 23,882 households • 41 technology models demonstrated. • 24% of CDF available as seed funds in all 48 communes; by MTR 4,631 HHs benefitted, mainly thru LARCs for agroforestry activities. • 100 ha SRI rice by 126 CIGs (1,500 people) in all rice growing areas of project. • Improved livestock techniques adopted: cow fattening (352 HHs), sow rearing (150 HHs), pig rearing using fermented foods (2,430 HHs).
Outcome 3: Innovative Environmental Opportunities			
<p>Component 3: Innovative Environmental Opportunities.</p> <p>Socially, environmentally and economically sustainable sloping land conservation and protection systems developed.</p>	<p>Capacity building for sustainable sloping land conservation and protection systems in project districts</p> <p>Capacity for community involvement in PES mechanisms</p> <p>Capacity building for local community involvement in ecotourism at Ba Be NP</p>	<p>Capacity for sustainable sloping land conservation and protection systems in 10 communes improved by Yr 3</p> <p>Capacity for community involvement in PES mechanisms at 10 communes improved through technical support for design and testing by Yr 3</p> <p>Capacity for local community involvement in ecotourism at 3 communes in Ba Be strengthened through training and investment opportunities</p>	<ul style="list-style-type: none"> • 114 ha improved fodder by 173 CIGS (2,214 hh) in 36 communes providing fodder for 4,574 cattle with income increases raising 45% of participating poor HHs to near-poor status • 60 fodder nurseries in 60 elementary & secondary schools in 3 Districts • PES mechanisms tested in Ba Be Lake, Kim Hy Reserve buffer zone (5 villages in 5 communes) w/ capacity for community involvement demonstrated under two specific models. • Capacity for local community involvement in ecotourism in Ba Be National Park: <ul style="list-style-type: none"> ○ Eco-tourism strategy developed for Ba Be Lake ○ Capacity building for 350 people in tourist services. ○ 30 tour guides trained ○ Promotional materials & 3 stations for tourist information. ○ 2 tourism exhibitions (Hanoi & Da Nang) ○ Construction of infrastructure associated with ecotourism ○ 412 hh directly working in ecotourism activities ○ > 700 hh indirect benefitting by selling food, souvenirs/ handicrafts, taxis; working in restaurants and; providing lodging

Impacts	Objectively Verifiable Indicators		Attainment of Objectives & Planned Results
	Target	Indicators	
Outcome 4: Project Management			
Component 4: Project Management Project effectively managed and technically guided.	Environmental monitoring and protection measures during project implementation Capacity for environmental management for project staff	Environmental monitoring and protection measures implemented at the 10 communes by Yr 3 Capacity for environmental management for project staff improved through training carried out in Yr 1	<ul style="list-style-type: none"> • Participatory M&E system not implemented. • Environmental protection measures implemented in all 10 communes by Yr 3 • Project staff capacity for SLM, PES, participatory NRM significantly improved.

Table 2. Achievement of Outputs and Activities

Outputs	Indicators	Target	Achievement of Outputs & Activities
<u>Sub-Component 1.1:</u> <u>Forest Land Use Planning and Allocation</u> <i>Framework for agro-forestry planning, regulation and equitable allocation in Bac Kan efficiently implemented.</i>	Gap analysis of provincial agro-forestry best practices	Gap analysis Completed by Yr 1 including identification of training needs	Gap analysis of provincial agro-forestry best practices completed in Project Year (PY) 1, training needs identification generic and overly general.
	Capacity in forest land use allocation	Capacity for land use allocation strengthened in 25 communes by Yr 3 through TOT sessions and commune-level training programs	<ul style="list-style-type: none"> Capacity for forest land use allocation through participatory processes strengthened at Provincial level, at District-level in 3 project districts and, in 20 communes. 23,807 ha of forest land allocated to 7,763 HHs
	Forest land use planning process is participatory	Forest land use planning discussed at Commune & Village Forest Management Board Meetings & involves 25 communes by Yr 3	<ul style="list-style-type: none"> Participatory forest land use planning completed in 267 villages in 20 project communes. 80 CFM plans completed with Commune & Village Forest Management Board
<u>Sub-Component 1.2:</u> <u>Forest Land Management.</u> <i>Production and protection forest land in Bac Kan efficiently utilized and effectively monitored.</i>	FM Planning strengthened by technical support by Provincial FM planner and nursery advisor, and District FM advisor	FM Planning strengthened in 25 communes by Yr 3 through technical guidance by Int'l specialist in Yr 1, Nat'l specialist in Yrs 1,2&3 and District Advisors throughout project	<ul style="list-style-type: none"> FM Planning strengthened in 20 communes with training, technical assistance and guidance throughout planning processes. At Provincial, District and Commune-levels (20 communes): (i) 390 staff/individuals trained in Participatory Forest Land Use Planning and Participatory Forest Land Allocation and (ii) 50 people trained in use of professional software for land management.
	Capacity in forest management and livelihoods	Capacity in forest management and livelihoods increased in 25 communes by Yr 3 through two TOT and commune level training programs	<p>Survey in 17 communes (3PAD, 2013a) found:</p> <ul style="list-style-type: none"> “Following participatory planning processes and awareness raising activities, in 100% of participating villages: <ul style="list-style-type: none"> Local activities to protect forests and forestry production increased Violations of forest laws and conflicts over land use decreased significantly Significant increase in reforestation, agroforestry, upland farming taking into account soil and water conservation through planting grass, trees and intercropping under reforestation. Tree planting is the most widely applied practice in forest lands after allocated to HHs for management. On average 83% of HHs plant Mõ or Acacia as well as practice other new techniques learned from the project. The rate of HH tree planting in is 98%, 84%, and 68% in Ba Be, Pac Nam and Na Ri Districts, respectively.
	Forest land management plans to involve contributions from community and biodiversity aspects	FLM plans discussed at Commune & Village FM Board mtgs in 25 communes and involves traditional knowledge on biodiversity issues	<ul style="list-style-type: none"> FLM plans discussed at Commune & Village FM Board meetings in 20 communes; very limited integration of traditional uses of biodiversity (NTFPs) Participatory forest management/biodiversity conservation planning in 15 communes and 45 villages: (i) id forest & biodiversity status, (ii) develop plan consisting of map and protection plan. Identified 43,200 ha with high biodiversity value (all tenure types) by working with villagers (meetings, than field validations). Prepared maps & economic development plans (primarily a zoning plan) and agreed with CPCs. Remains to be formalized in SEDPs and DARD & DONRE.
<u>Sub-Component 1.3:</u> <u>Integrating Ecosystems into Land use and Forest Planning</u> <i>Biodiversity and watershed management considered when planning for land use and forest management</i>	Level of knowledge on importance of forests for biodiversity and watershed management	Increased awareness and capacity on importance of forests for biodiversity, biodiversity hotspots and watershed management in 25 communes by Yr 3	<ul style="list-style-type: none"> “Learning by doing” through participatory forest management/biodiversity conservation planning that was completed in 15 communes and 45 villages, including 43,200 ha with high biodiversity value (see 1.2 above) Survey in 17 communes (3PAD, 2013a) found: <ul style="list-style-type: none"> “In general awareness of the management and protection of forests at the local-level, through forest protection and patrols, is significantly increased compared to pre-project”; “Very few households or government authorities at any level even think about development (regeneration and protection) of natural forest and protection of biodiversity” (3PAD, 2013a) Although the total area of forest land has remained basically unchanged, the area

Outputs	Indicators	Target	Achievement of Outputs & Activities
			<i>of natural forest has decreased due to development of the forest plantations, forage grasses and agro-forestry activities”</i>
	Options for community forest management in Bac Kan	Forest management options assessed and promoted in at least 325 communes in three districts by Yr 3	<ul style="list-style-type: none"> • Error in indicator, there are 49 communes total in the 3 project districts; 3PAD covers 542 villages in 48 of these. Assume indicator for # of villages. • Forest land planning in 26 communes and 267 villages.
<u>Sub-Component 2.1. Community Driven Technology and Service Development</u> <i>Improved services and technologies developed and provided through pluralistic, pro-poor demand driven transfer mechanisms.</i>	Technical support for environment-related extension service	Technical support through extension service to 15 communes, to include issues related to innovative environmental options, payment for environmental services, community-based ecotourism, and sustainable forest and land management best practices by Yr 3	At least 36 communes were receiving direct technical support and training with knowledge and capacity (supported by MSP development of trainers and training) that included issues related to innovative environmental options, PES, community-based ecotourism, and forest land management (see Component 3, below).
	Capacity of community to use the services of extension officers	Community working through common interest groups in 15 communes to seek guidance from extension officers to choose livelihood options by Yr3	<ul style="list-style-type: none"> • >1,500 CIGs formed by 3PAD with mass organizations (mainly Farmer's Union). • 173 CIGs in 36 communes, totalling 2,214 HHs engaged in improved sloping land cultivation (animal husbandry and fodder cultivation) • Intensive canna production introduced in 2009 with 1,200 ha produced in 2012 and 3,000 ha 2013; net profits of up to USD 5,000/ha
<u>Sub-Component 2.2. Investment for Growth.</u> <i>Pro-poor agro-forestry investment enhanced through public-private partnership and community driven and managed investment funds.</i>	Use of community development fund to support opportunities and up-scaling of livelihood options	CDF, made available to 10 communes, develop partnerships and investments to test innovative environmental options by Yr 3	<ul style="list-style-type: none"> • CDF operating in all 3PAD communes and providing loans for agro-forestry activities.
<u>Sub-Component 3.1. Forage/ SFM/ SLM Options Introduced.</u> <i>Options for socially, environmentally and economically sustainable sloping land conservation and protection systems in project districts reviewed or developed.</i>	Capacity building on SLM/SFM practices	Capacity for SLM/ SFM practices improved through community-based and school capacity building programs in 15 communes by Yr 3	<ul style="list-style-type: none"> • Fodder nurseries for sales of seed & cuttings established in 60 elementary and secondary schools in 3 Districts. • Schools books & curricula on SLM and forage production/management developed and teacher training has been completed by DOET, integrated into school curriculum and being taught through high school system. • SLM material translated into ethnic minority languages and distributed. • 662 service contracts delivered, benefiting 23,882 households • Services to remote villages improved through FFS & increased utilization of farmer-to-farmer approach, many working in EM languages, especially for improving maize cultivation, soil & moisture conservation, vegetable production. • Over 2,900 HHs adopting improved animal husbandry techniques thru FFS & farmer-to-farmer
	SLM/ SFM Options	SFM/ SLM options tested in 10 communes and promoted through CIG Gp meetings, training programs and promotional materials	<ul style="list-style-type: none"> • Forest zoning (Protection, Production, Special Use) and planning in 26 communes on 107,393 ha of forest land. • SLM options tested, adopted and being promoted in at least 36 communes. • All technical promotion activities accompanied by technical programs, supported with technical materials and carried out through organized farmer groups.
	Other innovative SLM/SFM activities	Other innovative SLM/ SFM approaches identified under the assessment tested and promoted in 5 communes by Yr 3	<ul style="list-style-type: none"> • Kim Hy Nature Reserve: biodiversity inventory and management plan; registration/control of 500 chainsaws & certification of chainsaw owners within Reserve area; physical demarcation of Reserve and boundaries between individual/community lands and Reserve.

Outputs	Indicators	Target	Achievement of Outputs & Activities
			<ul style="list-style-type: none"> • Energy: 910 improved stoves constructed that use 40-60% less fuelwood; 63 biogas units installed with 50% cost sharing. • SLM cultivation systems introduced in 36 communes, benefitting more than 2,000 households, including VAC¹, SRI², minimum till, compost, and promotion of shift from maize to fodder crops/livestock. The latter is also a key “climate smart” intervention.
<p><u>Sub-Component 3.2. Payment for Ecosystem services.</u></p> <p>PES mechanisms designed and tested at pilot sites in Bac Kan and up-scaled in project districts at selected appropriate sites.</p>	<p>Assessment of PES Options and design of PES pilot areas</p>	<p>PES options designed and assessed for 10 communes in three districts by Yr 2</p>	<ul style="list-style-type: none"> • Assessment of PES (ICRAF) under Decree No.99³ for Nang & Ta Leng River basin (15 communes Ba Be, 10 in Pac Nam, 5 in Ngan Son). Estimate total average value of VND 181.6 million/hectare (USD 9,100/ha) with potential for REDD+ carbon credits in Na Ri at VND 100,000-200,000/ha per year (USD 5 to 10/ha) • PES pilots designed (ICRAF): (i) mechanism for bundling environmental services and payments in Leo Keo village, Ba Be district; (ii) mechanism for carbon sequestration payments in To Dooc village, Lang San commune, Na Ri district and; (iii) scoping study on potential of CDM project on efficient use of fuel wood in Pac Nam district • PES pilot designed by participatory process between project and 3 villages in two communes for voluntary PES for watershed services and landscape beauty in Ban Duong (providers) and Pac Ngoi & Bo Lu (payers) in Bab Be and Cho Don districts.
	<p>Capacity for community involvement in PES</p>	<p>Capacity for community involvement in PES strengthened in 10 communes by Yr 3 through PES policy guidelines and training materials on PES</p>	<p>Capacity for community involvement in PES strengthened in 5 villages in 4 communes through training and experience. Leo Keo & To Dooc participants trained on guidelines regulating PES scheme. Ban Duong, Pac Ngoi and Bo Lu participants capacity built through development of their own voluntary policies and guidelines.</p>
	<p>Testing of PES at pilot sites</p>	<p>PES tested at 3 pilot sites in three districts and recommendations made for up-scaling by Yr 3</p>	<p>Two types of PES (Indirect and Direct)⁴ piloted in 5 villages in 4 communes:</p> <ul style="list-style-type: none"> • Bundled PES/Carbon sequestration in Leo Keo & To Dooc. 81 HHS receiving payment through project to protect 93 ha of special use (biodiversity, watershed function, landscape beauty) and protection forest (watershed function). Among others, payments pay for reforestation in Kim Hy Reserve buffer zone with aspirations of carbon payments. Contract between project and communities. VND 72 million total over project for participating households. Funds used for: (i) organization, meetings, administration, awareness raising–20%; forest patrols/protection–20%; training agro-forestry & forest management–20% and; agro-forestry/reforestation investments (livelihoods)–40%. • Local, voluntary (direct) PES for watershed services and landscape beauty in Ban Duong (rural highlands) and Pac Ngoi, Bo Lu (lowland villages), Bab Be and Cho Don districts. 29 upland HHS receive payment to protect 360 ha of Protection Forest & manage their solid waste. Contract between upland and lowland village, latter economically dependent on tourism at Ba Be Lake. Source of funds is voluntary levy by tour boat cooperative and small hotel owners. VND 26 million payments to date. Funds used for: (i) forest patrols/ protection–20%; reforestation–30%; community livelihoods fund–30%; sanitation/solid waste management–10%; other community's purposes–10%

Outputs	Indicators	Target	Achievement of Outputs & Activities																				
<p><u>Sub-Component 3.3. Pro-Poor Ecotourism Promotion</u></p> <p>The involvement of the local community in ecotourism at villages around Ba Be and other appropriate sites enhanced.</p>	Pro-Poor involvement in ecotourism development	<p>Strategy on pro-poor involvement for Ba Be NP included in Ba Be Ecotourism Development Plan by Yr 2</p> <p>CDF Funds being used in 3 communes in Ba Be by Yr 2 for community investment in eco-tourism</p>	<ul style="list-style-type: none"> Project year 1, assessment of potential for eco-tourism development in the Ba Be region developed. Served as basis for development of pro-poor orientation of ecotourism strategy for Ba Be Lake. Local, private investment in eco-tourism resulting in job growth: <table border="1" data-bbox="1381 305 1839 561"> <thead> <tr> <th>Jobs</th> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>indirect</td> <td>ND</td> <td>12</td> <td>412</td> </tr> <tr> <td>direct</td> <td>ND</td> <td>78</td> <td>788</td> </tr> <tr> <td>Total</td> <td>712</td> <td>90</td> <td>1,200</td> </tr> <tr> <td colspan="4" style="text-align: center;">Increase over prior year: 5% 35%</td> </tr> </tbody> </table> 	Jobs	2011	2012	2013	indirect	ND	12	412	direct	ND	78	788	Total	712	90	1,200	Increase over prior year: 5% 35%			
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Capacity building program for pro-poor involvement in ecotourism	Capacity at 3 communes in Ba Be improved through opportunities and training programs for pro-poor involvement in ecotourism by Yr 3	<ul style="list-style-type: none"> PY 2 Organized study tours for eco-tourism model and PES in Thanh Hoa, Quang Nam. 80 families participated (20 poor/near-poor) PY 3, formed women's group in Ba Be Lake to supply Hanoi contract buyer of embroidery. About 60 families participating (majority poor/near-poor), mostly female labor. Participating HHs income increased average about VND 10 million/year (~ USD 500) PY 2 & 3, capacity building for 360 people (43% poor) in 12 training courses (cooking, food service, hygiene, basic english, communications, cultural behavior, first aid); 30 tour guides trained for Ba Be national park; practical training in development of voluntary PES scheme with upstream village. 																					

¹ VAC is an acronym formed from three Vietnamese words that mean "garden" or "orchard", "fish pond" and, "pigsty" or "poultry shed". It refers to a traditional form of agriculture in which food cropping, fish rearing and animal husbandry are integrated. The system is a highly intensive method for small-scale farming that seeks to make an optimal use of land, water and solar energy and achieve high economic efficiency by avoiding external inputs and capital investments to the extent possible. The system produces food, fibre, and fuel; recycling of by-products back into the production cycle is an essential element. An age old system developed in the Red River delta, VAC is now practiced in many regions of Vietnam, with models varying according to the terrain and the climate.

² The System of Rice Intensification (SRI), developed in Madagascar, is a set of practices that changes the management of plants, soil, water and nutrients in ways that substantially raises the productivity of land, labor, water and capital devoted to irrigated rice production. Concurrently, SRI confers significant environmental benefits. By stopping continuous flooding of rice paddies, SRI management reduces the 'water footprint' of rice production, lessening competition with natural ecosystems. By relying primarily on compost or other organic matter to improve soil structure and functioning, SRI can improve both soil health and water quality. Maintaining more aerobic soil conditions cuts methane emissions; and so far, evaluations of N₂O emissions have not shown offsetting increases in this greenhouse gas. Thus, irrigated rice production, presently a major source of anthropogenic GHG emissions, could help to abate global warming

³ Decree 99 (GoVN, 2010) stipulates that payment is either direct or indirect. Direct payments can be made from users to suppliers under agreements specifying the amount and methods. They are based on voluntary, negotiated agreements. With indirect payments, users' payments are made to an intermediary organisation such as a specific fund (e.g., the Provincial Forest Protection and Development Funds). In this case, the MSP, as an instrument of the Bac Kan PPC functions as the intermediary organization.

Annex II Documents Consulted

3PAD Project Documentation:

- Undated. Agroforestry Gap Analysis: Status Review Of Farming Systems And Solutions To Increase Yield and Production Of Agroforestry In Forest Areas Of 3 Districts in Bac Kan. Summary Report.
 - 2014. Report on Effectiveness of Use of GEF Funds for Ecotourism – **BÁO CÁO REPORT TÔNG HỢP KẾT QUẢ SỬ DỤNG VỐN CỦA QUỸ GEF SUMMARY OF RESULTS USING CAPITAL FUND GEF CỦA TIỂU HỢP PHẦN DLST** Sub-component of ecotourism.
 - 2013a. Consultant Report on Package: "The Effect of Land Use Planning And Participatory Forest Allocation On Economic, Social, and Environmental Activities". Consultant: Investment Corporation Community Development. Hanoi, January 7/2013
 - 2013b. Consultant Report On Package No. 47/TV: Assessment Of Potential, Ability Of Forestry Benefit Sharing Plan In 3 PAD Project . The Consultancy On Development. Bac Kan – 2013
 - 2013c. Report to Bac Kan PPC. Results Of The Project In 2013, and Direction for Implementation in 2014. Project Management Partnership In The Development Of Pro-Poor Agricultural And Forestry. December 2013
 - 2012. RIMS Report 2012. Report date: March 2013.
 - 2012. Summary Report for Pre-Midterm Evaluation. 2012. Pro-Poor Partnerships For Agroforestry Development In Bac Kan Province - 768-VN. April 2012
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Annex III Miscellaneous

ANNEX IIIa
Clearing for fodder production and reforestation



Photo 1. Hillside cleared for reforestation and fodder establishment (Taungya system).



Photo 2. Established fodder with 2 year old Mō seedling (*Manglietia conifera*) in foreground and 3.5 year old Mō plantation in background.

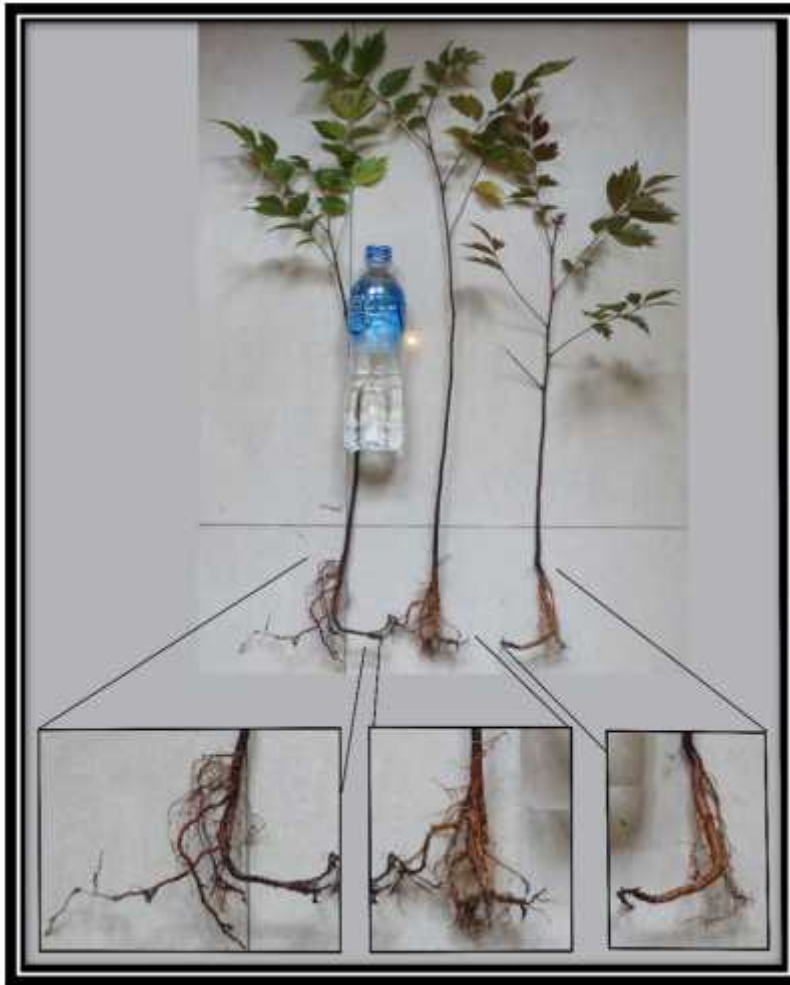


Photo 3. Fodder production with natural, secondary forest in background.



Photo 4. Established fodder with 2 year old Mō seedling in foreground and natural, secondary forest on far hill.

ANNEX IIIb
Poor Quality Seedlings



Chukrasia tabularis seedlings from Bac Kan 3PAD Nursery. Note weak, malformed root systems and "J" rooted seedling on right. Such poor quality seedlings will have high mortality rates, grow very slowly in the establishment phase requiring additional weeding (one of the more costly activities for plantation establishment), will be more susceptible to pests and diseases and likely be at least 20% - 30% less productive at rotation than a quality seedling. Providing such material to project target groups wastes their time and efforts and undermines ? Below is an example of what a tree seedling should look like, with a dense, fibrous and well-developed root system.



ANNEX IIIc
Documents in MSP/3PAD Project Library

THEMATIC AREA I
GENERAL CHARACTERISTICS OF NATURAL, NATURAL RESOURCES, ENVIRONMENT
ECONOMIC AND SOCIO - PROJECT AREA (Topic 3 4)

1.1. Characteristics of natural conditions (6 subjects)

1. Topic 1: Characteristics of natural elements T U Na Ri
2. Session 2: Characteristics of the natural elements Ba Be District
3. Topic 3: Characteristics of the natural elements Pac Nam district
4. Session 4: Characteristics of natural resources Na Ri
5. Symposium 5: Characteristics of the natural resources district Ba
6. Symposium 6: Characteristics of natural resources Pac Nam district

1.2. Economic characteristics - social (9 topical)

1. Topical 7: Characteristics of economic conditions Na Ri
2. Symposium 8: Characteristics of economic conditions Ba To B
3. Symposium 9: Characteristics of economic conditions Pac Nam district
4. Symposium 10: Current Development of agriculture and forestry to residential life and environmental Na Ri
5. Symposium 11: Current Development of agriculture and forestry to residential life and environment of Ba Be district
6. Symposium 12: Current Development of agriculture and forestry to residential life and Pac Nam district environment
7. Symposium 13: Characteristics of social conditions Na Ri
8. 1 Topic 4: Characteristics of social conditions in Ba Be district
9. Symposium 15: Characteristics of social conditions Pac Nam district

1.3. The current status of land use and land management situation (7 topical)

1. Session 16: Current status of land use Na Ri 2010
2. Session 17: Current status of land use districts Ba 2010
3. Symposium 18: Current status of land use in 2010 Pac Nam district
4. 9 Session 1: Current status of the project area land use districts than 3 Bac Kan province
5. Symposium 20: Status of management and land change period 2005-2010 Na Ri
6. Symposium 21: Status of management and land change period 2005-2010 Ba district
7. Symposium 22: Status of management and land changes phase from 2005 to 2010 Pac Nam district

1.4. Assessment of current status and environmental pollution (9 topical)

1. Session 23: Current status of the environmental quality of soil, water, air Na Ri
2. Session 24: Current status of environmental quality of soil, water, air district Ba
3. Topic 25: The status of environmental quality soil, water, air and Pac Nam district
4. Topic 26: The status of solid waste management Na Ri
5. Topic 27: The status of solid waste management district Ba
6. Topic 28: The status of solid waste management Pac Nam district
7. Symposium 29: Current status of the urban environment and rural Na Ri district
8. Symposium 30: Current status of the urban environment and rural districts a Pool B
9. N, transfer Title 31: Environmental status of urban and rural Pac Nam district

1.5. Lap environmental status report project area DPSIR model (3 topical)

1. Topic 32: Making environmental status report Na Ri
2. Topic 33: Reporting of environmental status Ba district
3. Topic 34: Making environmental status report Na Ri

THEMATIC AREA II
FORECAST AND PRELIMINARY REVIEW DEVELOPMENT ENVIRONMENT
DO THE SEDP (12 topical)

1. Topic 35: Forecast of environmental soil, water, air and forest resources Na Ri
2. 3 Session 6: Forecast of environmental soil, water, air and forest resources in Ba Be district
3. Symposium 37: Forecast of environmental soil, water, air and forest resources Pac Nam district
4. 3 Theme 8: increasing forecast dairy waste due to the impact of socio-economic planning Na Ri
5. Symposium 39: Forecast increase in waste due to the impact of socio-economic planning Ba district
6. Symposium 40: Forecast increase in waste due to the impact of socio-economic planning Pac Nam district

ANNEX IIIc
Documents in MSP/3PAD Project Library

7. Topic 41: Forecast increase dairy waste from mining operations and waste water by CPC impact of socio-economic planning Na Ri
8. Symposium 42: Forecast increase in waste from mining operations and waste water due to the impact of socio-economic planning Ba district
9. Symposium 43: Forecast increase in waste from mining operations and waste water due to the impact of socio-economic planning Pac Nam district
10. Topic 44: Forecast of environmental impact due to the impact of socio-economic planning Na Ri
11. Symposium 45: Forecast of environmental impact due to the impact of socio-economic planning Ba district
12. Symposium 46: Forecast of environmental impact due to the impact of socio-economic planning Pac Nam district

THEMATIC AREA III
BUILDING DATABASE ENVIRONMENT PROJECT AREA
(6 topical)

1. Symposium 47: Development of a database of on environmental information Na Ri
2. Session 4: Development of a database of on environmental information in Ba Be district
3. Symposium 49: Development of a database of on environmental information Pac Nam district
4. Symposium 50: C Matthew soil database environment, water, air and Na Ri
5. Symposium 51: Database environment of land, water, air district in Ba Be district
6. Session 2: Database environment of land, water, air district Pac Nam district

THEMATIC AREA IV
RESEARCH AREAS FOR ENVIRONMENT
STATE OF PROJECT AREA (6 topics)

1. Symposium 53: Zoning and environmental characteristics of the Na Ri
2. Symposium 54: Zoning and environmental characteristics of the Ba district
3. Symposium 55: Zoning and environmental characteristics of the Pac Nam district
4. Symposium 56: Identify priority areas in Na Ri district LEP
5. Symposium 57: Identify priority areas in Ba Be district LEP
6. Symposium 58: Identify priority areas in Pac Nam district LEP

THEMATIC AREA V
CONSTRUCTION MANAGEMENT PLAN TO IMPROVE THE QUALITY AND ENVIRONMENT 2015 (5 topical)

1. Topic 59: The direction and management plans, environmental protection project area
2. Topic 60: Advantages and disadvantages, opportunities and challenges detailed strategic environmental protection EN project area
3. Session 61: K ế management planning, environmental protection, Na Ri district
4. Topic 62: K ế management planning, environmental protection district Ba
5. Session 63: K dull to manage their planning, environmental protection Pac Nam district

THEMATIC AREA VI
PROPOSED SOLUTIONS TO COHESION Environmental Protection
PLANNING FOR SOCIO-ECONOMIC DEVELOPMENT (1 7 topical)

6.1. Orientation implement a plan to protect and improve the environment project (8 topical)

1. Topic 64: Project Proposal feasibility of urban environmental protection and rural Na Ri district
2. Topic 65: Project Proposal feasibility of urban and rural environmental protection district Ba
3. Topic 66: Project Proposal feasibility of urban and rural environmental protection Pac Nam district
4. Topic 67: Project Proposal feasibility of management, waste disposal, wastewater Na Ri
5. Topic 68: Project Proposal feasibility of management, waste treatment, waste water Ba district
6. Symposium 69: Proposal feasibility of the project management, waste treatment, waste water Pac Nam district
7. Symposium 70: Proposals feasibility of regional nature conservation projects
8. Symposium 71: Proposals feasibility of mining the project area

6.2. Propose solutions to environmental planning project area (9 topical)

ANNEX IIIc
Documents in MSP/3PAD Project Library

1. Session 72: Proposed solutions to agricultural and forestry planning economic development - social and environmental Na Ri
2. Session 73: Proposed solutions to the agriculture and forestry planning economic development - social and environmental Ba district
3. Session 74: Proposed solutions to the agriculture and forestry planning economic development - social and environmental Pac Nam district
4. Symposium 75: Proposal for economic solutions and implement scientific and technological environmental planning Na Ri
5. Symposium 76: Proposal for economic solutions and implement scientific and technological environmental planning Ba district
6. Symposium 77: Proposed solutions to economic and scientific and technological implementation of environmental planning and Pac Nam district
7. Symposium 78: Propose solutions for policy mechanisms and training of human resource planning implementation Na Ri environment
8. 7 Session 9: Propose solutions for policy mechanisms and training of human resources planning implementation environment of Ba Be district
9. Topic 80: Propose solutions for policy mechanisms and training of human resources implementation of environmental planning Pac Nam district

Annex IV Mission Schedule

Date	Location	Content	Ingredients
1/13/2014	PMU Office 3PAD Bac Kan	Group M & E Working with GEF funds	- PMU 3PAD Provincial Directorate, Information, Germany, Thy, Tuan. - A representative of the Department of Agriculture and Rural Development, Department of Education and Training, Department of Natural Resources, Forestry Department, Forest Protection Department, Agriculture and Forestry Extension Center.
14/01/2014	Huyện Na Rì		
6h00 - 8h30	Bắc Kạn - Na Rì		
8h30 - 11h30	Quang Phong	- Site visits to community Forest model, grass intercropped with plantation villages Fat Ca Doong - the integrated activities with plng and Forest land allocation.	- Monitoring and evaluation team, PPMU, DPMU (Coordinator, Personnel allocation), - CPMU (Chairman of the commune, commune veterinary staff, village leaders village), households enjoying brackishi
11h30 - 13h30	Lunch at Yen Lac town		
13h30 - 14h00	Yen Lac town	- Visit model large tree nursery	- Monitoring and evaluation team, PPMU, DPMU (Coordinator, Personnel allocation), and support staff community.
14h30 - 15h00	Reserve Kim Hy Nature	- Working with Protected Areas Management Board Kim Hy Nature	- Protected Area Management Board Kim Hy Nature Reserve, households enjoying loiHuyen Pac Nam
15h00 - 17h00		- Field trips paid environment service model village Dooc, improved stoves, ...	
17h00 - 19h00	Overnight in the town of Yen Lac Na Ri		
15/01/2014	Pac Nam District		
7h00 - 13h30	Moving from district to district Pac Nam Na Ri		Monitoring and evaluation teams, PPMU, DPMU (Coordinator, Personnel allocation), and support staff community.
13h30 - 17h00	Pac Nam district Affairs	- Visit Khau rural forest communities - Visit model natural regeneration planting additional large trees, medicinal plants.	
17h00 - 19h00	Dinner and overnight in Pac Nam district		
16/01/2014	Pac Nam , Ba Bê		
8h00 - 11h30	Xuan La, Research Loan	Visit Pac Ngoi village communes of Ba Be district Model	Monitoring and evaluation teams, PPMU, DPMU, CPMU, group benefit
11h30 - 13h30	Moving and lunch at Cho Ra town of Ba Be District		
13h30 - 17h00	Ba Be District Royal Affairs	Visit the community forest model, canals done by the community itself, the pay-environment services	
17h00 - 19h30	Dinner at Pac Ngoi village communes of Ba Be district Male Model		
19h30 - 21h00	Pac Ngoi Village Nam Mau commune	Interview households engaged in rural ecotourism Pac Ngoi, the Arts Community	
	Overnight at ecotourism homestay, Pac Ngoi village communes of Ba Be district		
17/01/2014	Ba Be District		
7h30 - 11h30	Leo Keo Quang Khe village	Visiting environments service payment model in rural Leo Keo, stove improvements,	Monitoring and evaluation teams, PPMU, DPMU, CPMU
11h30 - 13h30	Lunch at Ba Be National Park		
13h30 - 17h00	Pac Ngoi village, Nam Mau Commune Bo Lu	Working with tour boat Cooperative members pay voluntary environmental services	
17h00 - 19h30	Moving from the North Ba Kan, ending at the district work program. Dinner at Cho Ra town or towns in Bac Kan		
18/01/2014	PMU Office 3PAD Bac Kan	Work with PMU 3PAD Bac Kan	Financial management, procurement, Monitoring and evaluation, ecotourism, forest land allocation and forest management/biodiversity teams.

Annex V Terms of Reference

Terminal Evaluation

of IFAD/GEF Promotion of Sustainable Forest and Land Management in the Vietnam Uplands

1. Objective and Scope of the Evaluation

The objectives of the Terminal Evaluation (TE) are:

- To examine the extent and magnitude of any project impacts to date and determine the likelihood of future impacts
- To provide an assessment of the project performance, gender disaggregated achievements, and the implementation of planned project activities and planned outputs against actual results
- To synthesize lessons learned that may help in the design and implementation of future IFAD or IFAD-GEF initiatives

The specific tasks of the TE are:

- To assess the technical and financial progress of the project since the approval of the Grant Agreement, including alignment with GEF policies and strategies, attainment and measurement of global environmental benefits and co-financing.
- To assess the progress made on each project component in each country and at regional level, against the project objectives, logical framework, Annual Workplans and Budget (AWPBs), Procurement Plans and to synthesize lessons learned.
- To assess communities' receptivity to the project and to the specific interventions, and their level of satisfaction with implementation
- To identify strengths and weaknesses, as well as challenges and opportunities associated with implementation. This will include a review of project delivery mechanism of the project, including the functioning of counterparts.
- To identify implementation difficulties, operational issues and bottlenecks faced by the project
- To review the performance of financial management and flow of funds arrangements, and procurement and contract management.
- To review compliance with Grant Agreement Covenants

2. Methods

The evaluation will follow IFAD and GEF evaluation guidelines and policies. The methodology of the TER will adopt the following:

- A desk review of project and other relevant documents including, but not limited to:
 - a) The project documents, outputs, monitoring reports (such as progress and financial reports to IFAD and GEF annual Project Implementation Review reports) and relevant correspondence.
 - b) Notes from the Project Steering Committee meetings.
 - c) Other project-related material produced by the project staff or partners.
 - d) Relevant materials published about the project
 - e) The evaluator shall determine whether to seek additional information and opinions from representatives of donor or government agencies and other organizations.
- Interviews with project management and technical support teams to review experiences in project implementation, progress and achievements at country level
- Field visits to the project sites to view the progress in measures at the local level including meetings with project related stakeholders
- Focused group discussions in-country and in the field with the target communities

3. Evaluation Report Format and Review Procedures

Report Format

- a) The TER should not exceed 60 pages including Annexes (see outline in Annex I).
- b) Evidence, findings, conclusions and recommendations should be presented in a complete and balanced manner.
- c) The TER shall be written in English, and use numbered paragraphs.
- d) The evaluation will rate the overall implementation success of the project and provide individual ratings of the eleven implementation aspects as described in this TOR.

TER will also include any formal response/ comments from the project management team and/ or the country focal point regarding the evaluation findings or conclusions as an annex to the report, however, such will be appended to the report by IFAD Evaluation Office.

Examples of IFAD GEF Terminal Evaluation Reports are available at: <http://www.ifad.org/evaluation>.

Review of the Draft Evaluation Report

Draft reports shall be submitted to the Country Programme Manager (CPM) and Director of IFAD Evaluation Office. The CPM will share the report with the RCE and GEF Portfolio Officer, who will distribute the report to the Director of Asia and the Pacific Division, Director of Environment and Climate Division, and Project team for initial review and comments. The feedback should focus on any errors of fact. RCE collate all review comments and provides them to the evaluator(s) for their consideration in preparing the final version of the report.

4. Submission of Final Terminal Evaluation Reports

The final report shall be submitted in electronic form in MS Word format and should be sent directly to:

Kevin Cleaver

Associate Vice President, Programme Management Division

International Fund for Agricultural Development

Via Paolo di Dono 44 00142 Rome, Italy

E.mail: K.Cleaver@ifad.org

The Director of PMD will share the final report with the IFAD IOE, ECD, CPM and RCE.

The final Terminal Evaluation report will be published on the ECD website <https://xdesk.ifad.org/sites/gef/> and may be printed in hard copy. Subsequently, the report will be sent to the GEF Office of Evaluation for their review, appraisal and inclusion on the GEF website.

5. Resources and Schedule of the Evaluation

a. Expertise

The evaluator will be contracted by the IFAD Country Programme Management Office in Viet Nam. The evaluator will work under the overall supervision of the Chief, Evaluation Office, IFAD.

The evaluators should have the following qualifications:

- No previous associated with the design and implementation of the project.
- Master's degree or higher in Agricultural Sciences/Economics or Natural Resource Management or from a related field and at least 10 years of experience working with international policy concerning the natural environment and capacity building.
- Possession of a sound understanding of Agriculture, Rural development, strategic policy development, legislation and have extensive experiences in management of global project implementation and project evaluation.
- Knowledge of IFAD country programmes and GEF activities is desirable.
- Fluency in oral and written English is a must.

b. Timeframe

The period of contract will be 14 days spread over one month (19 December 2013 – 10 February, 2014).

Appendix 1

Terminal Evaluation Report Outline

- I. **Project Identification Table:** Identify: (1) Project ID, (2) Title, (3) Location, (4) Start and End Date, (5) Mid-Term Evaluation (if applicable), (6) Executing and Implementing Agencies, and Partners, and (7) Budget;
- II. **Executive Summary** (no more than 3 pages): providing a brief overview of the main conclusions and recommendations of the evaluation;
- III. **Introduction and Background:** giving a brief overview of the evaluated project, for example, the objective and status of activities; The GEF Monitoring and Evaluation Policy, 2006, requires that a TE report will provide summary information on when the evaluation took place; places visited; who was involved; the key questions; and, the methodology;
- IV. **Scope, Objective and Methods:** presenting the evaluation's purpose, the evaluation criteria used and questions to be addressed, the key questions and the methodology;
- V. **Project Performance and Impact:** providing *factual evidence* relevant to the questions asked by the evaluator and interpretations of such evidence. This is the main substantive section of the report. The evaluator should provide a commentary and analysis on all eleven evaluation aspects (A - K).
- VI. **Conclusions and Rating:** of project implementation success giving the evaluator's concluding assessments and ratings of the project against given evaluation criteria and standards of performance. The ratings should be provided with a brief narrative comment;
- VII. **Lessons (to be) Learned:** presenting general conclusions from the standpoint of the design and implementation of the project, based on good practices and successes or problems and mistakes.
- VIII. **Recommendations:** suggesting *actionable* proposals for improvement addressing IFAD and other development partners. *Prior to each recommendation*, the issue(s) or problem(s) to be addressed by the recommendation should be clearly stated.
- IX. **Annexes** should include:
 1. The Evaluation Terms of Reference (**TOR**);
 2. A **list of interviewees**, and evaluation timeline;
 3. A **list of documents** reviewed/ consulted;
 4. Summary of **co-finance information** and a **statement of project expenditure by activity**;
 5. Details of the project's 'impact pathways'; and
 6. The expertise of the evaluator (**brief CV**).

Appendix 2 Project Ratings

The success of project implementation will be rated on a scale from 'highly unsatisfactory' to 'highly satisfactory'. In particular the TE shall assess and rate the project with respect to the following eleven categories (A-K):

1) **Preparation and Readiness:** Were the project's objectives and components clear, practicable and feasible within its timeframe? Were the capacities of executing institution and counterparts properly considered when the project was designed? Were lessons from other relevant projects properly incorporated in the project design? Were the partnership arrangements properly identified and the roles and responsibilities negotiated prior to project implementation? Were counterpart resources (funding, staff, and facilities), enabling legislation, and adequate project management arrangements in place?

2) **Attainment of Objectives and Planned Results:** The TE should assess the extent to which the project's major relevant objectives were effectively and efficiently achieved or are expected to be achieved and their relevance.

3) **Achievement of Outputs and Activities:** Assessment of the project's success in producing each of the programmed outputs, both in quantity and quality as well as usefulness and timeliness. Assess to what extent the project outputs produced so far have the weight of authority / credibility, necessary to influence policy and decisionmakers, particularly at the national or regional levels. Three main criteria that could will be used in a terminal evaluation are:

- Relevance
- Effectiveness
- Efficiency

4) **Stakeholder Participation/ Public Awareness:** This consists of three related and often overlapping processes: (1) information dissemination, (2) consultation, and (3) stakeholder participation.

5) **Implementation Approach and Adaptive Management:** This includes an analysis of the project's management framework, adaptation to changing conditions (adaptive management), partnerships in implementation arrangements, changes in project design, and overall project management.

6) **Monitoring and Evaluation:** The Terminal Evaluation Report (TER) shall include an assessment of the quality, application and effectiveness of project monitoring and evaluation plans and tools, including an assessment of risk management based on the assumptions and risks identified in the project document.

7) **Financial Planning and Control:** The TER of financial planning requires assessment of the quality and effectiveness of financial planning and control of financial resources throughout the project's lifetime. The Review includes actual project costs by activities compared to budget (variances), financial management (including disbursement issues), and co-financing.

8) **Sustainability:** Sustainability is understood as the probability of continued long-term project-derived outcomes and impacts after the GEF project funding ends. The TER will identify and assess the key conditions or factors that are likely to contribute or undermine the persistence of benefits after the project ends. These factors are related to Financial resources; Socio-political framework; Institutional framework, and Environmental framework.

9) **Catalytic Role and Replication:** The catalytic role of the GEF is embodied in its approach of supporting the creation of an enabling environment, investing in activities which are innovative and showing how new approaches and market changes can

work. GEF aims to support activities that upscale new approaches to a national (or regional) level to sustainably achieve global environmental benefits.

10) **Country Ownership/ Drivenness:** This is the relevance of the project to national development and environmental agendas, recipient country commitment, and regional and international agreements.

11) **IFAD Supervision and Backstopping:** The evaluation should assess the effectiveness of supervision and administrative and financial support provided by IFAD.

The following rating system is to be applied (see Appendix 1 for description of each scale point):

- I. HS = Highly Satisfactory
- II. S = Satisfactory
- III. MS = Moderately Satisfactory
- IV. MU = Moderately Unsatisfactory
- V. U = Unsatisfactory
- VI. HU = Highly Unsatisfactory
- VII. NA = Not Applicable

Appendix 3

PROJECT BACKGROUND AND OVERVIEW

Summary

Project Duration:	3 years Effective Date: 13 October 2010 Project Completion Date: 31 Dec 2013 (extended from 30 June 2013) Project Closing Date: 30 June 2014
Project Title:	Promotion of Sustainable Forest and Land Management in the Vietnam Uplands - as part of IFAD Pro-Poor Partnerships for Agroforestry Development Project (3-PAD)
GEFSEC Project ID:	3627
GEF Implementing Agency:	IFAD
GEF Strategic Objectives:	LD SP2; BD SP4; BD SP5
GEF Strategic Programmes:	Land Degradation and Biodiversity
GEF Trust Funds:	USD 654,545
Co-financing:	USD 4,989,500 (IFAD – USD 4,490,000; GoVN – USD 399,500; Beneficiaries – USD 50,000; and ICRAF – USD 50,000)

Project Goal and Objectives

The objective of the overall 3PAD Project is: To promote sustainable forest management land management practices in the Uplands, to provide viable livelihoods alternatives that enhance forest and soil conservation in a sustainable manner, and to support the implementation of the forest land allocation process, while exploring viable livelihood alternatives.

While the 3PAD project will last for 6 years, the GEF support is designed to be for three years, focusing on assessment, capacity building and pilot testing of SLM/SFM and PES options. **The objective of the GEF Grant** is to promote forest and biodiversity conservation and sustainable forest land management practices in selected districts on Bac Kan Province by enhancing capacity and improving community livelihoods.

Global Environmental Objectives

It is envisaged that the following Global Environment Benefits related to biodiversity and land degradation will be secured directly:

- *Reduced pressure and enhanced conservation of biodiversity in protected areas and other high-biodiversity forests:* There is globally significant biodiversity found in the Kim Hy Nature Reserve and Ba Be National Park in the target project districts with many rare threatened and endemic plant and animal species. The project activities will lead to better protection of these forests and the associated species. Project activities will also enhance the conservation of Protection forests, which form important habitats in their own right for biodiversity and also serve as wildlife corridors and/or buffer zone forests linking protected areas together.
- *Enhanced sustainable forest management & biodiversity conservation within production forests (& landscapes):* Production forests in the targeted districts are also important for the conservation of biodiversity of global significance, serving as important habitats in their own right for biodiversity and also serve as wildlife corridors and/or buffer zone forests linking protected areas together. Project activities will enhance the conservation of globally important species and their sustainable use through increasing the area of production forests adopting best practises in sustainable forest management. These practises will also directly reduce problems of land degradation, soil erosion and siltation/flooding of downstream habitats.
- *Improvement in ecosystem functions & services in target areas:* sustainable land and forest management approaches will lead to the restoration and protection of vital ecosystem functions. Project activities aimed at reducing the exploitation of firewood, and the reforestation and rehabilitation of degraded areas will lead to restored soil fertility, reduced erosion, and enhanced vegetative cover. The siltation/flooding of downstream habitats will also be reduced. The aquatic biodiversity of the rivers and waterbodies in the targeted project area includes a number of characteristic and rare fish species - especially in the Ba Be National Park. Project. Work to reduce land degradation and associated siltation in production forests will lead to enhanced conservation of aquatic biodiversity of lakes and water courses especially in the Leng River Basin.

- *Reduction of GHG emissions from land/forest degradation/ land use, land use change and forestry (LULUCF):* Globally an estimated 20% of anthropogenic greenhouse gas emission is from land use, land use change and forestry (LULUCF). Within Vietnam, the LULUCF sector is a significant source of emissions, due to deforestation and land degradation. Enhanced forest and land management in Bac Kan and the targeted districts will reduce the level of emissions both in the project period and the longer term.

Additionally, the project activities will *indirectly* accrue the global environmental benefits of the reduction in alien invasive species through implementation of guidance on plantation and other forestry development activities and reduction of GHG emissions by introducing efficient wood stoves and renewable energy sources.

Project Activities

The 3PAD project comprised of four components, as follows:

- Component 1: Sustainable and Equitable Forest Land Management
- Component 2: Generating Income Opportunities for the Poor
- Component 3: Innovative Environmental Opportunities
- Component 4: Project Management

Below table indicates the specific sub-components where the GEF Grant is supporting activities in the 3PAD project.

Project Components/ Sub-Components	Partly supported by GEF Grant	Funded by 3PAD Loan/ GoVN
Component 1: Sustainable and Equitable Forest Land Management	√	√
Sub-Component 1.1: Forest Land Use Planning and Allocation		√
Sub-Component 1.2: Forest Land Management		√
Sub-Component 1.3: Integrating Ecosystem Conservation into Forest and Land Use Planning	√	√
Component 2: Generating Income Opportunities for the Poor		√
Sub-Component 2.1: Community Driven Technology and Service Development		√
Sub-Component 2.2: Investment for Growth		√
Component 3: Innovative Environmental Opportunities	√	√

Sub-Component 3.1: Forage/ Sustainable Land/ Forest Management	√	√
Sub-Component 3.2: Payment for Ecosystem Services	√	√
Sub-Component 3.3: Pro-poor Ecotourism Development	√	√
Component 4: Project Management	√	√

Planned activities of each component are:

Component 1: Sustainable and Equitable Forest Land Management

○ **Sub-Component 1.3: Integrating Ecosystem Conservation into Forest and Land Use Planning**

- 1.3.1 Rapid Assessment and Environmental Planning: Carry out a rapid assessment of the project districts to identify areas of importance for biodiversity conservation, watershed protection and other environmental services and identify options to address environmental concerns and special mechanisms for forest protection and management.
- 1.3.2 Assessment and development of innovative community-based forest/biodiversity management options. This will involve the review of current experience in Bac Kan and other similar areas in Vietnam related to community based forest/biodiversity management and development of options that can be considered in the preparation of commune and village forest management plans under component 1.2. This information will also be an input into the development of the strategies for the pilot projects for PES under component 3.2 .
- 1.3.3 Outreach/Awareness Activities: Based on the results of Activity 1.3.1 and 1.3.2 training programs will be developed on forest and natural resource management and community development supported by the loan fund; and development of awareness materials on biodiversity, watershed management and environmental services. The training will be implemented through the capacity building programs included under sub-components 1.1 and 1.2 and 2.1.

Component 3: Innovative Environmental Opportunities

○ **Sub-Component 3.1: Forage/ Sustainable Land/ Forest Management**

- 3.1.1 Technical assistance on the assessment of sustainable land and forest management options by international and national specialists.
- 3.1.2 Outreach/ Awareness Programme: Development of SLM/SFM promotional material and special input of SLM/SFM principles in outreach/ awareness activities (integrated with the capacity building activities of Component 1 and 2).
- 3.1.3 Testing and Demonstration of SLM/ SFM Activities:
 - Special input to SLM/SFM demonstration activities (implementation of these options on a larger scale is linked to the availability of funds via the community development fund under Component 2).
 - Development of best management practices for the 3 forest types – special use forests, protection and production forests and promotion of community forest stewardship to implement these principles.

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- Demonstrating the importance of NTFP as a source of income – this includes activities such as bamboo production, mushroom cultivation and other suitable activities.

3.1.4 Promotion/ Implementation of Forage/ Sustainable Land/ Forest Management Options:

- Development of promotional materials.
- Promotion of farmer interest groups.
- Implementation of forage/ sustainable land/ forest management: This will include the development of community-based tree nursery to provide seedlings for sloping land management and forage trees and other options identified under SLM/ SFM management techniques.

3.1.5 Bio-energy Development: Review of environmental and economic feasibility of options to make more effective use of bio-energy options. The options include fuel-efficient stoves, pilot testing of jatropha, biogas, woodlots etc. The final selection of the options to be considered further will be determined at the start-up phase of the project.

○ **Sub-Component 3.2: Payment for Ecosystem Services (PES)**

3.2.1 Technical Assistance: Assessment of PES options and design of the proposed PES pilot areas.

3.2.2 Capacity Building: Development of PES policy guidelines, training and development of awareness materials (integrated with the capacity building activities of Component 1).

3.2.3 Testing of PES at Proposed Pilot Sites: Pilot testing and pilot projects; and review of pilot testing and recommendations for upscaling PES.

○ **Sub-Component 3.3: Pro-poor Ecotourism Development**

3.3.1 Technical assistance towards the development of a Pro-Poor Ecotourism Development strategy and a review of the implementation of this strategy at mid-point of the project.

3.3.2 Implementation of Pro-Poor Ecotourism Development Strategy at Ba Be Lake to ensure community involvement in pro-poor eco-tourism development.

3.3.3 Capacity Building: Development of the capacity of the local community (particularly those close to Ba Be NP) towards providing ecotourism services for visitors, training activities and development of promotional material.

3.3.4 Support for implementing the recommendations from review of the pro-poor ecotourism development strategy at mid-point of the project.

Component 4: Project Management

4.1 Technical support by the Monitoring and Evaluation Expert.

4.2 Technical support by the Environment Protection Officer.

4.3 Environmental Training for Project Staff/ Partnerships.

4.4 Environmental Monitoring.

4.5 Project management and reporting