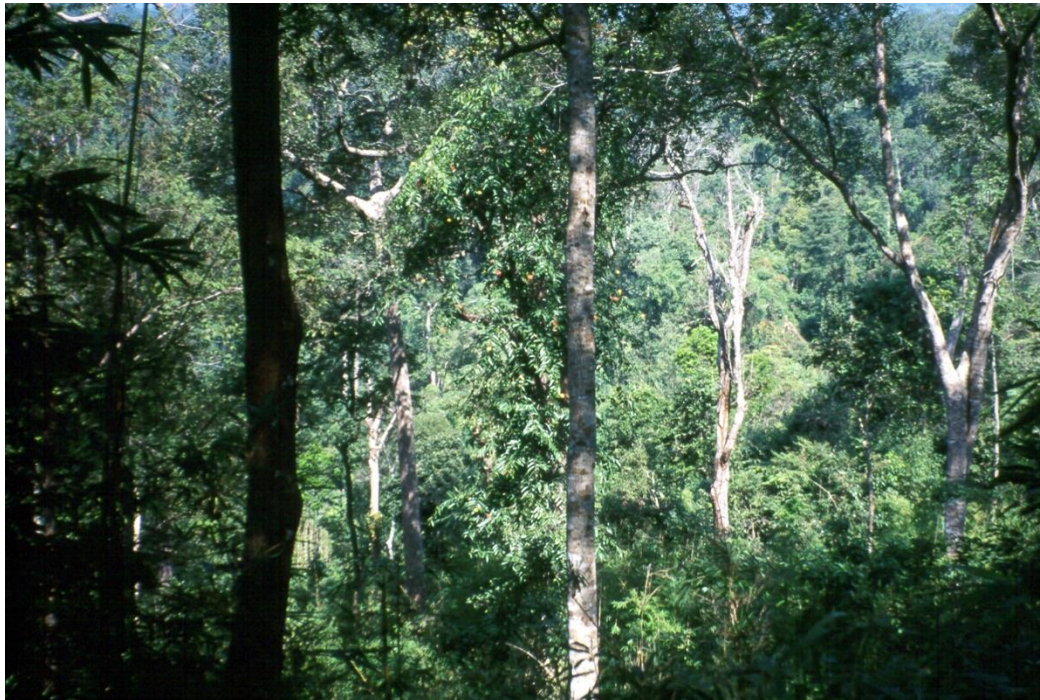


Ministry for Foreign Affairs of Finland

# FINAL EVALUATION REPORT



December 2019

FCG International Ltd

Synthesis Evaluation of  
the projects

Technical Assistance  
Scaling-up Participatory  
Sustainable Forest  
Management Project  
(SUFORD-SU)

and

Strengthening National  
Geographic Services in  
Lao PDR (SNGS)  
and its extension phase  
(SNGS-EP)

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## ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AF	Additional Financing
AIT	Asian Institute of Technology
ASEAN	Association of Southeast Asian Nations
BCR	Borrower’s Completion Report
C&I	Criteria and Indicators
CAP	Community Action Plan
CAT	Convention Against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment
CBD	Convention on Biological Diversity
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEF	Community Engagement Framework
CERD	International Convention on the Elimination of All Forms of Racial Discrimination
CESCR	International Covenant on Economic, Social and Cultural Rights
CCPR	International Covenant on Civil and Political Rights
CDP	Committee for Development (of United Nations)
CRC	Convention on the Rights of Child
CRILNR	Centre for Research and Information on Land and Natural Resources
CRPD	Convention on the Rights of Persons with Disabilities
CSD	Commission on Sustainable Development
CSO	Civil Society Organization
CTA	Chief Technical Adviser
DAEC	Department of Agriculture Extension and Cooperatives; see DTEAP
DAFO	District Agriculture and Forestry Office
DEQP	Department of Environmental Quality Promotion
DESIA	Department of Social and Impact Assessment
DFRM	Department of Forest Resource Management
DIMEX	Department of Import and Export
DoERA	Department of Ethnic and Religious Affairs
DoF	Department of Forestry
DOFI	Department of Forest Inspection; also, District Office for Forest Inspection
DOI	Department of Inspection
DONRE	Provincial Department of Natural Resources and Environment
DPC	Department of Planning and Cooperation
DTEAP	Department of Technical Extension and Agro-Processing
DWR	Department of Water Resources
EAI	Environmental Assessment and Impact
EIA	Environmental Impact Assessment
ECOSOC	Economic and Social Council of the United Nations
EEP	Energy and Environment Partnership
EMSP	Environment Management Support Programme
EQ	Evaluation Question

ESIA	Environmental and Social Impact Assessment
EU	European Union
EUR	Euro
FCG	Finnish Consulting Group
FCPF	Forest Carbon Partnership Facility
FGD	Focus Group Discussion
FIP	Forest Investment Programme
FLE	Forest Law Enforcement
FLEGT	Forest Law Enforcement, Governance and Trade
FLM	Forest Landscape Management
FMA	Forest Management Area
FIM	Finnish markka
FINNIDA	Finnish International Development Agency
FMU	Forest Management Unit
FOMACOP	Forest Management and Conservation Project
FPIC	Free Prior Informed Consent
FRA	Forest Resource Assessment
FREL	Forest Reference Emission Level
FRL	Forest Reference Level
FSC	Forest Stewardship Council
FSIS	Forestry Sector Indicator Survey
FY	Fiscal Year
GDI	Gender Development Index
GDP	Gross Domestic Product
GEF	Global Environment Facility
GET	Global Environment Trust Fund
GIS	Geographic Information System
GIZ	German Agency for International Cooperation (previously GTZ)
GMS	Greater Mekong Sub-Region
GNI	Gross National Income
GoF	Government of Finland
GoL	Government of Lao PDR
GoV	Government of Vietnam
HDI	Human Development Indicator
HRBA	Human Rights Based Approach
ICI	Institutional Cooperation Instrument
ICR	Implementation Completion Report
IDA	International Development Agency
IEG	Independent Evaluation Office (of WB)
IFC	International Financing Corporation
IFF	Intergovernmental Forum of Forests
IOM	International Organization for Migration
IPF	Intergovernmental Panel of Forests
IR	Inception Report
ITTA	International Tropical Timber Agreement
IUCN	International Union for Conservation of Nature

JFM	Joint Forest Management
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
LAK	Lao Kip
LDC	Least Developed Countries
LFND	Lao Front for National Development
LFNR	Lao Front for National Reconstruction; see LFND
LWU	Lao Women’s Union
MAF	Ministry of Agriculture and Forestry
MDG	Millennium Development Goal
MFA	Ministry for Foreign Affairs
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoIC	Ministry of Industry and Commerce
MoNRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MRC	Mekong River Commission
MTR	Mid-Term Review
NAFES	National Agriculture and Forestry Extension Service
NAFRI	National Agriculture and Forestry Institute
NBCA	National Biodiversity Conservation Area
NCAW	National Committee for the Advancement of Women
NDC	Nationally Determined Contribution
NFMS	National forest monitoring system
NESAP	National Strategy on Environment until the Year 2020 and the Action Plan for the years 2006-2010
NFI	National Forest Inventory
NGD	National Geographic Department
NGO	Non-Governmental Organization
NGS	National Geographic Strategy
NHDR	National Human Development Report
NLMA	National Lands Management Authority
NPA	Non-Profit Association
NPM	National Project Manager
NPMO	National Project Management Office
NPSC	National Project Steering Committee
NREI	Natural Resources and Environment Institute
NRES	Natural Resource and Environment Strategy 2025
NSDI	National Spatial Data Infrastructure
NSEDP	National Socio-Economic Development Plan
NTFP	Non-Timber Forest Product
OECD/DAC	Organisation for Economic Co-operation and Development / Development Assistance Committee
PAD	Project Appraisal Document
PAFO	Provincial Agriculture and Forestry Office
PDO	Project Development Objective

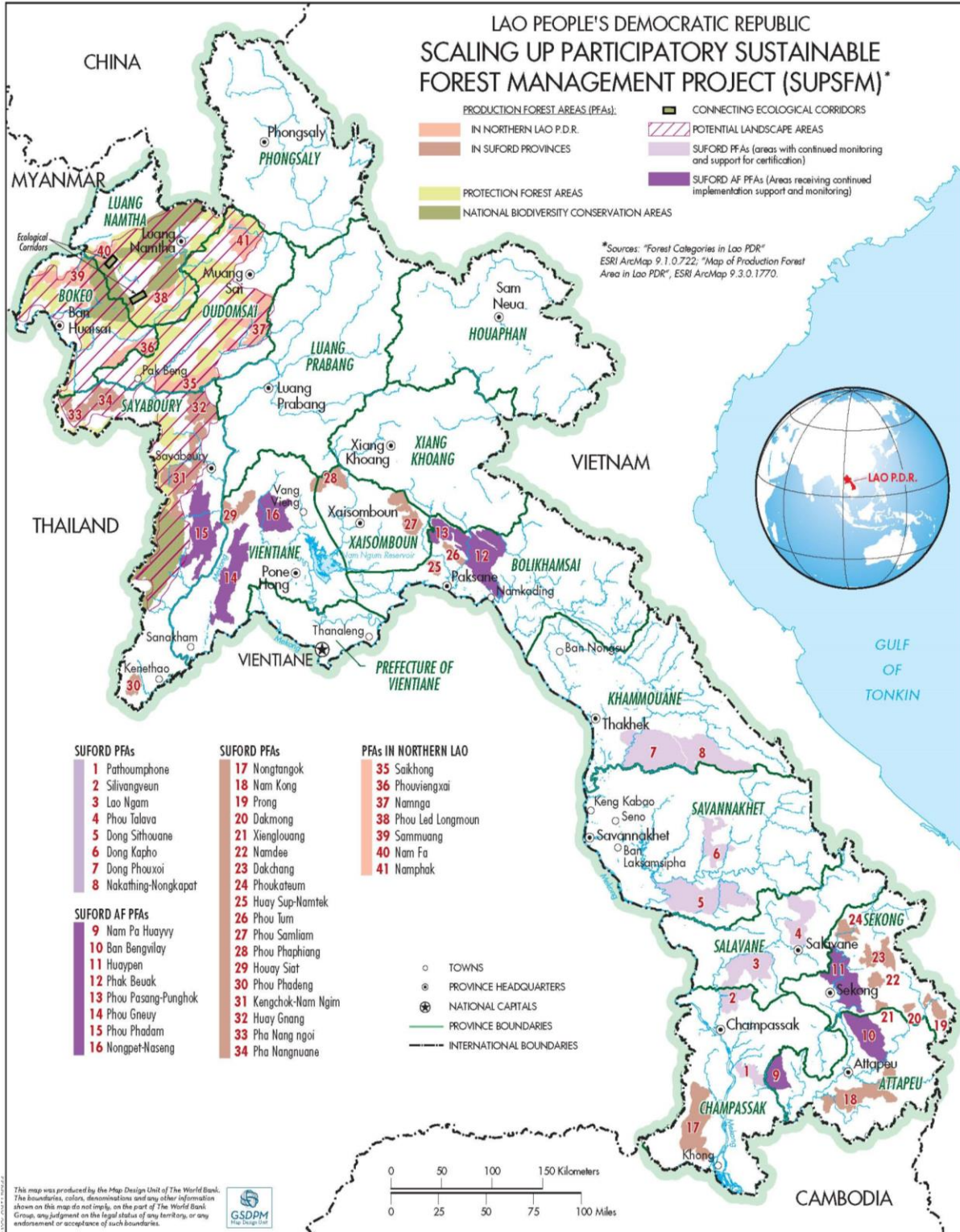


PES	Payment for Environmental Services
PFA	Production Forestry Area
POFI	Provincial Office for Forest Inspection
PDO	Project Development Objective
PDR	People's Democratic Republic
PFA	Production Forest Area
PFS	Provincial Forestry Section
PHRD	Policy and Human Resource Development
PM	Prime Minister
PMO	Prime Minister's Order
PPAR	Programme Performance Appraisal Report
PSFM	Participatory Sustainable Forest Management
PWREO	Provincial Office for Water and Environment
R-PP	Readiness Preparation Proposal
RECOFTC	The Center for People and Forests
REDD+	Reduced Emissions from Deforestation and Forest Degradation
SAR	Staff Appraisal Report
SDC	Swiss Agency for International Development and Cooperation
SDG	Sustainable Development Goal
SEA	Strategic Environmental Assessment
SFM	Sustainable Forest Management
SMC	Surveying and Mapping Centre
SNGS	Strengthening National Geographic Services in Lao PDR
SNGS-EP	Strengthening National Geographic Services in Lao PDR, Extension Phase
SPIRIT	Smart Phone Information Reporting and Intelligence Tracking System
STEA	Science, Technology and Environment Agency
STEPP	Strategic and Tactical Enforcement Patrol Programme
SUFORD	Sustainable Forestry and Rural Development Project
SUFORD-AF	Sustainable Forestry and Rural Development Project Additional Financing Project
SUFORD-SU	Scaling-up Participatory Sustainable Forest Management Project
SUPSFM	see SUFORD-SU
SWOT	Strengths, Weaknesses, Opportunities and Strengths
TA	Technical Assistance
TFAP	Tropical Forestry Action Plan
ToR	Terms of Reference
ToT	Training of Trainers
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention to Climate Change
UNFF	United Nations Forum on Forests
USD	United States dollar
UXO	Unexploded Ordnance
VF	Village Forestry
VFO	Village Forestry Organization

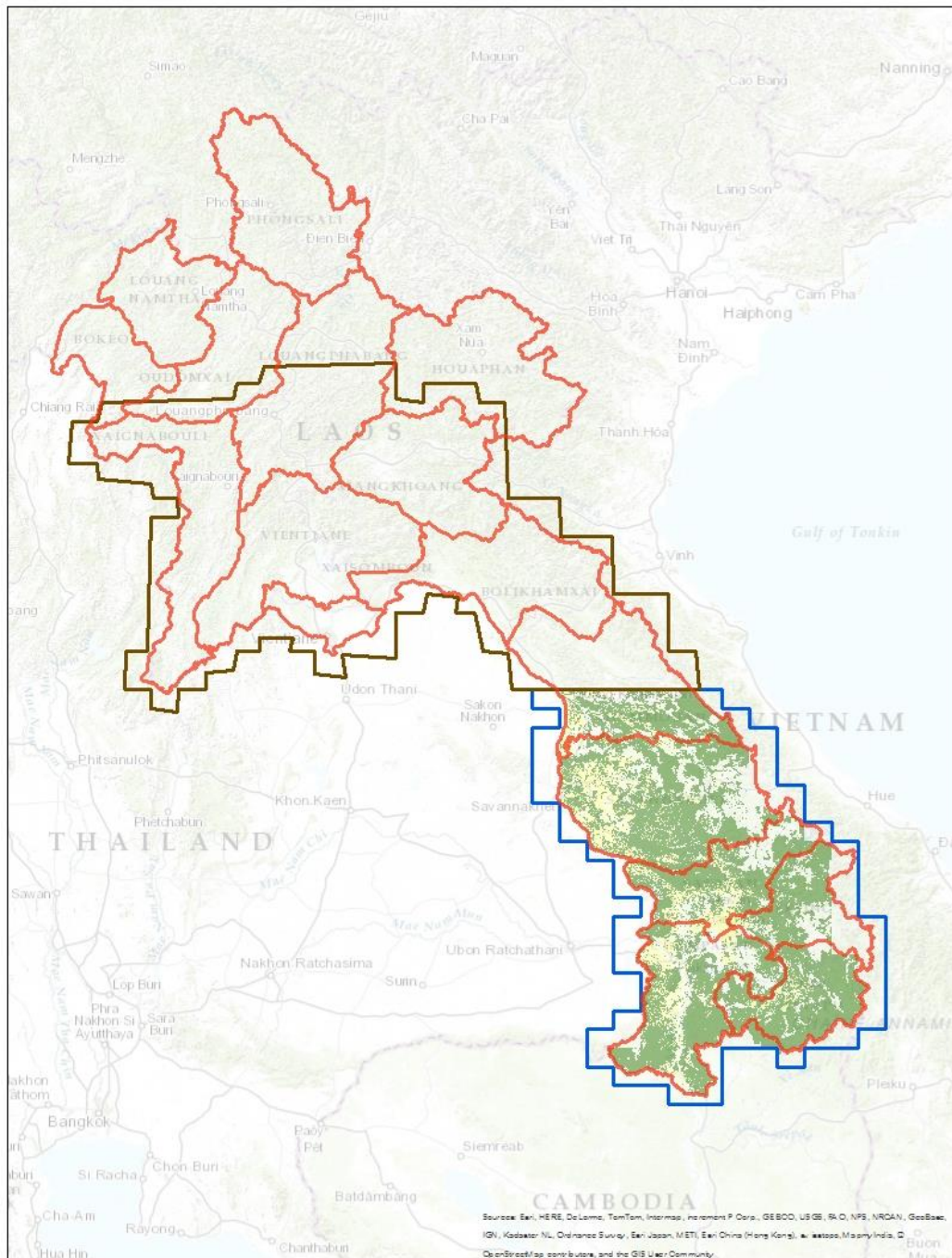
VFLC	Village Forestry and Livelihood Committee
VFMP	Village Forest Management Plan
VLD	Village Livelihood Development
VLDG	Village Livelihood Development Grant
VPA	Voluntary Partnership Agreement
WB	The World Bank
WREA	Water Resources and Environment Administration
WSSD	World Summit on Sustainable Development
WWF	World Wide Fund for Nature

## MAPS

### SUFORD-SU Working area 2013-2019 (SUFORD-SU 2017)



**SNGS and SNGS-EP aerial photography, orthophotos and topographic maps area**  
(Source: SNGS-EP Project Document 2015)



## EXECUTIVE SUMMARY

### Introduction and objectives

This **Final Evaluation Report presents the results of the Synthesis Evaluation of the forestry and mapping projects that were implemented in Lao PDR with financial support from Government of Finland (GoF), namely the *Technical Assistance Scaling-up Participatory Sustainable Forest Management Project (SUFORD-SU) and Strengthening National Geographic Services in Lao PDR (SNGS) and its extension phase (SNGS-EP)***". The Ministry for Foreign Affairs, Finland (MFA) commissioned the evaluation from FCG International Ltd, Finland in February 2019. The Final Evaluation Report was submitted to Ministry for Foreign Affairs, Finland (MFA) in early December 2019.

**The key objectives of the evaluation** were to provide (i) independent and objective evidence on the achieved results of two projects (SUFORD-SU and the SNGS/-EP) and their sustainability, and (ii) an overall view of the Finnish support to the forestry sector in Lao PDR. The parallel financing set-up with financing from the Government of Finland (GoF), the World Bank (WB) and the Government of Lao PDR (GoL) that was applied in the forestry projects was of specific interest. Four other projects were included in the ToR for the purposes of drawing a synthesis of the long-term Government of Finland support to Lao PDR, particularly in the forestry sector, and learning lessons from all projects.

**The context analysis** begins with a discussion of key policies that have influenced the governments and development partners globally over a time span of 25 years and a description of country context in Lao PDR. Despite many conducive policies and the commitments made by the Government of Lao PDR to conservation of biodiversity and sustainable management of forests, changes in forest cover and condition have not been positive in the recent decades. Also, the forestry sector contribution to the Gross Domestic Product (GDP) of Lao PDR has diminished. The development policies of Government of Finland reflect a constant commitment to poverty reduction, gender and social equality, human rights as well as a concern for the environment. Finland has consistently emphasised the sustainable and democratic governance of forests and the just distribution of forest-based benefits to alleviate poverty.

The **partnership between Government of Finland, the downstream countries and regional actors in the Mekong region started in 1987**. The first forestry sector project in Lao PDR, Forest Management and Conservation Projects (FOMACOP), was initiated in the first half of 1990s. From 2010 onwards, SUFORD-SU, SNGS/-EP and the Environmental Management Support Programme (EMSP) were the main bilateral projects supported in Lao PDR. In 2015, a new coalition government that took office in Finland made significant cuts to the development cooperation budget. As a result, MFA stopped the planning of any new projects in the Mekong region. Support to the Technical Assistance (TA) component of the SUFORD-SU continued but only until the end of June 2017. This then became the closing date of Government of Finland support to SUFORD-SU. It also marked the closing down of the bilateral project partnership between the two governments. The other two bilateral projects, EMSP and SNGS-EP had already closed down in 2015.

### Forestry projects jointly supported by GoF and WB

During 1995-2017 Government of Finland financed four forestry projects that were implemented in partnership with the World Bank and Government of Lao PDR. **Forest Management and Conservation Project (FOMACOP, 1995-2001)** was the first in the series. FOMACOP was initially designed to address a number of forestry sector issues that contributed to the deforestation and degradation of forests and to the loss of forest biodiversity. The main implementing partner was the Department of Forestry (DoF) under Ministry of Agriculture and

Forestry (MAF). The Department of Forestry staff at central, provincial and district levels and forest dependent communities in Khammouane and Savannakhet were the project beneficiaries.

**Sustainable Forestry and Rural Development Project (SUFORD 2003-2008)** was designed to assist GoL in achieving sustainable management of production forests with community participation with the ultimate aim to alleviate rural poverty. This was to be supported by reforming forest sector policies and legal frameworks. SUFORD worked in eight production forests in four southern provinces (Khammouane, Savannakhet, Salavan and Champassak). The main beneficiaries were villagers living nearby the Production Forest Areas (PFAs) and the Government of Lao PDR. District, provincial and national forestry, rural development and other government staff were among the direct beneficiaries. The implementing agency of SUFORD was the National Agriculture and Forestry Extension Service (NAFES) under MAF.

In 2008, GoL requested additional financing from the partners based on the achievements of SUFORD and the desire to expand the practice of Participatory Sustainable Forest Management (PSFM) to the next batch of priority provinces. **The Sustainable Forestry and Rural Project Additional Financing (SUFORD-AF)** was implemented during 2009-September 2013. The project management responsibility was transferred to the Department of Forestry. PSFM implementation was expanded to eight more PFAs in five provinces of Xayabouly, Vientiane, Bolikhamxay, Xekong, and Attapu bringing the total number of PFAs supported to 16 and number of provinces worked to eight.

**Scaling-up Participatory Sustainable Forest Management Project (SUFORD-SU 2013-2019, with Finland TA funding until June 2017)** was designed to build and expand on progress achieved in implementing participatory approaches to sustainable forest management under the previous SUFORD projects. The overall objective of SUFORD-SU was re-phrased to consist of a climate change related dimension by addressing the execution of Reducing Emissions from deforestation and forest degradation (REDD+) activities and by incorporating a landscape management component. Initially, the main implementing partners at the national level were the Department of Forestry and Department of Agricultural Extension and Cooperatives (DAEC), both under MAF, and Department of Forest Resource Management (DFRM) under Ministry of Natural Resources and Environment (MoNRE). At the province and district level, main partners were Provincial Agriculture and Forestry Office (PAFO), District Agriculture and Forestry Office (DAFO), Provincial Office for Forest Inspection (POFI) and District Office for Forest Inspection (DoFI). In 2016, the mandate for management of all forests was returned to MAF and the newly structured Department of Forestry assumed the role of main implementing partner of SUFORD-SU. Support to 25 new PFAs was included in the design of SUFORD-SU bringing the total number of PFAs supported by SUFORD projects to 41<sup>1</sup>. Three more provinces were added to the working area (Bokeo, Luangnamtha and Oudomxai) which meant that in PFSM the project worked in 13 provinces. Department of Forest Inspection implemented Forest Law Enforcement component in all 18 provinces of Lao PDR.

**Expenditure summary:** The total Government of Finland contribution to these four forestry projects was approximately EUR 33 million during 1995-2017. The GoF contribution to the three SUFORD projects was EUR 27.2 million during 2003-2017. During 1995-2019, the total expenditure of all four projects (including FOMACOP) is estimated to stand at USD 99.1 million (see Table below). The expenditure from donor funds approximates a 60-40 split between the different funds managed by the World Bank and the Government of Finland allocation.

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<sup>1</sup> Eventually, 40 PFAs were part of the working area of SUFORD-SU. Work was not possible in one PFA for security reasons.

*Table 1. Expenditure (USD) of FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU, 1995-2019*

Project	Total expenditure, million USD						Comment
	WB (IDA)	WB (GET)	WB (FIP)	GoF	GoL	Total	
FOMACOP <sup>a</sup>	2.5	4.46		5.38	0.54	<b>12.88</b>	
SUFORD <sup>b</sup>	10.66			10.1	0.43	<b>20.81</b>	
SUFORD-AF <sup>c</sup>	10.53			14.72		<b>26.25</b>	Contains also USD 0.5 of PHRD funds
SUFORD-SU <sup>d</sup>	17.96		12.83	9.0	n/a	<b>39.79</b>	No data on GoL expenditure
<b>Total</b>	<b>41.65</b>	<b>4.46</b>	<b>12.83</b>	<b>39.2</b>	<b>0.97</b>	<b>99.11</b>	
<b>% of expenditure</b>	<b>42.02</b>	<b>4.50</b>	<b>12.95</b>	<b>39.55</b>	<b>0.98</b>	<b>100.0</b>	

References: <sup>a</sup> ICR of FOMACOP (WB 2001), <sup>b</sup> BCR of SUFORD (MAF/DoF/SUFORD 2009), <sup>c</sup> BCR of SUFORD-AF (MAF/DoF/SUFORD-AF 2013), <sup>d</sup> Finland TA Completion Report and WB ISRR (SUFORD-SU 2017, WB 2019d)

**Parallel financing arrangement:** Starting from FOMACOP, the contributions of two financing partners, World Bank (WB, representing IDA and other funds) and MFA (representing GoF), have been separate from each other. WB financing has been allocated to operational activities and has essentially met all the activity costs during SUFORD projects. GoF financing managed by MFA has been mainly targeted to Technical Assistance and has been complementary to WB funding. Respectively, two separate agreements were made with the Government of Laos for each project. WB and GoL made grant agreements<sup>2</sup> for the management of the operational funds. GoF and GoL entered into intergovernmental agreements to finance the TA component of the projects. The main GoL implementing partner was responsible for managing the WB funds. The GoF funds were managed by the company that had the contract with MFA for providing the TA services.

### **Forestry projects: Key Findings and Conclusions on Evaluation Issues**

**Relevance:** SUFORD-SU as well as the projects preceding it have been relevant to the policy objectives of Governments of Lao PDR and of Finland, demonstrating a long-term sustained commitment to improving the management of production forests in Lao PDR in environmentally, socially and economically sustainable ways. All these elements contribute also to the objectives of the GoF development policies, however, the GoF priorities and objectives with respect to cross-cutting objectives and human rights based approach have not been equally well addressed during SUFORD-SU.

The projects have served as an incubator for development of landmark new policies and legislation in production forest management in Lao PDR. The system of Participatory Sustainable Forest Management in Production Forest Areas has emerged from the experiences of FOMACOP and from the policy dialogue that followed in 2001 and 2002. However, the relevance (as well as effects and impacts) of SUFORD-SU has suffered from the impacts of Prime Minister's Order 31 (2013) on suspension of logging in PFAs.

The SUFORD projects have intended to produce benefits to two main categories of project beneficiaries, namely the communities living in or near the PFAs and the government

<sup>2</sup> Development credit agreement was made for SUFORD.

organizations responsible for management of production forests and forest law enforcement. While the projects have been relevant to the rural communities and have addressed their needs, the scope of SUFORD-SU demonstrates a decreasing emphasis on rural extension services.

**Impact:** The development, piloting and near nationwide implementation of the Participatory Sustainable Forest Management model is the most significant impact of the SUFORD projects. The cumulative area covered by the SUFORD projects is nearly 2.3 million hectares which represents 73% of the production forest area in Lao PDR. SUFORD-SU was active in 1078 villages. SUFORD-SU has supported Forest Law Enforcement activities in all 18 provinces. Piloting of Forest Landscape Management was started in over 3 million ha of forest land.

However, the PFAs are still not managed sustainably because timber harvesting and sales has not been possible during SUFORD-SU. The original vision of SUFORD (shared by the successive SUFORD projects) of village-based forest management benefiting both rural communities, and the Government, through more efficient collection of royalties and taxes, improved forest protection and sustainable management, and enhanced economic development has not been realized as expected. The introduction of the national logging ban (2013) erodes the Government's support to PSFM.

The SUFORD projects in general, and SUFORD-SU especially, have slowed down deforestation in the PFAs compared to a no-SUFORD scenario. The special assessment of forest loss conducted by SUFORD-SU in 2018 found that loss of forest cover in PFAs had reduced from 0.30%/year 2010-2015 to 0.18%/year 2015-2017 and in reference areas adjoining PFAs from 0.52%/year to 0.19%/year. However, deforestation has remained a problem, also in the PFAs. There are at least 650 000 ha of seriously degraded forest land within the PFAs. According to the Forest Investment Programme study on SUFORD-SU, only 260 000 ha of good quality forests remain in the PFAs.

The donor-supported village local development funds have generated the main poverty reduction impacts of SUFORD projects, SUFORD-SU included. During SUFORD-AF and SUFORD-SU almost 40 000 households received Village Local Development (VLD) grants. This translates to more than 200 000 VLD grant beneficiaries.

The assessment made by SUFORD-SU on poverty impacts in project villages suggest that villagers receiving VLD Grants were better off than those not receiving support. However, no harvesting of timber from the PFAs and consequently no income from sustainable forest management has been available to the Government or to the communities after 2011.

**Effectiveness:** SUFORD-SU has met the Project Development Objective targets of the project results framework. For example, SUFORD-SU has made significant contributions to enhancing carbon storage in the forests. The project estimated that by 2019 the enhanced carbon storage from improved forest protection and restoration and from reduced emissions from deforestation and forest degradation was over 1 800 000 tCO<sub>2</sub>e.

The project has also delivered many important outputs to policy and legal development in the forestry sector, but the extent to which SUFORD-SU can be credited for the changes is not easy to assess because many other actors have contributed to the processes over the years (e.g. EU, JICA, KfW and WB). Forest law enforcement outcomes have also improved, although other factors and actors have also contributed to it.

The role of SUFORD projects in the capacity development has been pivotal. Government staff capacities have improved in e.g. developing forest management plans, forest certification, village forestry, forest cover assessments, forest inspection, and forest landscape planning. The trained staff members on all government levels have developed sufficient capacities to undertake routine tasks. The villagers have been trained to manage their development projects, but more training



would be needed both in fund management and in technical skills related to the ongoing livelihood schemes.

Forest management plans were prepared for all supported PFAs and the plans in the PFAs supported by SUFORD were updated. Progress was made with forest certification (total area certified 108 408 ha in May 2019). However, these constitute examples of results that have been developed with SUFORD-SU resources but are not fully used or not used at all due to the logging ban.

The role of TA has been crucial to capacity building in SUFORD projects. In their respective area of expertise, each TA team member has provided inputs to the design and development of new methods, guidelines and tools, and design and implementation of training packages.

**Efficiency:** The expenditure of three SUFORD projects (2003-August 2019) stands at approximately USD 86 million in total. This represents a sizable partner investment to the forestry sector development in Lao PDR. SUFORD-SU was the costliest among the three SUFORD projects. Total expenditure had climbed USD 39.8 million by August 2019, out of which WB (IDA & FIP) expenditure USD 29.8 million and GoF expenditure USD 9.0 million.

SUFORD-SU is considered financially inefficient because of the impact of the logging ban. The intended flow of benefits has not been achieved but the project costs have remained as originally planned (IDA & FIP funding). Some other inefficiencies slowed down delivery of outputs of SUFORD-SU. Although project coverage expanded both geographically and thematically, the TA inputs for SUFORD-SU were much less than during SUFORD-AF (particularly national long-term TA experts). Also, insufficient numbers and inexperience of Government staff contributed to some inefficiencies in project implementation.

**Sustainability:** If donor support is withdrawn, all results supported by SUFORD-SU would not be sustainable. Activities that were initially developed either during SUFORD, as is the case with forest management or during SUFORD-SU as is the case with forest law enforcement are considered sustainable. However, for some activities started during the last phase, such as forest landscape management and village forestry, the implementation period has been too short, and although capacities have been built, the beneficiaries (both government staff and villagers) struggle to carry on independently.

The sustainability of village livelihood development activities is another concern. The different studies conducted by the project in 2018-2019 in preparation of the draft Borrower's Completion Report (BCR) and observations of the Synthesis Evaluation made during the field visits point to the same direction: at the community level the capacities in sustainable forest management have not developed adequately – for lack of opportunities to practice PSFM fully.

The most frequently cited sustainability concern among the Government partners was "lack of funding" – staff at national, provincial and district level shared a concern that with the current level of recurrent funding, the resources would not be adequate to maintain the activities at the level that has been supported by IDA and FIP funding. This is in stark contrast with the potential that the Production Forest Areas have, even in their current degraded form, to contribute to sustainable financing of PFA management. A study conducted by SUFORD-SU in 2019 reveals that if harvesting in the PFAs were resumed, the revenues from PFAs would provide the Government with the basic funding to continue operations and activities in PSFM, as well as a small but consistent annual income to all communities living in or near PFAs.

**Added value:** The main added value of SUFORD projects is the innovative model of parallel financing and the WB-GoF partnership that sustained itself through several projects. The complementarities between the two donor partners are evident and stem from the clear division of resources that has been maintained throughout the years. Indeed, one of the strengths of the parallel financing arrangement is clarity on inputs and roles, with no overlaps in the financial

packages. The use of resources was coordinated through the organizational and management structures described in the Project Appraisal Documents (PADs), with joint supervision missions serving as an important coordination mechanism.

Interestingly, no legal agreements existed between MFA and WB for SUFORD projects. The collaboration between donor partners started through exchange of letters and was successfully carried out on an informal basis between the partners for more than 20 years. Informal basis is, however, an uncertain basis. The fact that there was no agreement between MFA and WB made the ultimate flexibility – early exit – possible in 2017.

Compared with a situation where either partner would have worked in the forestry sector in Lao PDR alone, the merits of the parallel financing are many: a coalition of like-minded donors carries more weight than any donor alone, the World Bank grants for operational resources have made it possible to expand the project activities to a national scale, and the flexible availability of MFA funds has allowed the SUFORD projects to stay operational even at times when the WB funds were either not yet available or not anymore available. For a small donor, there is also merit in increased visibility: through provision of a parallel TA package, inputs from MFA and GoF have been independently recognized.

**Coordination, complementarity and coherence / aid effectiveness:** The relationship between the GoF-funded projects (SUFORD-SU, SNGS/-EP and EMSP) was more of co-existence than complementarity and collaboration. The projects were designed independently from each other. Implementation arrangements led the projects to operate without close coordination or collaboration with each other. The Synthesis Evaluation considers this also an outcome of the fact that due to the absence of an Embassy of Finland in Lao PDR, the projects were coordinated from the Embassy in Bangkok and later from Hanoi. This has obviously put limitations on the effective Embassy involvement in e.g. sector dialogue and coordination. The project designs of SUFORD projects indicate a strong ownership and alignment to GoL priorities. Project implementation arrangements build on the use of local systems.

### OECD/DAC ratings on Evaluation Issues

The findings of the Synthesis Evaluation of the overall performance of SUFORD-SU under each OECD evaluation criteria are summarized using a four-level grading system: (4/green = very good), (3/yellow = good), (2/orange = problems) and (1/red = serious deficiencies). The ratings for SUFORD-SU are presented in the table below.

Project and Evaluation Issue	Colour	Qualitative
<b>SUFORD-SU:</b>		
Relevance	Yellow	Good (3)
Impact	Orange	Problems (2)
Effectiveness	Orange	Problems (2)
Efficiency	Yellow	Good (3)
Sustainability	Orange	Problems (2)
Added value	Green	Very good (4)
Coordination, complementarity and coherence / aid effectiveness	Yellow	Good (3)

### Strengthening National Geographic Services (SNGS 2010-2014) and its extension phase (SNGS-EP 2014-2015): Key Findings and Conclusions on Evaluation Issues

The Government of Finland supported this project with implementation funds and technical assistance. Main objective of the SNGS and SNGS-EP were to cover Lao PDR with nation-wide geospatial data, consisting of ortho-photos and of topographic maps at 1:50 000 scale and to

establish a National Spatial Data Infrastructure, composed of technologies, data, regulations and institutional arrangements.

Main implementing institution was the National Geographic Department (NGD) under the Ministry of Home Affairs (MoHA) together with the Survey and Mapping Centre (SMC). Initially the SNGS covered the South of Laos but extended further to cover central Laos. Plans to expand to the North of the country during the SNGS-EP were not successful. The extension phase was a short extension to complete outstanding technical work and consolidate achieved results.

The SNGS project was very effective in producing aerial photography, ortho-photomaps and topographic data and put a strong emphasis on training all required technical tasks. It was instrumental in providing the NGD with necessary equipment and skills to expand and densify the national geodetic network. The project managed to activate a National Geographic Information System (GIS) Committee to promote national mapping and database standards, data exchange, and to influence policy making. High levels of technical expertise are still available today at the NGD. During the extension phase (SNGS-EP) focus shifted to institutional aspects, including high-level meetings with GoL to promote NGD as a coordinator of geospatial data. The project was less effective in establishing all elements of the planned National Spatial Data Infrastructure (NSDI). Possible impacts are restricted to immediate purpose-level impacts, e.g. increased technical capacity of NGD. There are no direct impacts on poverty reduction.

Achieved results are still sustainable with technical skills available at the NGD, geospatial data still accessible, and technical equipment in good working order. Institutionally and financially the results are not sustainable. NGD strategic plan was not institutionalized.

In terms of efficiency, the SNGS was particularly efficient in producing aerial photography, allowing an expansion from savings and unused, reallocated budgets still during the initial project period. Production of topographic maps was less efficient and could not be completed as planned during the extension phase. Remaining work was later completed by the NGD under Government of Vietnam (GoV) funding.

The SNGS project has provided the GoL with highly relevant and important base data, which form the basis for informed and evidence-based decisions for national or sectoral development. Main limitation of the SNGS was its technology-oriented project design.

The Synthesis Evaluation summarizes the overall performance of SNGS and SNGS-EP under each OECD evaluation criteria using a four-level grading system: (4/green = very good), (3/yellow = good), (2/orange = problems) and (1/red = serious deficiencies). The combined ratings for SNGS and SNGS-EP are presented in the table below.

<b>Project and Evaluation Issue</b>	<b>Colour</b>	<b>Qualitative</b>
<b>SNGS and SNGS-EP:</b>		
Relevance	Yellow	Good (3)
Impact	Orange	Problems (2)
Effectiveness	Yellow	Good (3)
Efficiency	Yellow	Good (3)
Sustainability	Orange	Problems (2)
Added value	Orange	Problems (2)
Coordination, complementarity and coherence / aid effectiveness	Orange	Problems (2)

**Benchmarking:** The comparative analysis of the different implementation approaches of the three Finland-funded projects SUFORD-SU (TA component), SNGS and EMSP aims at drawing conclusions and lessons as to which approach yielded better or more sustainable results. It appears that the implementation approach of (i) fully involving the implementing institutions and using their systems, accompanied by (ii) building managerial and non-technical capacity

and (iii) positively influencing the high-level policy and legal framework has been rather successful. The development of project specific systems, approaches or standards stand a higher chance of being maintained and ultimately becoming sustainable, if aligned to international best practices or international standards and regulations. One potential lesson to be drawn from the comparison of capacity building approaches is that projects with a wider capacity building scope, i.e. addressing also institutional capacity issues, not merely technical training, may stand a better chance of making their achievements sustainable and streamlined into the recipient institutions.

**Lessons learned:** One of the key lessons of the Synthesis Evaluation is that institutional development is crucial to the sustainability of achieved results. The example of the SNGS has shown that the absence of any institutional development puts the good results otherwise achieved at risk. At the same time, the SNGS is also a proof that capacity building, whether technical or non-technical, is crucial and across the board highly valued by the recipient institutions. Equally, development interventions, no matter how successful they were as projects, need assurance of national government funding (recurrent funding). Extending donor support without clear signals of governments willing to shoulder the task cannot be successful in the long run.

## **Recommendations**

The Final Report of the Synthesis Evaluation provides ten key recommendations, as follows:

### **Recommendations to MFA**

(1) Development support to cross-sectoral institutions or tasks, such as national base maps, is still valid and important. When designing a technology project like the SNGS in the future, the MFA should decide whether to (i) aim for high-level development objectives or (ii) accept that a technology project cannot have much impact beyond its immediate results. In the first case, the MFA should then flank the technology elements with accompanying project components and provide adequate resources that can help bringing about further impact.

(2) To bring about the acceptance of a government and trigger the necessary changes in policies and legislation and their implementation, the buy-in from partner government is required at the highest levels. This often goes beyond what a project can possibly achieve on its own. MFA should provide corresponding high-level support, ideally via an Embassy in the partner country. Alternatively, the MFA can team up like in the case of SUFORD-SU with bigger donors to amplify its influence. Even in the latter case, presence of an Embassy of Finland in the partner country will be useful.

(3) It is recommended that MFA considers parallel financing as an option for its multi-bi partnerships. In traditional multi-bi interventions all project funds are commonly managed by the project partner or deposited into a trust fund managed by the donor partner, opportunities for MFA/Embassy involvement in, for example, in influencing policy dialogue exist in a limited fashion. In parallel financing MFA manages its own contribution. Therefore, it is an arrangement that requires more MFA and Embassy involvement than a traditional multi-bi intervention. However, the significant benefit of parallel financing is that it provides potential for MFA to add value to the partnership beyond mere financial inputs. This can be achieved, for example, by bringing insights from Finland and Finnish institutions or experiences and lessons learned through other MFA-funded interventions directly into the partnership. MFA could position itself as a valued and trusted partner in providing high-level TA expertise to multilateral projects.

(4) It is recommended for MFA to strengthen its internal capacity on international donor procedures, to ensure that it can comply with its own development policies, when cooperating with other donors. If it is agreed that the donor partner systems will be applied in project management, then the respective MFA/Embassy staff supporting the projects needs to

understand what can be expected from the partner procedures and what not. Furthermore, it is of utmost importance for the MFA to have both human and financial resources available to influence project planning/design at an early stage. This would be helpful in ensuring that development policy objectives that are considered non-negotiable are adhered by the donor and recipient country partners, e.g. that cross-cutting objectives and human rights based approach are sufficiently addressed in the projects. There is always a trade-off: The more MFA relies on donor partner procedures, the less opportunity there will be for MFA to implement its own development policies.

(5) In the concrete case of the SNGS/-EP, very good technical results have been achieved. Their sustainability is currently being jeopardized by a partial IT hardware failure at the NGD. This is purely a technical problem that should be solvable. Therefore, MFA should consider providing limited support to help NGD overcome the server back-up problem by possibly taking back-up tape to Vietnam for recovery and transfer onto another data support. This could provide a serious boost to sustainability of the achieved SNGS results. For future projects with a similar technological focus, the project design should take necessary institutional and capacity adjustments into account to avoid the strong TA dependency that was created in the SNGS and SNGS-EP, where most of the server maintenance relied on TA experts until the end of the project.

### **Recommendations to NGD / GoL**

(1) If the objective for the NGD is to become a provider of national information services, it has to develop from a mapping and surveying administration into a service-oriented organisation. NGD needs institutional development to generate the required roles in service development and management, as well as the underlying support roles such as communication and IT.

(2) Professional-level capacity IT is indispensable for the NGD. In the future, NGDs products and possibly services will unavoidably become more and more digital. Therefore, the NGD has to become digital and should establish a proper IT Division, staffed with professional IT staff for database, network, server, and web / portal development.

(3) The Government of Laos should start acknowledging the importance of national spatial data for the development and management of its national resource base. Current policies do not yet reflect the fundamental role of spatial data. The GoL should consider spatial data as an essential ingredient to effective sectoral planning and management.

(4) Beyond simply acknowledging the general importance of spatial data, the GoL should recognize that producing, updating and disseminating of national spatial base data are important inputs to the various sectors of the economy and represent a sovereign task, and as such, requires a recurrent budget. The GoL should avoid relying on donor funds (which may or may not become forward) for a sovereign task.

### **Recommendations to WB and DoF/MAF**

(1) It is recommended that in the design of the Additional Financing for SUFORD-SU the partners address the findings, conclusions and recommendations of the Synthesis Evaluation. There is a need to pay proper attention to securing the sustainability of project achievements, particularly at community, district and provincial level. A higher share of project resources should be targeted to the capacities and livelihood benefits at the community level. Lifting of the logging ban would be needed to verify the potential of PSFM system to sustain itself with domestic financing.

The key findings, conclusions and recommendations of the Synthesis Evaluation are summarised in the matrix below.

**Summary matrix of key recommendations**

Finding	Conclusion	Recommendation
<b>Recommendations to MFA:</b>		
<p>The SNGS objective was unachievable for the project the way it was designed. Equally, the SNGS-EP objective was overambitious for the short duration of the extension period.</p>	<p>Technology projects cannot have wide-ranging impacts on high-level development problems, as other actors need to use the technology results within their development mandates. For MFA, development support to cross-sectoral tasks, such as producing national base maps, is still valid and important.</p>	<p>When designing a technology project like the SNGS in the future, the MFA should decide whether to (i) aim for high-level development objectives or (ii) accept that a technology project cannot have much impact beyond its immediate results. In the first case, the MFA should then flank the technology elements with accompanying project components and provide adequate resources that can help bringing about further impact.</p>
<p>While the SNGS/-EP achieved impressive results with respect to data production and related technical skills, it was weak on positively influencing national level policies and legislation.</p>	<p>To bring about the acceptance of a government and trigger the necessary changes in policies and legislation, buy-in from counterpart government is required at highest levels. This often goes beyond what a project can possibly achieve.</p>	<p>MFA should provide corresponding high-level support, ideally via an Embassy in the recipient country. Alternatively, the MFA can team up like in the case of SUFORD-SU with bigger donors to amplify its influence. Even in the latter case, presence of an Embassy will be useful.</p>
<p>The parallel financing arrangement that GoF has practiced in Lao PDR in partnership with the World Bank has worked well. The complementarities between the two donor partners, GoF and WB are evident. A clear division of resource allocations was applied during SUFORD projects which has been important: GoF financing has been used for funding the Technical Assistance components of the projects where the World Bank has provided operational funding.</p>	<p>Parallel financing has many merits: a coalition of like-minded donors carries more weight than any donor alone, the World Bank grants for operational resources have made it possible to expand the project activities to a national scale, and the flexible availability of MFA funds has allowed the SUFORD projects to stay operational even at times when the WB funds were either not yet available or not anymore available. For a small donor, there is also merit in increased visibility: through provision of a parallel TA package, inputs from MFA and GoF have been independently recognized. However, parallel financing is an arrangement that requires more MFA and Embassy involvement than a traditional multi-bi project where all project funds are managed by the project partner.</p>	<p>MFA should consider parallel financing as an option for its multi-bi partnerships. Parallel financing provides potential for MFA to add value to the partnership, e.g. by bringing insights from Finland or experiences and lessons learned through other MFA-funded interventions into the partnership. MFA could position itself as a valued and trusted partner in providing high-level TA expertise to multilateral projects.</p>

<p>The forestry projects (FOMACOP and SUFORD projects) were managed under a joint management structure as defined in the Project Appraisal Documents prepared by the World Bank and following the World Bank procedures and requirements, e.g. Safeguard policies. The joint management, monitoring and reporting structures were an efficient way to run a large programme. However, the joint structures and the World Bank procedures did not incorporate fully all the priorities of the Government of Finland Development policies, notably with respect to gender, social inclusion and human rights based approach.</p>	<p>The analysis of the WB Safeguard policies and the MFA Development Policies indicates that the policy sets of MFA and WB are not 100% compatible. There is always a trade-off: The more MFA relies on donor partner procedures, the less opportunity there will be for MFA to implement its own development policies. The trade-offs need to be well understood when a parallel financing partnership is started with a donor partner.</p>	<p>It is recommended for MFA to strengthen its internal capacity on international donor procedures, to ensure that it can comply with its own development policies, when cooperating with other donors. If it is agreed that the systems of the donor partner will be applied in project management, then the respective MFA/Embassy staff supporting the projects needs to understand what can be expected from the partner procedures and what not. It is of utmost importance for the MFA to have both human and financial resources available to be able to influence project planning/design at an early stage and to ensure that development policy objectives considered non-negotiable are adhered by the donor and recipient country partners, for example, that the cross-cutting objectives and human rights based approach are sufficiently addressed in the projects.</p>
<p>In the concrete case of the SNGS/-EP, very good technical results have been achieved. Their sustainability is currently being jeopardized by a partial IT hardware failure at the NGD, as NGD does not have sufficient IT knowledge and capacity to bring about a solution.</p>	<p>This IT failure is purely a technical problem and should as such be solvable.</p>	<p>MFA should consider providing limited support to help NGD overcome the server back-up problem by possibly taking back-up tape to Vietnam for recovery and transfer onto another data support. For further projects with a similar technological focus, the project design should take necessary institutional and capacity adjustments into account to avoid a strong TA dependency.</p>
<p><b>Recommendations to NGD/GoL:</b></p>		
<p>SNGS and SNGS-EP had limited provisions for addressing institutional shortcomings at the NGD. The projects fully concentrated their efforts on data production and on upgrading technical capacity and skills. They also operated separate project financing and management mechanisms instead of using, and thereby strengthening the existing NGD systems.</p>	<p>The NGD, as a result of the projects, is enabled as a data service provider, but not as an information service provider. It lacks the institutional capacity and critical support roles, such as IT and communication. The current organisational set-up and mandate does not allow for effective information service provision.</p>	<p>To become a provider of national information services, the NGD has to develop from a mapping and surveying administration into a service-oriented organisation. The NGD should generate the required roles in service development and management, as well as the underlying support roles such as communication and IT by undergoing an institutional development process.</p>
<p>Currently, there is no IT role within the NGD`s organisational chart. The NGD does also not have</p>	<p>Professional-level capacity IT is indispensable for the NGD. In the future, NGDs products and</p>	<p>Therefore, the NGD has to become digital and should establish a proper IT Division, staffed with</p>

any professional-level IT staff that could assure the management, maintenance and development of IT solutions for future service delivery.	possibly services will unavoidably become more and more digital.	professional IT staff for database, network, server, and web / portal development.
Many government institutions are not aware of the NGD and its data. The same applies to some of the main donor agencies. Other ministries seem to prefer developing their own spatial data than using NGD and its data.	The importance and relevance of accurate and reliable national geo-spatial data for development and for management and monitoring of land and resources is not recognized among government ministries. The use of maps and spatial data is not well established beyond donor-funded projects.	The Government of Lao PDR should start acknowledging the importance of national spatial data for the development and management of its national resource base. Current policies do not yet reflect the fundamental role of spatial data. The GoL should consider spatial data as an essential ingredient to effective sectoral planning and management.
There is no recurrent GoL budget to continue updating the national geospatial database or to reinvest into technology and equipment provided under the SNGS/-EP.	Without recurrent GoL budget, the NGD stands little to maintain the produced data as well as the equipment in the future. The data as well as the equipment will become outdated and obsolete.	Beyond simply acknowledging the general importance of spatial data, the GoL should recognize that producing, updating and disseminating of national spatial base data are important inputs to the various sectors of the economy and represent a sovereign task, and as such, requires a recurrent budget. The GoL should avoid relying on donor funds (which may or not may come forward) for a sovereign task.
<b>Recommendations to WB and DoF/MAF:</b>		
The SUFORD projects have produced many positive impacts. SUFORD-SU has met all the targets that were set in the World Bank Results Framework. The development, piloting and near nationwide implementation of the Participatory Sustainable Forest Management model is the most significant impact of SUFORD projects during 2003-2019. The projects have not been able to produce the expected effects and impacts in rural poverty reduction. Solving the problems of deforestation and forest degradation still require actions, also in the PFAs.	If the donor support is withdrawn, all results that were supported by SUFORD-SU would not be sustainable. These include capacity building results at provincial, district and community level. In this respect, the most critical sustainability concern is the lack of recurrent funding. The project study indicates that if harvesting is resumed in the PFAs, the revenues would provide the Department of Forestry with the basic funding to support implementation of forest management plans. Small but sustained revenues would be provided to the communities too.	In the design of the Additional Financing for SUFORD-SU the partners (WB and DoF/MAF) should pay attention to the findings and recommendations of the Synthesis Evaluation. There is a need to pay more attention to securing the sustainability of project achievements, particularly at community, district and provincial level. A higher share of project resources (financial and personnel) should be targeted to improving the capacities and livelihood benefits at the community level. Lifting of the logging ban would be needed to verify the potential of PSFM system to sustain itself with domestic financing.



## 1. INTRODUCTION

This is the Draft Evaluation Report of the “*Synthesis evaluation of the projects Technical Assistance Scaling-up Participatory Sustainable Forest Management Project (SUFORD-SU) and Strengthening National Geographic Services in Lao PDR (SNGS) and its extension phase (SNGS-EP)*”. The Ministry for Foreign Affairs, Finland (MFA) commissioned the Synthesis Evaluation from FCG International Ltd, Finland in February 2019. The team consisted of four experts, namely Ms Kristiina Mikkola, Team Leader, Mr Martin Schweter, International Expert, Ms Mirka Wendt, International Expert (emerging evaluator) and Mr Phouvieng Phonasa, National Expert. The evaluation team began its work in March 2019. The Final Evaluation Report was submitted to MFA in December 2019.

The evaluation was independent and external subscribing to the OECD/DAC Principles of Evaluation for Development Assistance (OECD/DAC 1991) and the DAC criteria for evaluating development assistance (OECD/DAC 2002). These principles and criteria are incorporated in the Evaluation Manual of MFA (MFA 2018a); the Manual has guided the evaluation process.

**Seven projects fall within the scope of this evaluation** (Terms of Reference, ToR in Annex 1). The evaluation was tasked with conducting a final evaluation of the Scaling-Up Participatory Sustainable Forest Management Project and the Strengthening National Geographic Services and its Extension Phase in Lao PDR. Four other projects were included in the ToR for the purpose of drawing a synthesis of the long-term Government of Finland support to Lao PDR, particularly in the forestry sector, and learning lessons from all projects. The projects and how they fall within the evaluation rationale and scope are listed in Table 1.

*Table 1. Projects within the evaluation rationale and scope (Source: Terms of Reference)*

<b>Project name and duration</b>	<b>Final Evaluation</b>	<b>Synthesis</b>	<b>Benchmarking of approaches</b>
Forest Management and Conservation Project, FOMACOP (1995-2000)		X	
Sustainable Forestry and Rural Development Project, SUFORD (9/2003-12/2008)		X	
Sustainable Forestry for Rural Development Project Additional Financing, SUFORD-AF (2009-2012)		X	
Scaling-Up Participatory Sustainable Forest Management Project, SUFORD-SU (8/2013-8/2019, Finland TA until 6/2017)	x	X	x
Strengthening National Geographic Services in Laos, SNGS (8/2010-8/2014)	x		x
Strengthening National Geographic Services in Laos Extension Phase, SNGS-EP (10/2014-12/2015)	x		x
Environmental Management Support Programme, EMSP (10/2010-9/2015)			x

Sustainable Forestry and Rural Development Project, Sustainable Forestry for Rural Development Project Additional Financing and Scaling-Up Participatory Sustainable Forest Management Project will be called “the SUFORD projects” in the report.

**Structure of the report:** In Section 1, the scope and objectives of the evaluation are discussed. Also, the evaluation process and methodologies are briefly described. Section 2 focuses on the

development context in Lao PDR, changes in the global context and in the Finnish development policies. In Sections 3,4 and 5 both the findings and conclusions of the evaluation are presented. Section 3 provides a synthesis of the joint Government of Finland-World Bank support to the forestry sector (FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU) from mid-1990s until 2010s and the main achievements of the partnership. In Section 4 a detailed analysis of SNGS and SNGS-EP, its approaches and achievements are discussed. The benchmarking analysis is included in Section 5. In Section 6 the main lessons learned are presented. Finally, Section 7 presents the recommendations of the evaluation.

## 1.1 Rationale, purpose, scope and main objectives of the evaluation

The purpose of the Synthesis Evaluation is to provide independent and objective evidence to the Ministry for Foreign Affairs of Finland on the achieved results of two projects (SUFORD-SU and the SNGS and its Extension Phase) and their sustainability. The evaluation is also expected to provide recommendations and lessons learned related to the planning and implementation of projects in similar contexts funded by MFA, especially where substantive Technical Assistance (TA) inputs for capacity building to government institutions were included. In the case of the SUFORD projects, the parallel financing set-up with financing from the Government of Finland (GoF), the World Bank (WB) and the Government of Lao PDR (GoL) is of interest.

The main focus of the Synthesis Evaluation is on the SUFORD-SU<sup>3</sup> and the SNGS and SNGS-EP. The synthesis part of the evaluation is based on primarily a desk study and provides an overall view of the Finnish support to the forestry sector in the Lao PDR in the past two decades. Therefore, the report also discusses the Forest Management and Conservation Project (FOMACOP), Sustainable Forestry and Rural Development Project (SUFORD) and Sustainable Forestry for Rural Development Project Additional Financing (SUFORD-AF).

Further, the TOR expects that SUFORD-SU and SNGS and SNGS-EP would be compared and benchmarked against the Environment Management Support Programme. The benchmarking task was refocused during the inception phase to become a comparison of the approaches of three projects (SUFORD-SU, SNGS and SNGS-EP, and EMSP) and lessons learned from them, particularly in institutional capacity development.

The **emphasis of the evaluation is on assessing impact, effectiveness, sustainability and added value** of the projects. The evaluation is also expected to assess and give recommendations for:

- Synthesizing the results of the Government of Finland support to the forestry sector in Lao PDR and those of the SNGS and its extension phase. The evaluation of SUFORD, SUFORD-AF, and FOMACOP, however, is expected to be based primarily on written information sources and material from the World Bank that would be supplemented during the interviews and in the field for the most critical issues.
- Assessing the collaboration, coordination and institutional arrangements between MFA and WB in FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU, and giving recommendations to the MFA with respect to similar arrangements in the future.
- Assessing the collaboration and synergies between SUFORD (-AF/-SU), SNGS (-EP) and EMSP and assessing the impact and effectiveness of providing capacity building support. Recommendations regarding institutional capacity building would be particularly welcome to MFA<sup>4</sup>.

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<sup>3</sup> An alternative acronym for the Scaling-Up of Participatory Sustainable Forest Management Project was SUPSFM.

<sup>4</sup> Such recommendations would be relevant to MFA in the light of the Institutional Capacity Development Instrument (ICI). ICI is an instrument of MFA that focuses on cooperation between government institutions (in Finland and in a

The following issues are also of specific interest to the MFA:

- The impact of the 2015 decision to withdraw from Lao PDR to the results of the projects under evaluation. This issue is especially relevant to SUFORD-SU because due to aid budget cuts the MFA funding to the TA component of the project was discontinued before the project itself ended.
- The implications of running the programmes in a country where there is an Embassy of Finland to present MFA (vs. running them in a country with an Embassy).
- The assessment of the efforts and capability of the projects to support new partnerships with e.g. the private sector and NGOs.
- Recommendations for Finnish bilateral support to forest sector globally.

## 1.2 Evaluation process, methodologies and limitations

The evaluation process, main methodologies and main limitations are summarized here. A complete description of the evaluation approach, methodology as well as discussion about limitations and their implications to the evaluation is attached as Annex 2.

**Evaluation process:** The evaluation was conducted during the period of March-September 2019. The evaluation process began with a methodology-focused inception phase. It was followed up by a desk review phase during which the team also conducted interviews with current and former staff members of MFA Finland, Embassies of Finland in Thailand and Vietnam, World Bank and TA teams of projects (home-based). Two reports were written, submitted and discussed with MFA and Embassy of Finland in Vietnam (an Inception Report and a Desk Review Report). The preparations for the in-country mission were completed in July and the in-country mission took place during 3-21 August 2019. The mission was followed-up by a data analysis and report writing phase (late August-September 2019). The final evaluation report was submitted to the MFA in early December 2019.

### Evaluation approach and methodologies

The evaluation was 'ex-post', which allowed assessing impact and sustainability of project results and analysing the factors explaining success and failure. The evaluation was complex, because it covered several programmes and phases of programmes over a significant period of time. Generally, the evaluation was forward-looking and aimed at guiding possible future Finnish cooperation in the forest and spatial information sectors globally. It was expected to provide recommendations to decision-makers for future programming and implementation of bilateral projects. The focus was on analysing all available information to obtain evidence-based conclusions by combining primary data (interviews) with secondary information (documents).

During the inception phase, the evaluation team designed an evaluation matrix. In the matrix, each of the evaluation questions of the TOR was broken down into a number of sub-questions where the scope of questions was defined and a common reference framework created. For each sub-question, at least one indicator was defined, and methods and sources of data collection specified. The matrix was also designed in such a manner that it was valid for both SUFORD projects (SUFORD, SUFORD-AF and SUFORD-SU) and SNGS (-EP). The matrix was used by all experts during data collection and data analysis in order to ensure a consistent approach to answering the evaluation questions.

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partner country) with institutional capacity development as its core objective (MFA 2010). The ICI instrument has not been applied in Laos.

The main methods and sources used in the evaluation included (i) document review and analysis, (ii) key informant interviews, (iii) participatory workshops with key stakeholders, and (iv) focus group discussions (FGD) with project beneficiaries.

A significant part of the analysis has been based on review and analysis of the vast body of project documentation and other secondary sources. The evaluation team has reviewed approximately 250 documents. The main body of evidence consists of Project Appraisal Documents (PAD), Borrower's Completion Reports (of GoL), Implementation Completion Reports (of WB), completion reports and evaluation reports (e.g. Project Performance Appraisal Reports of FOMACOP, SUFORD and SUFORD-AF) and documents related to project approval processes at MFA covering the different phases of SUFORD (-AF, -SU), FOMACOP, SNGS (-EP) and EMSP. Global policies as well as policies of Government of Lao PDR and Government of Finland have been included in the document review. These were the primary object of study. Also, other documents, such as studies by the World Bank, academia or other donors, aide memoires of project planning and supervision missions, presentations provided to the missions, annual progress reports, technical reports and mid-term review reports were studied.

The team interacted with over 200 persons representing 47 different organizations, actors or groups at international, national, provincial, district or community level. The organizations, actors and groups have been or still are involved with the projects or working in the forestry, land management and cartography and/or environmental management sector in Lao PDR. The team conducted key informant interviews with MFA and Embassy of Finland staff, World Bank staff and previous Technical Assistance staff of the projects. Interviews with staff from partner organisations and beneficiaries were mostly carried out through Focus Group Discussions. Also, perspectives of other organisations (private sector, civil society, donor organizations and donor-funded projects) active in the forestry and mapping sector were included via a stakeholder workshop and key informant interviews during the mission to Lao PDR.

## **Limitations**

During the evaluation process, the evaluators encountered a number of limitations that had implications on the evaluation process and the scope and content of the evaluation report. A significant challenge lay in contacting some of the key resource persons due to the fact that the projects were closed several years ago. The time gap caused other challenges as well, particularly with SUFORD-SU. Although the emphasis of the evaluation was on the years when Finland TA was working (2013-June 2017), in the meetings partners presented the achievements and situation of the project in August 2019. With respect to SUFORD-SU, a particular challenge was evident with attribution of results: a lot had been achieved already during SUFORD and SUFORD-AF. The forestry sector stakeholders were aware that the donor funding was not ending (ref. the World Bank plans to extend the project and to provide Additional Financing). The small number of field visits that the evaluators were able to conduct cannot serve as a basis for wide-ranging conclusions. However, the discussions with provincial, district and community level beneficiaries were useful and they confirmed the validity of many issues already discussed in the reports of SUFORD-SU. Also, the wide scope of the evaluation TOR, in comparison to the budget of the evaluation, meant that the time evaluators were able to assign to implementing partners of SUFORD-SU and SNGS (-EP), respectively, was very limited.

The in-country Mission Itinerary is attached as Annex 3, List of Persons Consulted as Annex 4, References as Annex 5 and List of Documents Reviewed as Annex 6.

## 2. DEVELOPMENT CONTEXT

In this Section, key global policies that have influenced the governments and development partners over a time span of 25 years are discussed to provide a context for the analysis of the forestry projects. This is followed up by a discussion on the country context in Lao PDR in general. It includes a description of the changes in the forestry sector and a summary of main forestry sector policies and legal framework. This is followed up by the key context issues regarding the information services on land and natural resources and in environmental management respectively. Discussion about the Government of Finland development policies and activities in the Mekong region and in Lao PDR concludes the Section.

### 2.1 Global policies and institutions on sustainable forest management

**The Forest Principles and Chapter 11 of the United Nations' Agenda 21** were the first global consensus on forests that articulated principles and an action plan for sustainable forest management. They were agreed at the United Nations Conference on Environment and Development (UNCED) in 1992. They were inspired by global concerns over high rates of deforestation and forest degradation. There was also a recognition of various global services from forests which led into commitment to international action to facilitate sustainable forest management worldwide (Braatz 2003).

During the second half of 1990s and early 2000s, a number of other important agreements on forests were reached in the Commission on Sustainable Development (CSD), the Intergovernmental Panel on Forests (IPF) and Intergovernmental Forum on Forests (IFF) and subsequently, under the United Nations Forum on Forests (UNFF, established in 2000) (Braatz 2003). The main objective of UNFF is to promote the management, conservation and sustainable development of all types of forests and to strengthen long-term political commitment to this end. UNFF work of is based on the Rio Declaration, the Forest Principles, Chapter 11 of Agenda 21 and the outcome of the IPF/IFF Processes and other key milestones of international forest policy (UNFF 2019).

Relevant commitments on forests have been made through other **global conventions and agreements**. These include the Convention on Biological Diversity (CBD), Convention Concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention No. 169), Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar Convention), International Tropical Timber Agreement (ITTA), UN Convention to Combat Desertification (UNCCD) and UN Framework Convention on Climate Change (UNFCCC) (Braatz 2003). When the Kyoto Protocol was signed in 1997 forests became part of the global climate talks. Afforestation and reforestation together with sustainable forest management are considered as means to protect and enhance sinks and reservoirs of greenhouse gases (Ruotsalainen 2010).

The **Millennium Summit** (2000) and the **World Summit on Sustainable Development** (WSSD 2002) set new priorities to sustainable development. WSSD reinforced countries' commitment to implement international agreements on forests. Emphasis on the social and economic aspects of sustainable development and poverty alleviation increased. Linking forests and forest policies and legislation more closely to these sustainable development goals is important for several reasons. The link increases political commitment to sustainable forest management and highlights cross-sectoral linkages between the forest and other sectors. It also helps mainstream forests in national planning and development efforts. Demonstrating the contribution of forests to basic development objectives may strengthen the support of finance, planning and other sectoral departments that commonly control the financial resources (Braatz 2003).

The EU published the **Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan** in 2003. The Action Plan sets out a range of measures available to the EU and its member states. It aims to reduce illegal logging by strengthening sustainable and legal forest management, improving governance and promoting trade in legally produced timber. Voluntary Partnership Agreements (VPA) are negotiated between the EU and a timber-exporting country outside the EU. A VPA is a legally binding trade agreement that aims to ensure that all timber and timber products destined for the EU market from a partner country comply with the laws of that country. It aims to address illegal logging, improve forest governance and promote trade in legal timber products. In 2019 six tropical countries implement VPAs (Cameroon, Central African Republic, Ghana, Indonesia, Liberia and the Republic of Congo). The VPA between the EU and Vietnam entered into force in June 2019. At the time of the evaluation, nine other countries were negotiating VPAs, including Lao PDR (negotiations started in 2017) (EU FLEGT Facility 2019).

At the heart of the 2030 Agenda for Sustainable Development (2015) are the **Sustainable Development Goals (SDGs)**. The 17 SDGs constitute a call for action by all countries in a global partnership. The SDGs recognize that ending poverty and other deprivations must go hand-in-hand with strategies and actions that improve health and education, reduce inequality, and spur economic growth while also tackling climate change and working to preserve the oceans and forests. Of explicit relevance to the Synthesis Evaluation is SDG #15 (Box 1). It aims at protection and long-term sustainable use of terrestrial ecosystems, including forests (UN 2015a).

*Box 1. Sustainable Development Goal 15 (UN 2015a, pp. 14, 24-25)*

SDG # 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

SDG 15 has nine sub-goals putting emphasis on the conservation, restoration and sustainable use of terrestrial ecosystems in line with obligations of existing international agreements. Sustainable management of all types of forests to halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally is promoted. Urgent and significant action to reduce degradation of natural habitats, halt the loss of biodiversity and protect and prevent extinction of threatened species is included. Fair and equitable sharing of the benefits from the utilization of genetic resources, and promotion of equitable access to such resources is promoted.

Integration of ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts is expected. Increasing the capacity of local communities to pursue sustainable livelihood opportunities is also incorporated in the sub-goal statements. The sub-goals include an emphasis on resource mobilization (all sources) to finance sustainable forest management and the developing nations to have adequate incentives for sustainable forest management, including conservation and reforestation.

The **Paris Agreement** was adopted in December 2015 **by the Conference of the Parties to the UNFCCC**. The agreement sets out a global action plan to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. The Paris Agreement requests each country to outline and communicate their post-2020 climate actions, known as their Nationally Determined Contributions (NDCs) (UN 2015c).

The agreement on the **UN Strategic Plan for Forests** (2017) provides a vision for global forests in 2030. The Strategic Plan features a set of six Global Forest Goals and 26 associated targets to be reached by 2030. The goals and targets are voluntary and universal (Box 2). It includes a worldwide target to increase forest area by 3% by 2030, which would signify an increase of 120 million ha of forests. The Strategic Plan builds on the vision of the 2030 Agenda and recognizes that real change requires decisive, collective action, within and beyond the UN System (UN 2017a).

*Box 2. Global Forest Goals (UN 2017a, pp. 6-9)*

Global forest goal 1: Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation and contribute to the global effort of addressing climate change

Global forest goal 2: Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people

Global forest goal 3: Increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests

Global forest goal 4: Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships

Global forest goal 5: Promote governance frameworks to implement sustainable forest management, including through the United Nations forest instrument, and enhance the contribution of forests to the 2030 Agenda for Sustainable Development

Global forest goal 6: Enhance cooperation, coordination, coherence and synergies on forest-related issues at all levels, including within the United Nations system and across member organizations of the Collaborative Partnership on Forests, as well as across sectors and relevant stakeholders.

**Reducing emissions from deforestation and forest degradation (REDD+)** is a mechanism developed by Parties to the UNFCCC. It creates a financial value for the carbon stored in forests by offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths that would lead to sustainable development. Developing countries would receive results-based payments for results-based actions. REDD+ incorporates the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+ 2019).

## 2.2 Context of Lao PDR

### 2.2.1 Overall Socio-economic Development

Lao PDR is a land-locked country in South East Asia. It borders China, Myanmar, Vietnam, Thailand and Cambodia. The total land area is 23.68 million ha (WB 2013b). Administratively the country is divided into the capital, Vientiane, 18 provinces, 143 districts and 8 507 villages (WB 2017a).

**The population of Laos** was approximately 6.5 million in 2015. The annual population growth rate reduced from 2.08 % (1995-2005) to 1.45 % (2005-2015). The population density is 27 persons per km<sup>2</sup> (Lao Statistics Bureau 2016). In 1994 the total population was about 4.74 million. About 89% of the population lived in rural villages (WB 1994). By 2015, the share of rural population had fallen to 67% (Lao Statistics Bureau 2016).

The government officially recognizes **four main ethnolinguistic groups** that are further divided into 49 ethnic groups (WB 2017a). The groups are Lao-Tai (62.4% of total population in 2015), Mon-Khmer (23.7 %), Hmong-Mien (9.7 %) and Chinese-Tibetan (2.9%) (Lao Statistics Bureau 2016). Some non-governmental estimates have suggested that the number of different ethnic groups is more than 200 (Alston 2019).

Lao PDR has made **some progress in raising overall human development** in the past decades. In 1994 the Human Development Indicator (HDI) value for Lao PDR was 0.459<sup>5</sup>; by 2017, the HDI value had increased to 0.601 (UNDP 1997, UNDP 2018a). In 2017, the Gender Development Index (GDI) of Lao PDR was 0.934 (rank 109) (UNDP 2018a).

At present Lao PDR is in the category of the Least Developed Countries<sup>6</sup> (LDC) (UN CDP 2018). The next LDC status review of the UN Committee for Development Policy (CDP) takes place in 2021. (UNDP 2018b).

The country achieved the Millennium Development Goal (MDG) of reducing the poverty rate by half by 2015 (MPI & UNDP 2017). According to the UN review of achievements of MDGs and their targets (UN 2017b) on an average the poor became less poor. However, a widening gap between the poorest and richest quintiles was evident and significant disparities remained.

With respect to MDG 7 Ensure environmental sustainability, processes and institutions for limiting the loss of forests have improved. Despite that, the country is not yet on track to achieve the MDG targets on reversing the loss of environmental resources and reducing biodiversity loss. Also, greenhouse gas emissions have doubled in ten years: in 1990 Lao PRD recorded a net sink of CO<sub>2</sub> but a net emission by year 2000 (UN 2017b).

Therefore, **progress is uneven in poverty reduction and human development**, both across the regions and among the ethnic groups in Laos. In both urban and rural areas, female-headed households are poorer than male-headed households. Additionally, social and poverty differences based on gender are significantly higher among ethnic groups (ADB and WB 2012). For example, women and ethnic groups face challenges in access to education and formal labour. In rural areas girls are less likely to attend and graduate from school than boys. (Alston 2019). There is a disproportionate number of poor among the non-Lao Tai; about two-thirds of the poor are non-Lao Tai, although they constitute only a third of the population in Lao PDR. The highest poverty rates are observed among the Mon-Khmer (42%) and Hmong (40%) (WB 2017a).

These observations are also echoed in the 2017 National Human Development (NHDR) Report. The level of human development is low in some regions and among the non-Lao-Tai ethnic groups. The provincial HDI values range from 0.771 in Vientiane Capital to 0.286 in Khammouane province. Non-Lao-Tai minorities constitute two thirds of people without formal education. The NHDR also notes large gender disparities in both poverty levels and the level of human development. (MPI & UNDP 2017).

Most working women in Lao PDR occupy lower level positions and especially rural women are often unable to access paid labour due to their non-paid domestic work. (Alston 2019). While over half of people in the lower level labour force are women, only 10% of members of the highest political organ, the Politburo, are women. This lack of women in positions of authority and decision-making is reflected at all levels of society including at the community level, where only 3% of women are heads of villages (Bertelsmann Stiftung 2018). This gap is most striking

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<sup>5</sup> While the HDI value indicates progress in human development, in global ranking the position of Laos has been quite stagnant. In 1994 Lao PDR's HDI rank was 134 (out of 175 countries) and in 2017 it was 139 (out of 189 countries) (UNDP 1997, UNDP 2018).

<sup>6</sup> There are currently 47 countries in the list of LDCs. The list is reviewed every three years by the United Nations Committee for Development (CDP). At the 2018 review, Lao PDR was not eligible for graduation from LDC status (UN CDP 2018). Lao PDR has passed the thresholds for Gross National Income per capita and for the Human Assets Index, a composite index evaluating its human capital. The Economic Vulnerability Index, measuring the country's resilience to shocks and instability, is still to be met (UNDP 2018b).



among women living in rural areas as well as among the ethnic groups representing minorities. Ethnic groups also have even more difficulties in accessing education due to lack of educational facilities within a reasonable distance. Furthermore, education is only given in Lao, putting ethnic group children often in a disadvantaged position (Alston 2019).

In terms of **economic development**, Lao PDR is a lower-middle-income country. In 1994, when the partnership between the two governments (GoF and GoL) and the World Bank was planned, the Gross National Income (GNI) per capita was 310 USD (Atlas method, expressed in current USD) (WB 1994). In 2017, the GNI per capita was 2 270 USD (WB 2019a). Incomes have risen and access to basic services, such as education, health and infrastructure has improved considerably. Extreme poverty fell from 46% in 1992 to 23% in 2012/13 (WB 2017a).

The economic growth has been impressive in recent years. Gross Domestic Product (GDP) growth averaged 7.8% per year over the past decade. Lao PDR was the second fastest growing economy in the ASEAN region. However, the increase in incomes for most of the population has not kept up with the GDP growth. Economic growth is heavily reliant on natural resources. Job creation has been limited, productivity of agriculture – the sector where most of the population is engaged – is stagnant and very few jobs outside agriculture has been created. Also, revenue leakage and weak public financial management are among the reasons that have prevented the sharing of benefits from the use of natural resources (WB 2017a).

The economic development in Laos is also influenced by developments in the Greater Mekong Sub-Region (GMS). GMS comprises of six countries, namely China, Myanmar, Laos, Cambodia, Thailand and Vietnam. Modernization and industrialization are changing the economic and demographic structures of these countries. Regional cooperation has demonstrated its potential to development in the GMS, but there is also a need to balance national interests and potential conflicts. The management of resources in the Greater Mekong Sub-Region is also influenced by international politics (Kaivo-oja et al 2014). It is expected that expanding trade with the more populous neighbouring countries in the GMS region can be a significant driver for economic growth in Laos (ADB 2017). The neighbouring countries, particularly China, Vietnam and Thailand have also been the largest investors in the agriculture and forestry sub-sectors (Hirsch and Scurrah 2015, Sylvester 2018).

Lao PDR is a **one-party state**, ruled by the Lao PDR People’s Revolutionary Party. The Party is headed by the Party’s Central Committee and managed by the Politburo. A few Party-approved mass organizations exist with a role to allow for representation of the wider population. These organizations are the Lao Front for National Development (LFND<sup>7</sup>), the Lao Women’s Union (LWU), the Lao People’s Revolutionary Youth Union, and the Federation of Lao Trade Unions (UN 2015b, EU 2016, WB 2017a). After 2009, a Decree on Associations (115) has made it possible to register Non-Profit Associations (NPAs). There are approximately 140 NPAs that are primarily engaged in community development activities. The UN view is that both advocacy activities and more support will be needed to enable a greater civil society participation (UN 2015b). The media is closely controlled by the government so the public space for debating issues about natural resources and land management is limited. As the state is governed by a single party and the challenge to authorities is not welcomed, the international governance principles, such as Free Prior Informed Consent (FPIC) are not easy to implement (Hirsch and Scurrah 2015).

Mustalahti et al (2016) studied participation and **role of civil society** in REDD+ and FLEGT-VPA processes. In the study “CSO” referred to Lao NGOs/NPAs, community-based organizations and mass organizations as well as international NGOs. The Lao-based organisations are highly regulated by the state; freedom of action and expression is tightly monitored. The leaders of the four mass organizations are leading figures of the party. The study suggests that participation

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<sup>7</sup> The organization was formerly known as the Lao Front for National Reconstruction (LFNR).

of both international and local CSOs in REDD+ and FLEGT-VPA processes in Lao PDR was limited and significantly constrained. Participation was found to serve merely to raise awareness and to a lesser degree to bring about implementation of local pilot project activities.

**Corruption** remains a serious issue in Lao PDR. In the Corruption Index 2017<sup>8</sup> of Transparency International Lao PDR scored 29 (rank 135 among 180 countries) (Transparency International 2018). The Government has recognized the importance of preventing and fighting corruption. This is evidenced, for example, in the Law on Anti-Corruption (2012) and in the implementation of an anti-corruption action plan that started in 2013 (GoL 2018).

Overall, Lao PDR needs to continue improving its performance on a number of governance indicators, particularly voice and accountability, control of corruption and regulatory quality. Institutional challenges stem from e.g. fragmentation of the government, nascent capacity of the administration, and limited checks and balances. The absence of improved governance, particularly increased levels of voice and accountability, a strengthened rule of law and reduced corruption has contributed to low human development outcomes. Economic activities have also had high environmental costs (WB 2017a, WB 2017b).

The landscape of Lao PDR is mountainous. The country boasts **an environment rich in natural resources, natural beauty and biological diversity** that provides a habitat for an estimated 10,000 species of animals, fish, insects and plants. It is one of the most biodiversity rich countries in Southeast Asia with on-going discoveries of new species (e.g. in 2014, 28 new species were discovered). National Protected Areas (NPAs) cover 14.2% of the land area. The coverage of protected areas increases to 20.2% of the land area with the addition of Provincial Protected Areas and District Protected Areas. However, the biodiversity has been negatively impacted by private sector investment, including agricultural expansion, forest extraction, mining, as well as infrastructure development and dam construction (MoNRE & IUCN 2016).

Lao PDR is a signatory to 16 multilateral environmental agreements (InforMEA 2019). This demonstrates the Government commitment to advancing internationally agreed objectives, for example, in relation to forests. However, goals that are considered developmental have taken precedence over environmental protection, particularly in relation to revenue-generating activities such as mining, hydropower generation and logging (Tong 2009).

## 2.2.2 Development policies and legal framework

The Government of Lao PDR has ratified many **human rights treaties and passed legislation** to protect the rights of its citizens (Box 3). However, according to the report by UN Special Rapporteur on extreme poverty and human rights (published in March 2019), there is a lack of proper implementation, monitoring and enforcement. This is coupled with a top-down political system, which leaves little room for meaningful participation in decision-making (Alston 2019).

The **constitution of Lao PDR recognizes equal rights for women and men**. Gender equality is also supported through various national laws and policies as well as international treaties such as the Convention on the Elimination of All forms of Discrimination Against Women (CEDAW), which Lao PDR ratified in 1981. To promote gender equality, the government has established a National Committee for the Advancement of Women (NCAW). NCAW has developed a national gender strategy. In addition to NCAW, the Lao Women's Union (LWU) is responsible for promoting women's rights, in its capacity as an official mass-based organization with a strong network at the central, provincial, district and community levels (ADB and WB 2012).

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<sup>8</sup> The scale applied by Transparency International in the Corruption Index is from 0 (highly corrupt) to 100 (very clean).

*Box 3. International Human Rights Treaties and Covenants ratified by Lao PDR (UN Human Rights 2019)*

- Convention Against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment (CAT), 2012
- International Covenant on Civil and Political Rights (CCPR), 2009
- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1981
- International Convention on the Elimination of All Forms of Racial Discrimination (CERD), 1974
- International Covenant on Economic, Social and Cultural Rights (CESCR), 2007
- Convention on the Rights of the Child (CRC), 1991 and its two Optional Protocols (2006)
- Convention on the Rights of Persons with Disabilities (CRPD), 2009

The **National Socio-Economic Development Plans (NSEDP)** provide the overall framework and development priorities. Emphasis on poverty reduction has remained at the core of successive NSEDPs in the past 20 years. For example, the NSEDP for years 2001-2005 based poverty reduction on three pillars, namely economic growth, social / cultural development and ecologically sound resource management (as cited in Mäkelä and Selännemi 2002). The 7th National Socio-Economic Development Plan 2011-2015 (as cited in MPI 2016) aimed to achieve sustainable economic growth and poverty reduction, while gradually transforming Lao PDR into a more open society, strengthening the private sector productivity capacity and prioritizing the achievement of the MDGs by 2015. Sustainability of development was addressed by emphasizing economic development in such a manner that cultural and social progress, natural resources preservation and environment protection, natural disaster mitigation and climate change adaptation would be included.

8th National Socio-Economic Development Plan (NSEDP 2016-2020) incorporates the Sustainable Development Goals<sup>9</sup> and has six overall objectives. These include, for example, ensuring political stability, peace and order in the society and significantly reducing the poverty of the people in all areas. Continuous, inclusive and sustainable growth is expected to develop Laos out of the LDC status by 2020. Also, effective management and efficient utilization of natural resources is incorporated among the objectives. At the outcome level, the 8<sup>th</sup> NSEDP flags out: (i) sustained and inclusive growth, (ii) development of human resources and upgrading of capacities of the public and private sector, (iii) reduction of poverty in all ethnic groups, and (iv) effective protection and utilization of natural resources and the environment according to green-growth and sustainable principles (MPI 2016). The 8th NSEDP refers to the implementation of the Reducing Emissions from Deforestation and Forest Degradation (REDD+) mechanism as a priority activity to mitigate climate change (MPI 2016).

### **2.2.3 Forestry sector policies and legal framework**

When the partnership between the two Governments (Finland and Laos) and the World Bank started in 1995, there was **no forest policy in place in Lao PDR** (FOMACOP 1996). According to the Staff Appraisal Report of FOMACOP the National Forestry Action Plan (TFAP 1991) provided the implementation framework to the forestry sector. The main national programmes were: (i) zoning and delineation of land and delineation of land and forest use into different land use categories, (ii) provision of incentives to resource users to improve conservation management and environmental protection, and (iii) measures to increase institutional capability and improve the efficiency and performance of the wood industry (WB 1994). According to the Five-Year Workplan of the FOMACOP, the TFAP and the Environmental Action Plan (1993) included

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<sup>9</sup> Government of Laos has adopted 18 SDGs; number 18 focuses on reducing impacts of unexploded ordnance (UXO) in Lao PDR.

sustainable forest management as a key policy objective and envisaged that villagers would have an important role as forest managers (FOMACOP 1996).

The Ministry of Agriculture and Forestry (MAF) developed a **forest sector strategy for 1996-2000**. It comprised the following guidelines: preservation of existing forests and increasing the total tree cover to 60%-70% of the total land area, promotion of people's participation in forest protection, and socio-economic development to go hand in hand with the protection of the environment. A number of Prime Minister's Decrees provided the legal basis for forest management (FOMACOP 1996). In 1996, a forest law and implementing regulations were introduced and in 1999–2000, national criteria and indicators for Sustainable Forest Management were developed (Sandom and Tuominen 2010).

The **Forestry Strategy to the Year 2020** (2005) presents a long-term forestry sector development vision. The need to maintain a healthy and extensive forest cover is emphasized together with the importance to avoid deforestation and forest degradation and to preserve species and unique habitats of national and global importance. The Strategy promotes village-based natural resource management, sustainable participatory management and processing of NTFPs, as well as biodiversity conservation through law enforcement, capacity building and assisted participation of villagers in forest management (MAF 2005). The 8th NSEDP from 2016 and the (Intended) Nationally Determined Contributions (NDC) commitment (2015) also include the target to increase forest cover to 70% by 2020 through sustainable forest management as well as reforestation and afforestation measures<sup>10</sup>.

Also, the **Agriculture Development Strategy 2011 to 2020** includes sustainable forest management as one of its major strategic goals. Sustainable forest management (SFM) was expected to lead to significant quantitative and qualitative improvements of the national forest cover and preservation of biodiversity. SFM was also foreseen to provide valuable environmental services and fair benefits to rural communities as well as to processing enterprises. The Agriculture Master Plan 2011 to 2015 was designed to contribute to the achievement of the overall development goals outlined in the 7th NSEDP; three out of the eight of its programme programs related to forestry. The Forestry Sector Development Plan 2011–15 was intended to contribute to the goals outlined in the Agriculture Development Strategy and Agriculture Master Plan. The Sector Development Plan placed emphasis on increasing the nationwide forest cover to 65% by 2020 (as cited in Williams et al 2010).

The overall goal of the **National Biodiversity Strategy and Action Plan to 2020** (PMO & STEA 2004) is to maintain the country's diverse biodiversity as one key to poverty alleviation and protect the current asset base of the poor as support to the implementation of the government's priority programmes.

The vision of the **National Climate Change Strategy** is to secure a future where the Lao PDR is capable of mitigating and adapting to changing climatic conditions in a way that promotes sustainable economic development, reduces poverty, protects public health and safety, enhances the quality of Lao PDR's natural environment, and advances the quality of life for all Lao people (ADB/WREA/WB 2010).

The Government of Lao PDR recognizes its international obligations to reduce emissions from deforestation and forest degradation, as well as to conserve biodiversity and other resources in its forests, sustainably manage its forests, and enhance carbon stocks, thereby contributing to global efforts to mitigate climate change. The government has been implementing pilot REDD activities since 2007. Lao PDR was one of the first 14 countries to become a REDD+ country

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<sup>10</sup> The National Assembly approved the National Master Plan for Land Allocation (NMPLA) in June 2018. NMPLA confirms this target, that is, 70% of the land area is expected to be conserved and preserved as forest (as cited in F-REDD 2018).

participant under the Forest Carbon Partnership Facility (FCPF) in July 2008 and its REDD Readiness Preparation Proposal (R-PP) was accepted in 2011 ((MAF/DOF/SUFORD-SU 2019). In 2018, GoL submitted its document on Forest Reference Emission Level and Forest Reference Level for REDD+ Results Payment under the UNFCCC (DOF/MAF 2018). Based on interviews in Vientiane, it is expected that it will take another two or three years before the first REDD+ results-based payments can take place in Lao PDR.

The **Forestry Law (2007)** states that forests and forestland are the property of the nation that the State manages throughout the country. The Ministry of Agriculture and Forestry is authorized to manage the forestland. Trees planted by people or planted by an organization in the areas designated by Government are the property of the individuals or organizations (GoL 2007).

Forest lands in Lao PDR are classified into three categories for the purposes of preservation and development. The categories and their functions are as follows (GoL 2007):

- Protection Forests: forests classified for protecting water resources, river banks, road sides, preventing soil erosion, protecting soil quality, strategic areas for national defence, protection from natural disasters, environmental protection, etc.
- Conservation Forests: forests classified for conserving nature, preserving plant and animal species, forest ecosystems and other valuable sites of natural, historical, cultural, tourism, environmental, educational and scientific research experiment; consist of National Conservation Forest Areas and Conservation Forest areas at the Provincial, District and Village levels.
- Production Forests: natural forests and planted forests classified for the utilization purposes for production, and wood and forest product businesses to satisfy the requirements of national socio-economic development and people's living; managed to maintain the abundance of forest for satisfying the requirements of the national socio-economic development and poverty eradication of the people including those from ethnic groups.

According to the provisions of the Forestry Law (2007) and Land Law (2003), forest and forest resources also occur in areas outside forest lands, and include stocked and temporarily unstocked forests (DOF/MAF 2018).

The process of **developing a new Forestry Law and a new Land Law** has been ongoing for several years. According to information received during the in-country mission, both laws were initially passed at the National Assembly in June 2019. After that, the laws were submitted for a detailed approval and finalization process. If both laws are finally approved in their current content, the legislative framework would give the go-ahead for village forest management to proceed and allow practising a form of village forestry where the villagers are trusted with the responsibility of forest management for commercial purposes.

The **Forest Resources Inspection strategy action plan** (2013) clarifies the role of Department of Forest Inspection (DOFI) in forest and wildlife law enforcement. DOFI operations have four main priorities: (i) forest and mill inspections including legality of harvesting in all approved logging areas, and for Chain of Custody, REDD+ and FLEGT, (ii) wildlife inspections including legal custody and use of wildlife as well, (iii) transportation inspections to ensure legal transport of forest products and wildlife, and (iv) international borders inspection and liaison with cross-border officials to ensure legality of transportation of forest products and wildlife across the borders (as cited in PROFOR and FCPF 2014).

Key vehicles to translate policies and laws into action are the **Prime Minister's Orders (PMO) and Presidential Decrees**. In December 2001, the Ministry of Agriculture and Forestry agreed on the main principles for village participation in production forest areas. In May 2002, the Prime Minister's office issued Decree No. 59 on sustainable forest management of production forests. This was a landmark Decree that led into the establishment of Production Forest Areas (PFA).

Two other decrees, Prime Minister’s Decree 29 (2006) and Prime Minister’s Decree 270 (2008) increased the total area of Production Forests from an initial 656,000 ha to 2.5 million ha and eventually to 3.1 million ha (WB 2014). In Table 2 some relevant Decrees and Prime Minister’s Orders that have contributed to forest management and forest protection in Lao PDR are listed. Discussion about these changes and their implications to SUFORD projects will continue in chapters 3.2.2 (Impact), 3.2.3 (Effectiveness) and 3.2.5 (Sustainability).

*Table 2. Main Presidential and/or Prime Minister’s Decrees and Orders influencing Participatory Sustainable Forest Management in Lao PDR, 2000-2018*

<b>Name of Decree / Order</b>	<b>Reference</b>
Prime Minister’s Decree 59/2002 on Sustainable management of Production Forest Areas; outlines the principles of village participation in the management of Production Forest Areas	GoL 2002
MAF Regulation No. 0204/MAF 2002 on Establishment and Sustainable Management of Production Forests	MAF 2003
PM Decrees Decree 29 in 2006 and PM Decree 270 in 2008, increased the Production Forest area ultimately to 3.1 million hectares	WB 2013b
Presidential Decree No. 1 (2012) on Timber revenue sharing from PFAs	WB 2013b
PM Order 31 (2013) dated 5 November 2013 regarding the Temporary Suspension of Logging in Production Forest and carry on the development of production forest management plan and report to the Government for consideration	MAF/DOF/SUFORD-SU 2019
PM Order No. 15 (2016) Enhancing Strictness on the Management and Inspection of Timber Exploitation, Timber Movement and Timber Business, banning export of unprocessed timber	MAF/DOF/SUFORD-SU 2019
PM Order No. 5 (2018) Increased Stringency in Management and Inspection of Protected Wild Fauna and Flora about combating illegal wildlife trade	MAF/DOF/SUFORD-SU 2019
Prime Minister’s Order No. 9 (2018) on promoting investment in plantations and permitting private sector access to PFAs to invest in restoration and reforestation	WB 2019f

## **2.2.4 Role of forests and forestry sector in the development**

In the 1990s, Lao PDR was heavily dependent on its natural resource base to provide both a livelihood for its population and to earn foreign exchange. For example, wood products accounted for up to 54% of official exports in 1991. Some 80% of domestic energy consumption was forestry-based. The forests also provided a host of other products, food items and medicine, some of which were for export (WB 1994). A decade later, forests were still an important source of economic activities in rural areas, and non-timber forest products (NTFP) provided more than half of family incomes. The sector contributed 34% of total export value, and even more of net foreign exchange (WB/Sida/GoF 2001). In early 2010s, NTFPs contributed between 30-70% of income for forest-dependent rural households (WB 2013a). According to the 2015 Census report (Lao Statistics Bureau 2016), 67% of the population used wood as the primary energy for cooking and further 24% charcoal (only 4% of the households used electricity for cooking).

The Draft Final Report of the Forestry Sector Indicator Survey (FSIS) compiled by the Sustainable Forest Management and REDD+ Support Project in 2018 provides rich evidence about **the development trends in the forests and forestry sector since the 1990s** (F-REDD 2018). According to the report, the contribution of the forestry sector to GDP has reduced from the level

of 6-7% in mid-1990s to approximately 1% in mid-2010s (Figure 1)<sup>11</sup>. Similar trend is evident in the share of timber revenues in the central government tax revenues: down to 1% in FY 2017 from about 20% in FY 1993/94.

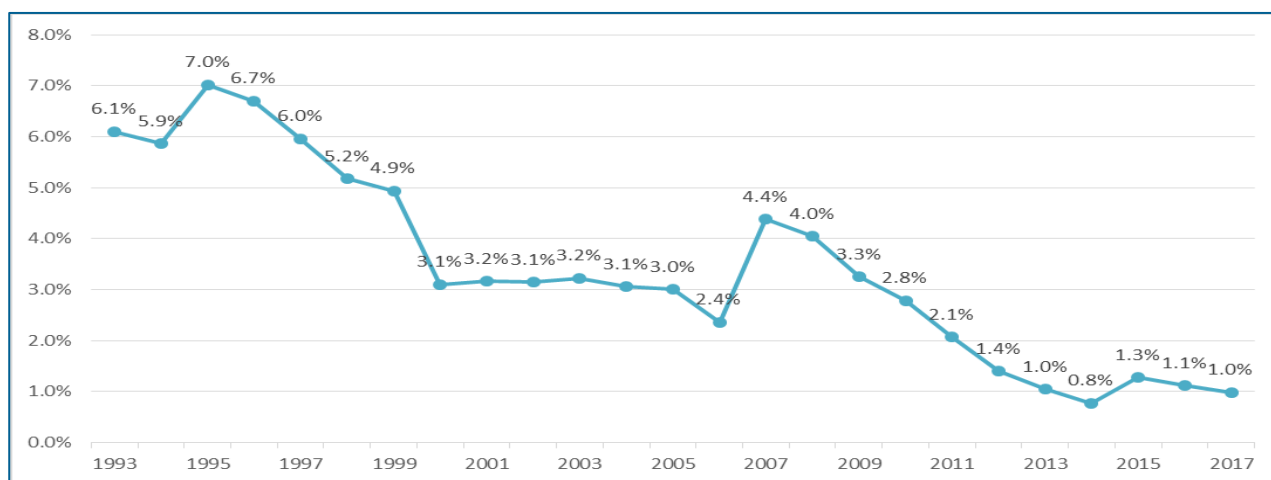


Figure 1. Contribution of Forestry Sector in the GDP of Lao PDR, 1993-2017 (F-REDD 2018, p. 47)

In the early 1990s commercial forest operations operated on a concession system. The system had its problems as licencing procedures were unclear and contractual agreements not enforceable. Cross-border trade consisted of both legal and illegal logging operations and exports, mainly to Thailand and Vietnam. Official log production volumes ranged between 160 000 and 260 000 m<sup>3</sup> during 1987-89. In addition, it was estimated that at least 250 000 m<sup>3</sup> of timber was harvested per year in illegal and non-commercial operations (WB 1994).

Currently different agencies issue official (legal) **timber harvest quotas**. Initial government quota is approved by the National Assembly every year. Other approved quotas exist, for example for infrastructure development or issued by local governments. The annual timber logging quotas (permission) and their implementation (harvest) is depicted in Figure 2 below. Both the quota and harvest decreased drastically after the PMO 15 (2016) was issued (R-REDD 2018).

UN Comtrade data (as cited in F-REDD 2018) reveals a dramatic increase of **timber exports from Lao PDR to its neighbours** in 2010 that reached the peak in 2014. In 2014, the value of Lao PDR wood exports was a whopping USD 1 730 million. This is an estimate based on so-called mirror data, i.e. trade data produced by Lao PDR's trading partners. According to the World Bank's Systematic Country Diagnostics Report in 2017 (WB 2017a) the main contributing factors are excessive salvage logging associated with mining and hydropower development, illegal logging, expansion of agriculture and urbanization, and infrastructure development. However, the strict implementation of PMO 15 (2016) has resulted in sharp decline of wood product exports: in 2017 the total export value by importing country was approx. USD 317 million. Given that there is a big difference between the mirror statistics and official GoL export

<sup>11</sup> According to the FSIS report, the statistics of the recent years are an underestimation because implementation of approved timber harvest quotas are not fully reflected in the GDP. Also, the method of calculation has changed over the years. The reduced share of timber royalties also reflect the fact that economy has diversified with the growth of manufacturing and service sector (F-REDD 2018).

statistics<sup>12</sup>, illegal logging and exports were still ongoing. China was the largest importer in 2017 with a 68% share of timber exports followed up by Vietnam, Thailand, India and Japan (F-REDD 2018).

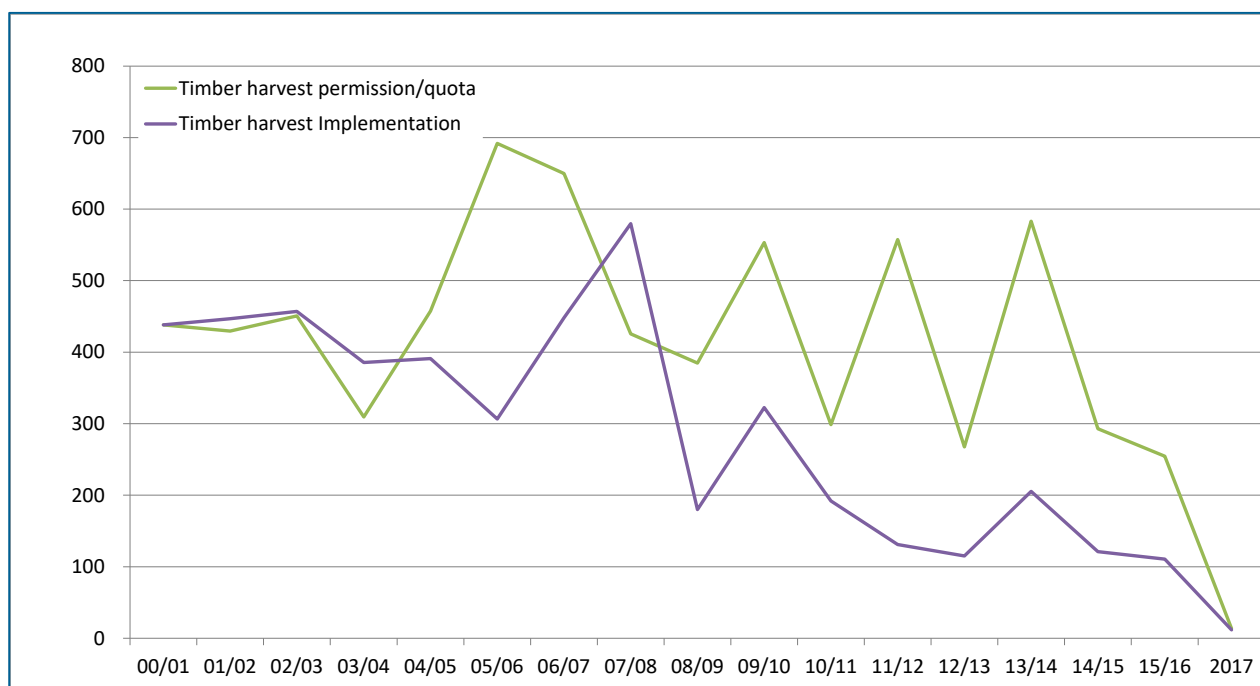


Figure 2. Annual timber logging quota/ permission and implementation, FY 2000/01 – FY 2017, (F-REDD 2018, p. 9)

At the national level, **a large part of Government public investment in agriculture and forestry sector<sup>13</sup> is financed by foreign aid.** There have been fluctuations, but during the period from FY 2003/04 to FY 2015/16 foreign sources covered on an average 82% of the total public investment per year. The share of domestic finance remains small, but its value has been steadily growing. In addition to central government investments, also provinces use their own resources for investments. During the period of FY 2013/14 - FY 2015/2016, the combined central government investment (domestic and foreign sources) to the sector was on an average LAK 410 billion per year (approximately EUR 41 million<sup>14</sup>). During the same period, the combined investments made by all 18 provinces in the sector averaged LAK 190 billion per year (approximately EUR 19.7 million) and reflected a higher share of domestic financing (F-REDD 2018).

The **changes in the forest cover and condition** have not been positive in recent decades. The baseline information is provided by the World Bank Staff Appraisal Report (SAR) of FOMACOP (WB 1994). About 70% of the country was covered by forests in 1940. However, the forest cover had fallen to 48% by 1981. Based on data from the 1st National Forest Inventory in 2010, reports reflected a further decline of forest cover to around 40 percent with only about 9.5 million

<sup>12</sup> In comparison, the official statistics compiled by Customs Department, Ministry of Finance recorded as the total value of export of wood products from Lao PDR USD 157.88 million for FY 2013/14 and USD 37.25 million for FY 2017 (F-REDD 2018).

<sup>13</sup> The public investment programme for domestic and foreign finances is managed by Ministry of Planning and Investment (MPI). The investments in forestry sector are included in the agriculture sector (F-REDD 2018).

<sup>14</sup> Rate of exchange (1 September 2019): 1 LAK equals 0.00010 EUR.



ha of forests (e.g. WB 2013a, WB 2017a, Lloyd Thomas 2015). The same data suggests that during the 1990s the annual loss of forest cover would have been around 1.4% (an average forest cover loss of about 134,000 ha per year) (WB 2013a).

In the process of producing the official government report on Forest Reference Emission Level and Forest Reference Level for REDD+ Results Payment, the official statistics on forest cover have been revised. For construction of the proposed Forest Reference Emission Level/Forest Reference Level (FREL/FRL) a revised national definition of forests is applied (see Box 4). GoL intends to apply this same definition in compiling the periodic national GHG inventories to UNFCCC. The method of re-calculating past forest cover was based on Forest Type Maps that were produced using available satellite imagery<sup>15</sup>. Biomass stock data for the measured forest classes was obtained from the 2nd National Forest Inventory (NFI) data. Department of Forests conducted the 2<sup>nd</sup> NFI during 2015-2017.

**Box 4. Definition of Forest in Lao PDR (DOF/MAF 2018)**

Parameter	Value
Diameter at Breast Height (DBH)	Minimum of 10 cm
Crown density	Minimum of 20%
Area	Minimum of 0.5 ha

This new definition of forest is different from what was used for the reporting to the FAO Forest Resources Assessment (FRA) in 2015. In FAO-FRA 2015, Government of Lao PDR defines “forest” as: minimum height of trees of 5.0 m; minimum forest canopy cover of 10%; and minimum area of 0.5 ha. The decision for the revised forest definition over a more conventional one is made to allow for better results in the identification of land cover classes through remote sensing (DOF/MAF 2018, p. 1).

The Forestry Sector Indicator Survey report (R-REDD 2018) presents the data on current and past forest cover in terms of forest classes and forest categories. According to the revised definition, total forest cover of Lao PDR was 13.4 million ha in 2015. It is equivalent to 58% of the area of country. This includes both forests in the formally delineated 3 categories (Production, Conservation and Protection) as well as forests outside the official forest categories. Information in Tables 3 and 4 indicates that forest cover continues to decrease, although the annual rate has slowed down compared to the situation 10-15 years ago. As Table 4 also suggests, deforestation has taken place across all categories of forest land and also within the forests in “other” lands. In terms of forest area loss, these un-categorized forests have suffered the most.

*Table 3. Major forest types and change of area from 2000 to 2015 in Lao PDR (F-REDD 2018, p. 3)*

Forest class / year	2000 Area, ha	2010 Area, ha	2015 Area, ha
Evergreen Forest	2 617 238	2 613 225	2 605 557
Mixed Deciduous Forest	9 832 953	9 487 839	9 205 036
Dry Dipterocarp Forest	1 304 130	1 215 712	1 188 198
Coniferous Forest	135 510	125 229	124 772
Mixed Coniferous and Broadleaved Forest	142 323	108 567	107 880
Forest Plantation	17 889	110 024	137 935
<b>Total</b>	<b>14 050 043</b>	<b>13 660 596</b>	<b>13 369 378</b>
<b>% of area</b>	<b>60.9</b>	<b>59.3</b>	<b>58.0</b>

<sup>15</sup> For 2000 Landsat 5 with 30 m resolution were used, for 2005 SPOT4/5 MS images with 10 m resolution and for 2010 and 2015 RapidEye images with 5 m resolution (DOF/MAF 2018).

*Table 4. Total area and Forested areas of 3 Forest Categories in 2005 and 2015 in Lao PDR (F-REDD 2018, p. 5)*

Forest Category	Area, 1000 ha			2015 Forest rate, %
	Total land	2005 Current Forest	2015 Current Forest	
Production Forest	3 097	2 237	2 142	69.2
Protection Forest	7 980	4 779	4 619	57.9
Conservation Forest	4 663	3 532	3 470	74.4
Sub-total, 3 Forest Categories	15 740	10 548	10 230	65.0
Other lands	7 314	3 228	3 139	42.9
<b>Total</b>	<b>23 054</b>	<b>13 875</b>	<b>13 369</b>	<b>58.0</b>

Also, quality of forests has continued to deteriorate. Up to 80 % of the country’s forests are considered degraded or highly degraded at present (WB 2019f). This is an outcome of a long-standing trend: dense forest areas have decreased and areas of open forest increased. Forest fragmentation has also increased. For example, share of small forest compartments (less than 10 ha) rose from 0.9% to 6.7% of the total forest area already between 1992 and 2005. Large forest compartments (larger than 1,000 ha) decreased in proportion from 88% to 54% during the same period of time (Tong 2009). Many natural forests have suffered from intensive degradation which results in lower productivity and impaired environmental functions (Lloyd Thomas 2015).

There are many **drivers to deforestation and forest degradation**. The key drivers to deforestation are illegal logging, expansion of agriculture and clearing for hydropower projects, mining sites and other infrastructure development (salvage logging) together with industrial tree plantation development. The main drivers to forest degradation are poor or absent management, illegal logging, NTFP harvesting and shifting cultivation. Illegal logging and cross-border trade have contributed to both deforestation and degradation and until recently were widespread. Also unmanaged conversion / salvage logging for infrastructure development causes degradation. These losses undermine the economic promise of the sector to contribute jobs, livelihoods and environmental services. Wood harvesting for domestic consumption has been estimated to have a much less significant impact. Many drivers are outside of the forest sector and caused by private entities that operate under a jurisdiction of different ministry or agency (Lloyd Thomas 2015, DoF/MAF 2018, WB 2019e, WB 2019f).

### **Donor support to the sector**

At the time of evaluation, the main donors currently working with Department of Forestry include World Bank (e.g. Green Growth initiatives), EU (on FLEGT), JICA (on REDD+ and forest cover monitoring) and KfW (on village forestry). Also, international and regional organizations, such as RECOFTC and WWF are appreciated actors in the sector.

### **Definitions of Village Forestry and Participatory Sustainable Forest Management**

In the subsequent chapters of the report, both Village Forestry and Participatory Sustainable Forest Management (PSFM) are terms that are frequently used. It is understood that the definition of village forestry has varied over time and has been understood differently by different stakeholders while there is more conceptual clarity in the definition of PSFM.

Conceptually, **Village Forestry** (as piloted by FOMACOP) and Participatory Sustainable Forest Management as practiced by SUFORD projects are two different forms of forest management involving communities at village level. According to the Village Forestry Handbook (MAF/DoF/FOMACOP Sustaining Phase 2001), Village Forestry was defined as a partnership between rural communities (villages) and the Government forestry offices for the sustainable management of forest resources. In the FOMACOP model the villagers were the decision makers responsible for the day-to-day forest management activities, with support from the Government. According to the Guideline (p. 1) *“the financial benefits of forest management are shared as royalties and related taxes for the government, as funds for the participating PAFO and DAFO to able to provide technical and other related services to the villages, and as funds for the participating villages primarily to sustain forest management activities, and also to fuel village development”*. The exact definition of village forestry in the 2019 Forestry Law was not yet available at the time of writing the report.

The term “village forestry” has been used also in the context of **Participatory Sustainable Forest Management**. The key difference is that in PSFM the roles and responsibilities are reversed: the local forestry offices (DAFO and PAFO) are in charge of forest management activities with the villagers participating in the activities by providing labour inputs for the activities. Definition of PSFM is initially based in the Prime Minister’s Decree 59/2002 and further refined in the MAF Regulation No. 0204/2002 on Establishment and Sustainable Management of Production Forest (MAF 2003). Chapter 5 of the Regulation No.0204 outlines the organizations, rights and responsibilities in management of a PFA (MAF 2003, pp. 7-9). It is the responsibility of *“the DAFO Office to implement sustainable forest management activities in a PFA under the supervision of PAFO”*. DAFO will supervise and assist each village located in a PFA to establish a Village Forestry Organization (VFO); the role of VFO is *“to represent the villagers in participation for implementation of forest management activities and decision-making based on their level of capacity and responsibility.”*

## 2.2.5 Information services on land and natural resources

When the SNGS project was designed, the situation in Lao PDR with respect to data and information on environment, natural resources, and land administration and management was described as insufficient. Up-to-date information on geography and environment as a necessary element for planning and implementing government programmes and priorities were generally lacking (PM, NGD and MFA 2010).

The project document of SNGS (PM, NGD and MFA 2010) refers to the then effective 6th NSEDP, which generally called for achieving fast and stable development across sectors focussing on human development and addressing social issues. Indicators and targets were defined to coincide with the MDGs. The 6th NSEDP builds upon the achievements of the 5th NSEDP (2001 – 2005), which already acknowledged gaps and inadequacies in data, information, and information services. While recognizing the obvious gaps in information services, the 6th NSEDP does not list information services among its general targets, nor among its targets relating to the natural resource and environment sector. However, under its natural resource and environment strategy it mentions the need to continue data collection by line ministries to improve plans, citing minerals and forestry as priority areas (CPI 2006).

Equally, for monitoring and evaluation purposes the 6th NSEDP acknowledges that information provided is often incomplete and has quality issues, but still suggests to build upon existing systems in line ministries and agencies (CPI 2006).

While designed against the 6th NSEDP, the implementation period of the SNGS and SNGS-EP fell mostly into the plan period of the 7th NSEDP. While gaps in information provision and services had been identified in both previous NSEDPs, the 7th plan again does not specifically identify information services as a target or strategy element. Although mentioned, information

explicitly occurs in the context of disseminating official government opinion rather than in the context of citizens having the right to access information on natural resources (MPI 2010).

The 2003 Law on Land, referred to in the SNGS and SNGS-EP project documents (PM, NGD and MFA 2010 and PM, NGD and MFA 2014), identifies the National Land Management Authority (NLMA)<sup>16</sup> as the mandated authority for land management. The NLMA has to coordinate with other line ministries, among which is also the Ministry of Agriculture and Forestry (MAF). Among the key duties of the NLMA under the Law on Land are the (i) surveying of land for planning purposes and (ii) the development of a land information system (NA 2003).

With the Decree No. 88 of June 2008, the GoL specifies that the NLMA establishes the Centre for Research and Information of Land and Natural Resources (CRILNR) with an aim of undertaking the collection and compilation of statistical data and information of each category of land in a systematic manner. The CRILNR is responsible for collection, filing, analysis, use of data in relation to the development of land (PM 2008).

### **Donor support to the sector**

The NGD does not benefit from many direct donor funded activities. During and after the SNGS and SNGS-EP there has been support from the Switzerland (SDC). Currently, there is collaboration with German-funded initiatives from GIZ (land management). However, unlike the Finland-funded projects, these are not projects primarily focussing on the NGD as an implementation partner, but rather projects that use some of NGD's data, expertise or services. Towards the end of the SNGS-EP and beyond, the NGD collaborated with the Government of Vietnam (2014 – 2018), which funded the extension of the aerial photo survey in the North of Laos. This collaboration did not include capacity building.

Prior to the SNGS project there has been support to NGD from Japan (JICA) on updating and digitizing existing topographic maps (1995-2003), but presently there is no more Japan-funded activity in the sector of cartography. JICA is only indirectly involved by providing support to UXO Laos, which buys and uses NGD data.

Other donor activities in Laos have cartographic elements or activities but tend to implement these within their respective sectors and line ministries. One example is the Finland-funded FORINFO project (2011-2015) together with the RECOFTC Laos, which did not make use of the NGD and its data, as the mapping was carried out by the RECOFTC HQ in Bangkok, Thailand. Other examples are the Climate Protection through Avoided Deforestation (CliPAD) Programme, with funding from Germany (KfW) that has established remote sensing capacity within MoNRE rather than collaborating with the NGD.

Very recently, the NGD benefitted from collaboration with the P.R. China, which included provision of satellite imagery to update city maps. Some of the NGD technical staff also received several months of training in China.

### **2.2.6 Environment sector**

The environment sector of Lao PDR during the period of implementation of the EMSP was very much guided by the "National Strategy on Environment until the Year 2020 and Action Plan for the years 2006 – 2010" (NESAP). This strategy became valid in 2004 and broadly aimed at (i)

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<sup>16</sup> later Department of Land

sustainable development, (ii) poverty eradication, and (iii) improved livelihoods. At the onset of the EMSP the action plan was undergoing revision (WREA and MFA 2011).

In 2011, the NESAP was assessed and its success evaluated as part of the formulation of the follow-up action plan. Main shortcomings that were identified included, among others, (i) lack of resources and absence of management plans, (ii) lack of benefit sharing, (ii) lack of enforcement of EAI regulations, and (iv) limited concern about environmental sustainability inland use planning (IUCN 2011)

The revised Action Plan set out a number of milestones for the period of 2011 – 2015 among which the most relevant to the GoF-funded projects were to (i) promote strategic environmental assessment in government policies, programmes and plans, (ii) to encourage investment projects to implement environmental impact assessments, and (ii) to develop six large cities into environmentally sustainable “green” districts.

With EMSP support, the MoNRE developed the successor to the NESAP, the Natural Resource and Environment Strategy 2025 (NRES 2025), which was not yet approved by the end of Finnish support to Lao PDR (MoNRE and MFA 2015).

## **2.3 Finnish Development Policies and cooperation in Laos**

### **2.3.1 Government of Finland Development Policies**

Starting from 1990s, the development policy priorities of Government of Finland (details in Annex 7) demonstrate **a constant commitment to poverty reduction, gender and social equality, human rights as well as a concern for the environment.**

Poverty reduction or eradication has been the main goal of Government of Finland Decision-in-Principles and Development Policies in six successive policy terms, starting from the 1996 Decision-in-Principle on Finland’s Development Cooperation (MFA 1996). The main goal of Development Policy 2012-2105 was to eradicate extreme poverty in line with the Millennium Development Goals (MFA 2012). The current Development Policy 2016-2019 has eradication of extreme poverty and reduction of poverty and inequality as the core goal (MFA 2016).

Global policies have been well reflected in the GoF policies. For example, the principles of sustainable development are explicitly incorporated in the Development Policies for 2004-2007 and 2007-2014. Millennium Development Goals provided shared global objectives for the Development Policies for three policy terms, starting from 2004. The MDGs were replaced by the Sustainable Development Goals in the current policy term (2016-2019) (MFA 2004, MFA 2007, MFA 2012, MFA 2016).

**Emphasis on and promotion of human rights and incorporation of a human rights based approach** has grown more prominent in each successive policy term. Already the 1996 GoF Decision-in-Principle for Finland’s Development Cooperation (MFA 1996) included promotion of equality, democracy and human rights as key goals. The Development Policy for 2012-2015 stated that development cooperation is based on human rights. The Development Policy included as one of its priorities support to democratic and accountable societies that promote human rights. The Development Policy for 2016-2019 maintains realization of human rights as the key goal in Finland’s development policy.

Similarly, the Finnish Development Policies have demonstrated a sustained support to **promotion of gender and social equality** and promotion of the rights and status of women and girls up. In the years after the UNCED conference, emphasis on prevention and mitigation of environmental problems was prominent, either as a core objective or as a cross-cutting theme

(MFA 1996, MFA 2001, MFA 2007). More recently, climate sustainability has emerged as an important cross-cutting theme/objective (MFA 2012, MFA 2016).

In addition to the Development Policy documents, Development Policy Guidelines for Forestry sector were developed in 2009 and 2013. Finland has consistently emphasised the **sustainable and democratic governance of forests** and the just distribution of forest-based benefits to alleviate poverty (MFA 2009, MFA 2013).

### 2.3.2 Finland's Development Cooperation in the Mekong Region and Lao PDR

The partnership with Government of Finland, the downstream countries and regional actors in the Mekong region started in 1987 (Cambodia, Lao PDR; Myanmar until late 1980s). It was considered important to support regional cooperation in the populous Mekong River region running through six countries. The cooperation was started with Interim Mekong Committee (the predecessor of the Mekong River Commission (MRC)). Support has been provided both to regional cooperation and bilateral (country-based) projects (MFA 2005, MFA 2015a). Until 2005 the key partners consisted of Mekong River Commission (MRC), Asian Development Bank (ADB), International Financing Corporation (IFC) and International Organization for Migration (IOM). In addition, bilateral cooperation activities took place in Vietnam, Cambodia and Laos. FOMACOP, SUFORD and Implementation of international treaties -project implemented by UNDP were the main projects in Lao PDR then (MFA 2005).

In mid-2000s, GoF supported two significant projects in Lao PDR, namely SUFORD and the Implementation of international treaties -project that was implemented by UNDP (MFA 2005, Embassy of Finland, Bangkok 2008). From 2010 until 2015, SUFORD-AF, SNGS and EMSP were the only major projects financed in Lao PDR (Embassy of Finland, Bangkok 2010, 2011, 2013, 2014b). In 2014-15 GoF also supported an intervention that RECOFTC implemented in Lao PDR as part of the regional Mekong Forest and Climate Support project, ForInfo (Embassies of Finland in Bangkok, Hanoi and Yangon 2015). During the period, regional projects were implemented by MRC, ADB, IFC, International Union for Conservation of Nature (IUCN) and Asian Institute of Technology (AIT).

The annual disbursements to the Mekong region were approximately EUR 0.5 million in the second half of 1990s. The disbursements grew to approximately EUR 1.5 million per year in the first half of 2000s (MFA 2005). In the following years, the disbursements for regional projects were to the tune of EUR 4-5 million annually. Disbursements to Lao PDR and Cambodia were approximately EUR 1-2 million per country per year. In addition, humanitarian support was provided to Cambodia and Myanmar.<sup>17</sup> By 2008, the portfolio of projects had expanded to about 30 projects with a total budget of about EUR 11 million (Embassy of Finland, Bangkok 2008). MFA planned to increase the disbursements to the region to the level of EUR 25 million by 2012. Initially the disbursements grew as planned but in 2014 the support to the Mekong region was back to a total of EUR 11 million (Embassy of Finland in Hanoi 2015).

Both the regional projects and projects in Laos and Cambodia were managed by Embassy of Finland in Bangkok, Thailand (until late 2014) and by Embassy of Finland in Hanoi, Vietnam (from late 2014 / early 2015 onwards) (Embassy of Finland, Bangkok 2014a). During 2014-2016 a Vientiane-based Project Coordinator was also working as a member of Embassy of Finland team.

Although Government of Finland supported for more than 20 years a portfolio of projects in Lao PDR, the country was never a long-term partner country for development cooperation. The 2001

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<sup>17</sup> In addition, there was a well-developed country programme in Vietnam where disbursements rose from EUR 9 million to EUR 17 million already during 2004-2007 (MFA 2008).

policy on "*Operationalization of Development Policy Objectives in Finland's International Development Cooperation*" divides the countries where cooperation activities are funded by GoF into two categories, namely long-term partner countries and other partnerships. Laos fell into the category called 'other partnerships'. In this category, the duration of cooperation was determined on a case by case basis. The cooperation was also targeted thematically, for example on environment, good governance and equality. Support was channelled to "the development of personnel and other resources in public administration, the private sector and civil society" (MFA 2001). This can be interpreted as support to institutional capacity development.

The Development Policies for 2004-2007 and 2007-2012 included Mekong region as one of the priority regions for interventions (MFA 2004, MFA 2007). Subsequently MFA developed more detailed Regional Strategies to guide its actions in the Mekong Region. The MFA strategy for Mekong Region for the years 2008-2012 covers Cambodia, Laos, Thailand and Vietnam. Thematic cooperation with least developed countries in the region was expected to increase during the strategy term, with Laos taking precedence over Cambodia. The Strategy emphasizes three themes: natural resources, rural development and energy (especially renewable energy). In the strategy, trade and development, equality, support to civil society and good governance are listed as cross-cutting themes. It also contains a vision for increasing GoF financing to the region and the countries within during the strategy term (MFA 2008).

According to the draft Development Cooperation Strategy for Mekong Region for the years 2014-2018 (MFA 2013), MFA considered including Laos a priority partner country in the mid-2000s. Eventually, MFA decided to develop the programme in a manner that in addition to regional (multi-country) projects also some bilateral projects in Laos and Cambodia were included. The positive political development in Myanmar was introduced as new element into the strategy that then influenced the strategic choices. The Strategy strove to reduce development gaps and inequality between the countries in the region. Negative impacts associated with fast development in the Mekong region would be mitigated. Both regional and country-based activities were included, with an emphasis on the least developed regions within the Mekong area. The main objectives consisted of reduction of poverty and inequalities by supporting transparent and responsible governance, advancing green economy and strengthening regional co-operation. The focus was on energy, water and forestry sectors which were to be supported by strengthening of environmental governance, with an emphasis on human rights-based approach and the cross-cutting objectives (reduction of inequalities, gender equality and climate sustainability). The financing frame indicated a reduced input on activities to be financed in the region and in Laos and an increased input to activities in Myanmar.

Following the Finnish national elections in 2015, a new coalition government was formed. Subsequently, the new government made significant cuts to its development cooperation budget. As a result, MFA decided to stop the planning of any new support within the regional Mekong development cooperation programme. This meant that the second phase of the Environmental Management Support Programme (EMSP) in Lao PDR was cancelled. Planning was also halted for new support for the Mekong River Commission. The Energy and Environment Partnership (EEP) programme was the only regional programme that has continued after 2016 in the Mekong Region (Embassy of Finland, Hanoi 2015).

Initially MFA announced that GoF-financing to SUFORD-SU Technical Assistance would cease at the end of 2016. This was two years earlier than what was officially agreed with Government of Lao PDR before the project implementation started (Embassy of Finland, Hanoi 2015). A flurry of correspondence took place between MFA, Embassy of Finland in Hanoi, the World Bank and the Government of Laos in 2015-2016. Finally, in January 2017, Ministry for Foreign Affairs announced in a letter to Department of Forestry that MFA would only be able to support SUFORD-SU until the end of June 2017. This then became the closing date of Government of Finland support to the project. It also marked the closing down of the bilateral project partnerships between the two governments. The other two bilateral projects, EMSP and SNGS-EP had already closed down in 2015.

## 3. FORESTRY PROJECTS

This is the first of three report Sections where the findings of the Synthesis evaluation are discussed. In this Section, synthesis of the achievements of the of the forestry projects that Government of Finland and World Bank jointly supported in Lao PDR during 1995-2017 are presented. The projects under consideration are the Forest Management and Conservation Project (FOMACOP), Sustainable Forestry and Rural Development Project (SUFORD), Sustainable Forestry for Rural Development Project Additional Financing (SUFORD-AF), and Scaling-up Sustainable Forest Management Project (SUFORD-SU). The Section begins with description of the projects and their achievements (Chapter 3.1). After that the evaluation findings and conclusions vis-à-vis evaluation issues identified in the TOR are discussed (Chapter 3.2).

### 3.1 Description of projects and their achievements

#### 3.1.1. Forest Management and Conservation Project 1995-2001

##### Justifications

The approval of Forest Management and Conservation Project in 1994 marks the start of the World Bank – Government of Finland – Government of Laos partnership in the forestry sector development in Lao PDR. The project was jointly designed with the World Bank (International Development Association, IDA) and Government of Finland staff. The formulation started in 1991 with an IDA appraisal mission. This was followed up by two IDA/GoF post appraisal missions in 1992 giving contributions to the project design (WB 1994). These missions led into one joint project document that incorporated all the inputs and activities supported by project partners, including the Technical Assistance. The principles of the partnership were agreed in tripartite negotiations between the Government of Laos, Government of Finland and IDA in February 1993 (GoL/GoF/IDA 1993).

FOMACOP was initially designed to address a number of issues in the forestry sector that contributed to the deforestation and degradation of forests and to the loss of forest biodiversity. For example, the Government was not effective in ensuring sustainable forest management, due to lack of adequate management, and regulatory and incentive systems. Management of forest resources was constrained by lack of data for practical application. Problems with human resource development were evident, e.g. training program designs did not produce improvements in the quality of forestry staff. Also, the legal and regulatory framework for natural resources and forest management was inadequate and inconsistent (WB 1994).

##### Project Design

According to the Staff Appraisal Report, FOMACOP aimed at (WB 1994, p. 8) “*assisting the Government to implement a new resource management system in Lao PDR to better achieve the sustainable economic development and conservation of the country’s forest resources*”. The core areas of support consisted of development of an appropriate institutional framework and legal framework for the forestry sector, implementation of national programs on forest inventories and preparation of management plans, sustainable management and protection of forests, and establishment of protected areas and their management. The support also covered human resource development and technical assistance inputs (WB 1994).

When the project started in January 1995, the partners soon realised that the objectives were too ambitious. Following a redesign, a Five-Year Work Plan for 1995-99 was endorsed. Subsequently the long-term objective was revised to read (FOMACOP 1996, p. 3): “*to have sustainable forest management and bio-diversity conservation systems in place and implemented throughout the country.*” This objective was expected to be achieved in cooperation with other national programmes and development efforts over a period of 15 years.



The objective of FOMACOP during 1995-1999 was (FOMACOP 1996, p. 4) *“to develop and test the systems, apply them in pilot areas, and seek their acceptance so that a sound basis for expanding their implementation is created.”* Priority was given to village forestry and biodiversity conservation based on the integrated conservation and development process approach. Village forestry was defined as *“forest management dealing primarily with organized villagers as the forest managers”* (FOMACOP 1996, p. 8). It was assumed that in the medium term (2000-2010) the above systems would be in place and their implementation would expand beyond the pilot sites (FOMACOP 1996).

The project was reorganized into two sub-programmes, one working on forest management and another one working on the management of national biodiversity conservation areas. The revised activities consisted of piloting a village-based forest management system and exploring the feasibility of integrating socio-economic development of the forest-based communities with the biodiversity conservation programs (WB 2001a). Human resource development remained a high priority. The sub-programmes worked with both on-the-job and formal training of trainers (foresters) and villagers, as well as institutional strengthening of the Provincial Agriculture and Forestry Offices (PAFOs), the District Agriculture and Forestry Officers (DAFOs), and communities (FOMACOP 1996).

The main implementing partner in Lao PDR was the Department of Forestry (DoF) under the Ministry of Agriculture and Forestry (MAF). The project beneficiaries consisted of Department of Forestry staff at central, provincial and district levels. Also, forest dependent communities in Khammouane and Savannakhet were among the beneficiaries. FOMACOP intended to provide the communities living in the vicinity of protected and production forest areas with incentives and opportunities to participate in the management of natural forests (WB 1994).

**Monitoring and evaluation arrangements:** A National Project Coordination Committee was established under the leadership of the Ministry of Agriculture and Forestry. A joint monitoring and reporting system was designed whereby the Department of Forestry was responsible for preparing project progress reports for submission to IDA and Government of Finland (WB 1994). The role of the biannual WB-GoF supervision missions was to monitor project performance from the financiers’ viewpoint. The role was also to monitor the programme from a technical viewpoint and provide feedback. Also, the Mid-Term Review in 1998 was a joint World Bank (IDA) and MFA (GoF) mission.

### **Contracts and financial inputs**

Two separate agreements were initially made with the Government of Laos. IDA and GoL made an agreement for the management of the development credit and GoF and GoL entered into an intergovernmental agreement for the project (IDA and GoL 1993, GoF and GoL 1994). The GoF grant was managed by a direct transfer of funds to the account opened for implementation of technical assistance and other GoF financed components. The use of GoF funds was managed by the Team Leader of the TA team (GoL/GoF/IDA 1993).

The financial inputs for FOMACOP consisted of contributions from Government of Finland, the Global Environment Facility (GEF), the World Bank (IDA) and the Government of Lao PDR. Project activities in production and village forest areas were supported by the International Development Association (IDA) and the establishment and management of protected areas was funded by Global Environment Trust Fund (GET). Government of Finland<sup>18</sup> funded Technical Assistance and

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<sup>18</sup> Referred to as “FINNIDA co-financing” in the WB Staff Appraisal Report (WB 1994) and in subsequent reports and plans.

human resource development for production forest areas and GET funded the TA for the protected areas. The original budget of FOMACOP was about USD 20.3 million (WB 1994).

*Box 5. Expenditure and Duration of FOMACOP (WB 2001a)*

**Project Expenditure:**

Partner	USD
International Development Association (IDA)	2.5 million
Global Environment Trust (GET)	4.46 million
Government of Finland (GoF)	5.38 million
Government of Laos (GoL)	0.54 million
<b>Total</b>	<b>12.88 million</b>

**Project Duration:**

Partner	Start-end
WB (IDA & GET)	January 1995 – November 2000
GoF	January 1995 – November 2000; extended to September 2001

The final project cost was only two-thirds of the original budget, reflecting scaling back of both the forest management and protection component. The total cost (expenditure) of FOMACOP was USD 12.88 million (details in Box 5). Government of Finland contribution<sup>19</sup> was USD 5.38 million (WB 2001a, WB 2001b).

When the agreed project phasing out date (30 September 2000) approached, the transition arrangements to move from project funding to regular operational funding by GoL were not in place. Thus, GoF provided transitional financial support and technical assistance (FOMACOP Village Forestry Sustaining Phase) from October 2000 until September 2001. The main outcome was a Village Forestry Handbook that was written to consolidate the systems and procedures developed for village forestry by FOMACOP (WB 2001a).

**Reviews and Evaluations**

A Mid-Term Review mission (MTR) in 1998 resulted in further project revisions. The targets for both village forestry and National Biodiversity Conservation Areas (NBCA) were reduced. The MTR also recommended a one-year extension which was subsequently agreed upon (WB 2001a).

In 2002 the Operations Evaluation Department of the World Bank wrote a Project Performance Appraisal Report (PPAR) of three projects in Lao PDR, one of which was FOMACOP (WB 2002). In the report of Evaluation of the Finnish Forestry Sector Cooperation (Hardcastle et al 2003) some observations on FOMACOP were made. Relevant issues raised by the external evaluations are incorporated in chapter 3.2.

**Main achievements**

In terms of revised project objectives, the project was successful. FOMACOP developed, tested and implemented **a successful, village-based sustainable forest management model and demonstrated that it is replicable at a reasonable cost**. Forest inventories and management plan preparation covered approx. 300 000 ha in Savannakhet and Khammouane. Implementation of the village forestry model improved management of 145 000 ha of land. 33 Village Forestry Associations were formed with members from 41 villages; the associations benefited approximately 5 000 people out of which half were women (WB 2001a).

The model was piloted and intensive training of both government staff and villagers was conducted with village organizing, participatory forest management and village development as key elements. The model was considered excellent for village participation in sustainable management of production forests with links to community development. However, FOMACOP

<sup>19</sup> The original allocation, as per the agreement signed between GoF and GoL in 1994, was FIM 28 million (equivalent to EUR 4.71 million; calculation based on the official FIM-EUR exchange rate of 1 EUR (ecu) = 5.94753 FIM).

was less successful in achieving its objectives in developing a protected area management programme and failed to develop a viable Integrated Conservation and Development model (WB 2001a).

### **3.1.2 Additional GoF Inputs to SFM in Lao PDR in 1999-2002**

With FOMACOP drawing towards its end, GoF financed a short-term consultancy assignment with the objective of supporting GoL in preparing for a follow-on project after FOMACOP. The idea was to start preparations for a new project that could have started immediately after the closure of FOMACOP (Williams 1999).

Through discussions with former project TA staff members in Vientiane, the Synthesis Evaluation learned that during 1999-2002 GoF independently financed a stream of small interventions that contributed to the development of Sustainable Forest Management in Lao PDR. GoF extended support to a small project known as Formulation of Criteria and Indicators (C&I) for Sustainable Forest Management during 1999-2000. It contributed to the GoL overall efforts in developing an efficient institutional framework for the forest sector. With project support, draft Criteria and Indicators were developed (Puustjärvi 2000). GoF also financed a Pilot Forest Certification Project for years 2002-2003 in Lao PDR (Sandom and Tuominen 2010)<sup>20</sup>. Government of Finland also joined hands with the World Bank and Sida in the development of the Production Forestry Study (WB/SIDA/GoF 2001). The study was an important contribution to the formulation of SUFORD.

### **3.1.3 Sustainable Forestry and Rural Development Project 2003-2008**

#### **Justifications**

The interviews with the FOMACOP and SUFORD stakeholders indicate that initially there was only limited consensus between the donors and representatives of the Government about the approach and emphasis of the new project that was to become SUFORD. On the donor side, based on positive experiences of FOMACOP, the concept of village forestry was much liked. However, the concept did not fetch similar support for a nationwide application among the Lao Government authorities for a variety of reasons. Operating under the banner 'pilot' and under the auspices of provincial governments in Savannakhet and Khammouane FOMACOP was able to develop a forest management concept that apparently gave too much authority to village communities, was considered too radical, and therefore was not the preferred option for the authorities. The reluctance of the GoL to move forward with the concept piloted by FOMACOP was already evident in 2001. According to the Implementation Completion Report (ICR) of FOMACOP (WB 2001a, p. 5) *"the reluctance of the Government, due to its disagreement on giving incentives to the participating villages, to more strongly support this model is clearly unsatisfactory"*.

To arrive at a solution, a number of efforts took place. At the time, also Sweden (Sida) was a player in the forestry sector. Through the Lao-Swedish Forestry Co-operation Program Sweden had been a strong supporter of forest industries and forest inventory in Lao PDR since late 1970s (McGillivray et al 2012). In the 1990s, Sweden became involved with piloting approaches to participatory forest management in production forests which were based on the concept of joint forest management (JFM) (Samounry et al 2001). In 1999 Lao-Sweden Forestry Program financed a study that compared village forestry planning models in Lao PDR. In the report, four different projects, including the JFM pilots supported by Sweden and village forestry pilot supported by World Bank and Finland, and their approaches related to village forest management were studied. The report concluded that each of the methods had its strengths and its

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<sup>20</sup> This is probably the same project referred as the Third Party Certification by the World Bank (WB 2003).

weaknesses and that there probably was not one model that would fit all circumstances (Makarabhirom and Raintree 1999).

In 2000, a study that looked at **the status and issues in the Lao PDR Production Forestry Policy was commissioned jointly by the World Bank, Sida and Government of Finland**. This study<sup>21</sup> was an attempt to address the concerns that the donors had on existing policy and regulatory framework and their review. The study identified several key areas of weakness. For example, the legal framework did not provide the rights and incentives needed for villagers to be involved in the management of production forest (especially in log sales and sharing of financial benefits). Wasteful, unplanned logging and conversion of forests to other land uses restricted the capacity of forests to provide benefits and services. The guidelines for sustainable forestry operations were largely missing and the extent and location of forests with potential for sustainable management was not known. The role of forestry organizations was more geared towards regulating and controlling and not so much supporting management of forests by local communities. Up-to-date and reliable information on forest sector performance was not available. The key conclusion of the study was that a programme aimed at the comprehensive development of production forestry was needed in Lao PDR (WB/Sida/GoF 2001).

The **Prime Minister's Decree No. 29/PM/2002** on Sustainable Management of Production Forests was considered a positive step forward on behalf of the Government (WB 2003). SUFORD project was therefore designed to address several key concerns of the GoL that were further detailed in their Letter of Forest Management Policy in 2003 (annexed to the Project Appraisal Document). GoL recognised that there was a need to revise the forest management system, base harvesting on sustainable supply of timber and promote tree planting. Also, unsustainable harvest and export of NTFPs needed to be controlled and encroachment and biodiversity degradation prevented. As methods, law enforcement, capacity building and assisted participation of villagers in poverty eradication and conservation activities were included. Government also recognized the need to improve the performance of its wood industry (WB 2003, WB 2013b).

## **Project Design**

**The Sustainable Forestry and Rural Development Project was jointly planned by GoL, GoF and WB in 2001-2003**. Government of Finland funded consultancy inputs that contributed to the formulation of the Project Appraisal Document (PAD) of the World Bank (Mäkelä and Selänniemi 2002, WB 2003). The main document guiding project management and implementation is the World Bank PAD. In addition, a brief Project Component Document (GoF and GoL 2003) for the Technical Assistance component of the project was developed.

According to the PAD, the long-term objective (PDO) of SUFORD was *"to assist the Borrower [Government of Laos] to achieve the sustainable management of production forests to alleviate rural poverty in the Project Provinces by implementing the forest policy reform actions and policies set forth in its Letter of Forest Management Policy"* (WB 2003, p. 2). The development objectives of SUFORD were to (WB 2003, p. 2):

- *"improve the policy, legal and incentive framework enabling the expansion of sustainable, participatory forest management throughout the country by assisting the Government in its implementation of policy reforms described in its Letter of Forest Management Policy;*
- *bring the country's priority natural production forests under participatory sustainable forest management (PSFM); and*

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<sup>21</sup> The study is commonly referred to as "the production forestry study".

- *improve villagers' well-being and livelihoods through benefits from sustainable forestry, community development and development of viable livelihood systems."*

The **working area of SUFORD** consisted of eight production forests in four provinces in southern Laos (Khammouane, Savannakhet, Salavan and Champassak). The PFAs were spread across 18 districts with an area of 528 000 ha. 270 000 ha was earlier covered by FOMACOP or by Lao-Sweden Forestry Programme. The number of expected beneficiaries was 100 000 villagers in 354 villages. Government of Lao PDR was expected to benefit through improved quality of forest management and revenue collection. District, provincial and national forestry, rural development and other government staff were among the other direct beneficiaries (WB 2003).

The project design was quite complex as it consisted of four components and many inter-related sub-components. The first component worked with Support Services for Sustainable Forest Management and incorporated support to sectoral policy reform, establishment of the PFA system itself, development of forest management guidelines and procedures, and strengthening the SFM capacity at national, provincial and district level. The second component on Forest Management and Village Development was targeting actors at district and village level and was planned to address the two key themes of the project, Participatory Sustainable Forest Management (PSFM) and village development. The third component working on Sectoral Monitoring and Control incorporated internal forest control, forest law enforcement, monitoring and reporting, forest cover monitoring, and independent monitoring and management audits. The fourth component focused on Project Management and incorporated overall project management and coordination, establishment of national and provincial implementation and steering mechanisms, and project monitoring and evaluation (WB 2003).

The project triggered a number of World Bank safeguard policies. These included the policies on Environmental Assessment, Natural Habitats and Forestry, Indigenous Peoples and Involuntary Resettlement. The PAD contains a summary on social safeguards. It focuses on issues related to the Indigenous Peoples (ethnic groups) and Involuntary Resettlement safeguards (WB 2003).

The implementing agency of SUFORD was the National Agriculture and Forestry Extension Service (NAFES) under MAF. Main collaborating agencies and organizations included the Ministries of Finance and Industry and Commerce, Department of Forestry, National Agriculture Research Institute (NAFRI), Science, Technology and Environment Agency (STEA), Lao Women Union (LWU) and Lao Front for National Reconstruction (LFNR) and their respective offices at province and district levels (WB 2003).

**The Technical Assistance inputs to the project were already incorporated in the PAD.**

A total of 543 months of adviser inputs was planned for. The parallel co-financing arrangement with GoF was expected to provide the majority of the TA services with GoF also responsible for the selection of consultants. A limited amount of TA services was expected to be funded by the IDA credit, mostly on project management, financial management systems, procurement and audits. The planned role of the TA was to help develop systems and provide training to increase capacities of beneficiaries. Long-term international TA advisors were expected to focus on advising on forest management and rural development. The role of short-term advisors / trainers was to provide both training and advice (WB 2003).

**The Project Component Document of March 2003 for the GoF-financed Technical Assistance to SUFORD** pre-dates the WB PAD by two months. This may explain why the

reference is made to the project preparation report of GoL and the overall goal and development objectives of the project are different from the WB PAD. The overall goal of GoF assistance was defined (GoF and GoL 2003a, p. 1) *"to institute systematic forest management in natural production forests nation-wide to alleviate rural poverty, protect biodiversity and enhance the contribution to forestry to the development of national and local economies in a sustainable manner."* Also, only two of the three development objectives (on PSFM and village development)

of the WB PAD were incorporated. The objective focusing on legal, policy and incentive framework was left out (GoF and GoL 2003a).

The scope of the TA component was clearly defined in the Project Component Document. The TA funded by GoF provided the Technical Assistance to SUFORD project implemented by the Government of Lao PDR and funded by an IDA credit. The TA component was not independent but fell under the overall framework of the project. Technical Assistance was provided for all the components of the project and integrated in the overall project structure. The Project Component Document does not contain any analysis of Government of Finland development policies or priorities or place any additional requirements to the project (GoF and GoL 2003a).

The TA team consisted of six long-term expatriate experts (Chief Technical Adviser, Forest Management Adviser, Village Development Adviser, Forest Management Control and Law Enforcement Adviser, Participatory Forestry Adviser and a Junior Expert), short-term experts and national consultants. In total, 589 working months were included<sup>22</sup>. Based on the project work plan submitted for approval by the Project Steering Committee, the TA consultant team was expected to prepare consultant work plans and budgets covering the activities that were financed through the grant from GoF (GoF and GoL 2003a).

In 2006, GoL submitted a proposal to MFA for the extension of the TA component until the end of 2008 (MAF/NAFES 2006). The original TA budget was expected to be exhausted by mid-2007 and more TA was needed to enable project implementation until the end of 2008. The proposal consisted of extending the international and regional TA expert and national consultant posts and reflected minor changes in the composition of the TA. The emphasis of long-term international and regional TA was planned to be shifted towards capacity building. The TA was expected to disengage themselves from management activities and increasingly act as mentors to local managers (MAF/NAFES 2006).

**Monitoring and Evaluation arrangements:** The World Bank Supervision missions taking place twice a year are discussed both in the PAD (WB 2003) and the Project Component Document (GoF and GoL 2003). In the PAD no reference is made to the participation of the GoF representative, while in the Project Component Document this is explicitly mentioned consisting either of MFA staff or external consultants recruited for the task. Both in the GoF document and in the PAD, the World Bank was expected to carry the responsibility for mid-term and ex-post - evaluations.

### **Contracts and Financial Inputs**

Similar to FOMACOP, **the World Bank and Government of Finland entered into separate agreements with the Government of Laos.** The Development Credit Agreement between the IDA and Government of Lao PDR was signed in September 2003. The Agreement between Government of Finland and Government of Lao PDR was signed in July 2003 (MAF/NAFES/SUFORD 2009, GoF and GoL 2003b). The evaluators learned through the interviews that there was no formal project agreement in place between MFA and WB. Instead, formal correspondence between MFA and WB was considered to constitute an agreement.

The World Bank's Board of Executive Directors approved SUFORD on June 24, 2003. The original budget (total project cost at appraisal) was USD 16.45 million for four years (2003-2007). It

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<sup>22</sup> The difference in the working months in the WB PAD and GoF TA is caused by the of Junior Expert (46 months) that was added to the team.

consisted of an IDA credit of USD 9.9 million<sup>23</sup>, a Government of Finland grant of USD 6.0 million (equivalent to EUR 5.8 million), and USD 0.6 million from the Borrower (WB 2003, MAF/NAFES/SUFORD 2009).

In April 2007, the contribution by the Government of Finland was increased by EUR 2.25 million. The purpose was to extend the Technical Assistance until the revised closing date of the IDA Credit (31 December 2008). In May 2008, GoF also agreed to finance costs of preparation of a new phase (i.e. SUFORD Additional Financing) up to EUR 40 000. The total Government of Finland contribution to the SUFORD during 2003-2008 therefore came to EUR 8.45 million (MAF/NAFES/SUFORD 2009).

The total expenditure of SUFORD during September 2003-December 2008 was USD 20.8 million (see Box 6). The Government of Finland contribution was USD 10.1 million<sup>24</sup>, equivalent to EUR 8.45 million. The contribution from the IDA funds was USD 10.67 million<sup>25</sup> and the Government of Lao PDR contribution was USD 0.04 million. The requirement for the Lao government contribution was dropped in 2006 (MAF/NAFES/SUFORD 2009).

*Box 6. Expenditure and Duration of SUFORD (MAF/NAFES/SUFORD 2009)*

**Project Expenditure, USD:**

Partner	USD
International Development Association (IDA)	10.66 million
Government of Finland (GoF)	10.1 million
Government of Laos (GoL)	0.43 million
<b>Total</b>	<b>20.81 million</b>

**Project Duration:**

Partner	Start-end
Original:	Four years (2003-2007)
Actual:	
WB/IDA	January 2004 -December 2008
GoF	September 2003 – December 2008

### Audits, Reviews and Evaluations

The External Mid-Term Review financed and commissioned by MFA took place in 2005. Two experts worked as part of the WB joint supervision mission contributing to the findings the Aide Memoire of the mission. In addition, the team produced an External Mid-Term Review Report to MFA (Ojanperä and Siltanen 2005).

To fulfil a requirement of the MFA agreement, an external audit of the use of TA funds was commissioned in 2007 to provide accurate and independent information on how the MFA funds for the implementation of SUFORD have been accounted for and utilized during 2003-2007 (KPMG 2007).

Project Performance Appraisal Report, i.e. the final evaluation in the World Bank support system, was produced by the Independent Evaluation Group of the World Bank Group in 2018. It covered both SUFORD and SUFORD-AF (WB 2018). The Evaluation on Finnish Support to Forestry and Biological Resources was commissioned by MFA in 2010. It assessed SUFORD and the beginning

<sup>23</sup> There is an inconsistency in the amount of IDA credit: The World Bank reports (PAD 2003, ICR, PPAR 2018) all mention that the original IDA Credit was USD 9.9 million. Yet, the expenditure report for the period 2004-2008 reports that the contribution from the IDA funds was USD 10 661 123,62.

<sup>24</sup> The amount includes the EUR 181 333.67 amount expenditure that comprised a “loan” for operational expenses that would be covered from the IDA grant.

<sup>25</sup> There is some discrepancy in the contributed amounts depending on the reference. However, in this respect the Financial Report compiled by the SUFORD TA together with the Department of Forestry to MFA in January 2009 when SUFORD was completed is considered the most reliable source of information. In the WB reports (ICR 2013 and PPAR 2018), partner contributions and actual expenditures do not keep with this same logic. In the ICR and PPAR all additional contributions are listed under SUFORD-AF project.

of SUFORD-AF (Hardcastle et al 2010). The findings of these evaluations are incorporated as relevant in subsequent report chapters.

## **Main Achievements**

SUFORD had five core tasks as follows: (i) the formulation and adoption of regulations and guidelines for the new forest management system, PSFM, (ii) the preparation and implementation of forest management plans and annual operational plans for PFAs and sub-PFAs, (iii) the preparation and implementation of village development projects, (iv) establishment of mechanisms for forest control and monitoring, and (v) building capacities of public administration at national, provincial and district level and village level organizations for forestry and village development (MAF/NAFES 2006).

According to the Borrower's Completion Report (MAF/NAFES/SUFORD 2009), **most of the objectives were achieved**<sup>26</sup>. The first 8 PFAs were officially declared by the Prime Minister. The district and village institutions for sustainable forestry and rural development were operational in a total of 18 project districts and 412 project villages. The total population of the villages was 173 929 people (87 384 women) (MAF/DoF/NAFES 2009).

The area of 8 PFAs was about 656 000 ha. Participatory sustainable forest management was started in these PFAs and 65 sub-PFAs within the PFAs following the Government regulations and guidelines<sup>27</sup>. SUFORD supported DoF in the development of the guidelines. Based on lessons learned during project implementation the policies and guidelines on PSFM policy were further developed based to ensure that forest management practices are participatory and sustainable. The Village Development Guidelines produced by SUFORD were used by villagers to enable them to continue village development (MAF/NAFES/SUFORD 2009).

Policy environment continued to evolve during SUFORD. The legal framework was reviewed and revised based on experiences gained from implementation. Prime Minister's Order No. 31/PM on increasing control in forest management, conservation, wood business and promoting the production of finished products in wood processing industry, and Decision of Prime Minister on the endorsement of the outcome of the Nationwide Forestry Conference (No. 25/PM), 2007 are mentioned as key documents indicating the Government commitment to bring all production forests under sustainable participatory management system (MAF/NAFES/SUFORD 2009).

Harvesting opportunities were assessed in the PFAs and 45 000 ha of forests were certified. However, the benefits were not flowing as expected to the villagers, mostly due to limited harvesting opportunities. The area of dense, productive forest was found to be only 84 000 ha which was only 7.8% of the total area of PFAs. The regenerating forest area (maturing in 15 years) was 127 000 hectares. The harvesting opportunities were further reduced due to limited volume of species that were preferred commercially. Only a small number of villages received shares of revenues from legally harvested timber. Also supply of commercially interesting NTFPs was found to be dwindling (MAF/NAFES/SUFORD 2009).

The objectives of the forest monitoring sub-component were not fully achieved (MAF/DoF/NAFES 2009). Establishment of the Department of Forest Inspection (DOFI) in 2008 is one of the SUFORD outcomes (WB 2013b).

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<sup>26</sup> No ICR exists for SUFORD for the years 2004-2008. In the Bank logic an Additional Financing is part of the original project, not a new phase. The ICR (WB 2013) discusses both SUFORD and SUFORD-AF.

<sup>27</sup> In total 37 PFAs were established during SUFORD (PM Decrees No 27/PM dated 8/02/2006 and No 321/PM dated 6/9/2007). The total area of the PFAs reached 2.49 million ha by 2008.



The BCR states that the SUFORD approach to forest management was observed to run the risk of not being sustainable and not reaching its objectives. **A main shortcoming was the low share of benefits received by village population.** Although poverty reduction was one of the main objectives, the benefit-sharing mechanism did not produce the expected contributions to poverty reduction (MAF/NAFES/SUFORD 2009).

### 3.1.4 SUFORD Additional Financing 2009-2013

#### Justifications

In 2008, GoL requested **Additional Financing (AF) to finance the geographic expansion of the project** (MAF/DoF 2008). The request was based on the achievements of SUFORD and desire to expand the practice of PSFM to the next batch of priority provinces. The eventual plan was to expand PSFM throughout Lao PDR. The Government proposal was further justified by a number of lessons learned during SUFORD implementation. For example, the SUFORD approach was addressing forest management planning and timber harvesting issues well but more work was needed in developing forest management methodologies in those sub-FMAs that were degraded or under-stocked. The project efforts in improving the skills of staff members at all levels of the participating organizations were appreciated, but it was recognized that facilities and structures to maintain these capacities were non-existent. Staff at all levels did not adequately understand the fundamental importance of gender issues in community-based forestry and rural development (MAF/DoF 2008).

A number of other development needs were discussed in the GoL proposal. These included, for example, a need for improved information sharing on the new forest policy, legislation and importance of forest certification, redistribution of forestry and rural development responsibilities and human resource development needs at all levels, and the scope of the planned expansion of PFA concept (MAF/DoF 2008).

A major change in the operational environment took place in June 2011 when a new ministry called the Ministry of Natural Resources and Environment (MoNRE) was established. The management responsibility for the state forests categories was divided between MAF and MoNRE. Production forests remained with the Ministry of Agriculture and Forests and its Department of Forestry. Responsibility for Protection and Conservation forest areas was transferred to MoNRE and its Department of Forest Resources Management (DFRM) (WB 2013a).

#### Project Design

The SUFORD Additional Financing was based on joint preparatory work by the Government of Lao PDR, the World Bank / IDA and the Government of Finland (MAF/NAFES/SUFORD 2009).

According to the WB Project Paper on the Additional Financing to SUFORD, no changes were made to the Project Development Objective. The PDO remained as (WB 2008, p. 1) *“to assist the Borrower to achieve the sustainable management of production forests to alleviate rural poverty in the Project Provinces by implementing the forest policy reform actions and policies set forth in its Letter of Forest Management Policy [of 2003]”*. The specific objectives of SUFORD Additional Financing remained focused on improving the policy, legal and incentive framework for the expansion of PSFM in Lao PDR, bringing the priority natural production forest areas under PSFM, and improving villagers’ livelihoods through benefits from sustainable forestry and community development (WB 2008).

The project structure consisted of the original four SUFORD components, namely (i) Support Services for Sustainable Forest Management, (ii) Sustainable Forest Management and Village Development, (iii) Sectoral Monitoring and Control (e.g. Forest Law Enforcement Monitoring and Reporting, and Forest Cover Monitoring, and (iv) Project Management and Monitoring and Evaluation. Additional activities were incorporated into the implementation plan (WB 2008):

- PSFM: Expansion of field implementation and capacity building to eight additional PFAs in five new provinces (Xayabouly, Vientiane Province, Bolikhamxay, Xekong and Attapu).
- Forest Sector Monitoring and Control: capacity building of the new Department of Forest Inspection, and support on forest cover monitoring and change detection. The latter included forest biomass and carbon stock monitoring in support of Government's working group on Reduced Emissions from Deforestation and Degradation (REDD+).

The proposal triggered a number of WB safeguard policies. In response an updated Environmental Impact and Social Impact Assessment were completed (Environmental Assessment, OP/BP 4.01). Updated social safeguards documents, including a Village Development Manual and Village Consultation Framework were prepared to address Indigenous Peoples (IP) safeguard (OP 4.10). Also, the Involuntary Resettlement safeguard (OP 4.12) and public disclosure requirements of the Bank were met (WB 2008).

**During SUFORD-AF implementation, changes in the project environment led to several adjustments.** These included providing support to REDD+ (initially adding an expert and subsequently incorporating a pilot project), DoF becoming involved with a nationwide Forest Cover Assessment (completed in 2010 with JICA funding) and addressing pressures on PFAs by collecting information on potential overlaps between PFAs and development projects managed by other sectors (using remote sensing increasingly). Further support was needed for forest law enforcement, ethnic and gender work and development of chain of custody certification (MAF/DoF/SUFORD-AF 2013).

There was **no additional Component Document for the TA component funded by Government of Finland**. Instead, MFA used the Concept Note prepared by Department of Forestry, Ministry of Agriculture and Forestry as the basis for tendering the Technical Assistance contract for the Additional Financing (Williams et al 2010). To support project extension in 2011, a Technical Proposal was prepared (MAF/DoF/SUFORD-AF 2011). Unlike SUFORD, the financial contribution from Government of Finland to SUFORD-AF incorporated both Technical Assistance and a portion of the training (capacity building) costs.

According to the Borrower's Completion Report (MAF/DoF/SUFORD-AF 2013), the Technical Assistance inputs were mostly financed by the Government of Finland. There were 14 long-term TA advisers (12 funded by GoF and 2 funded by PHRD) with a total input of 306 person months (292 person months funded by GoF and 24 person months funded by PHRD). The short-term consultants provided in total 99.2 person months, out of which GoF financed 96.2 person months and IDA 3 person months. The TA team also had 42 national long-term TA experts with a total input of 1401.1 person months. The national short-term consultants provided an input of 21.1 person months. Thus, the grand total of TA inputs during SUFORD-AF was 1 827.4 person months.

**Monitoring and Evaluation arrangements:** Neither the WB Project Paper nor the MAF/DoF Concept Note contained any changes to the Monitoring and Evaluation arrangements that were established for SUFORD (MAF/DoF 2008, WB 2008).

For the Additional Financing, Ministry of Agriculture decided to transfer the overall project management responsibility from the National Agriculture and Forestry Extension Service to the Department of Forestry under Ministry of Agriculture and Forestry (MAF) at central level. At the provincial level the key agencies were the Provincial Forestry Sections (PFS) at Provincial Agriculture and Forestry Offices (PAFO). At the district level the responsibility for implementation was assigned to the District Agriculture and Forestry Offices (DAFO). At the central level other agencies with implementation responsibilities included National Agriculture and Forestry Extension Service (NAFES, renamed Department of Agricultural Extension and Cooperatives, DAEC in 2011), Department of Inspection (DOI), National Forestry Research Institute (NAFRI), Department of Forest Inspection (DOFI) and the Department of Import and Export (DIMEX) of the Ministry of Industry and Commerce (MoIC). At the village level, forestry and village

development activities were implemented by the relevant village organizations. In 2012, after the establishment of MoNRE, the activities related to protection forests were transferred to this new agency (WB 2013b).

### Contracts and Financial Inputs

The practice of parallel contracts, WB having a grant agreement with GoL and GoF having a separate agreement with GoL, was carried over to SUFORD-AF.

The total budget for SUFORD Additional Financing was approximately USD 24 million. The IDA grant was USD 10.0 million (WB 2008, WB 2013b). The IDA financing was allocated for operational activities whereas the separate grant from GoF supported mainly Technical Assistance. A complementary grant of USD 0.5 million was made available from the Japan Policy and Human Resource Development (PHRD) Grant facility under the World Bank to support capacity building in DOFI (WB 2013b). The Government of Finland initially provided a grant in the approximate amount of USD 11.7 million (EUR 9 million). GoF complimentary funding from the fiscal year 2011 onwards was approximately USD 2.8 million (EUR 2.15 million) (MAF/DoF/SUFORD-AF 2013).

Project implementation with World Bank resources<sup>28</sup> began on 23rd June 2009. The IDA grant was initially approved for the period of three years (2009-2011). In December 2011 the funding period was extended until 31st of December 2012. (MAF/DOF/SUFORD-AF 2013).

In September 2012, the Government of Finland agreed to extend the project implementation period with the remaining MFA funds until end of March 2013. A further extension until end of September 2013 was approved in February 2013. This was deemed necessary for bridging the gap between SUFORD-AF and Scaling-Up of SUFORD (MAF/DoF/SUFORD-AF 2013).

The total expenditure of IDA, PHRD and GoF grants during 2009-September 2013 was USD 26.25 million (Box 7). The Government of Finland expenditure on TA exceeded the total expenditure of IDA grant by more than USD 4 million. The expenditure from GoF contribution (100% disbursed) was USD 14.72 million (EUR 11.49 million) (MAF/DoF/SUFORD-AF 2013).

*Box 7. Expenditure and Duration of SUFORD Additional Financing (MAF/DOF/SUFORD-AF 2013)*

**Project Expenditure, USD:**

Partner	USD
International Development Association (IDA) + PHRD	10.53 million
Government of Finland (GoF)	14.72 million
<b>Total</b>	<b>26.25 million</b>

**Project Duration:**

Partner	Start-end
WB/IDA	Original: 2009-2011 Actual: June 2009-December 2012
GoF	Original: 2009-2012 Actual: 2009-September 2013

### Audits, Reviews and Evaluations

To fulfil a requirement of the MFA agreement, an external audit on the use of TA funds was commissioned by MFA in 2011. The audit was expected to provide accurate and independent information on how the funds disbursed by the Ministry for Foreign Affairs of Finland for the implementation of SUFORD-AF were utilized and accounted for. The scope of the audit covered the Technical Assistance of the AF implemented between 2009-2010 (KPMG 2011).

With GoF funding two short term consultancy assignments were commissioned during SUFORD-AF. In 2010, an external Mid-Term Review was carried out (Williams et al 2010). In 2011

<sup>28</sup> In the World Bank terminology, this is the date when the project effectiveness was declared.

Department of Forestry together with SUFORD-AF project management prepared a proposal for complimentary funding and submitted it to MFA. Subsequently, MFA commissioned a review (“an appraisal” in MFA terminology) of the proposal (Niras 2011).

The WB Project Performance Appraisal Report of SUFORD and SUFORD-AF, i.e. the final project evaluation, was conducted by the Independent Evaluation Group of the World Bank Group in 2018 (WB 2018). The findings of the PPAR, where considered relevant, are incorporated in the chapter 3.2.

## **Main Achievements**

Both the BCR of SUFORD-AF and the ICR of SUFORD and SUFORD-AF share a positive outlook on the project achievements. **Nearly all the targets set for SUFORD-AF were met.** In some cases, the project expanded its work beyond the original scope, such as support to national forest cover assessment or took on new activities, such as REDD+ (MAF/DoF/SUFORD-AF 2013). The project was successful in achieving considerable results in an environment that was institutionally challenging. Overall, the project contributed significantly to sustainable management of the forestry resources of Lao PDR (WB 2013b).

During SUFORD-AF, **the PSFM area doubled** to consist of 16 PFAs in nine Southern and Central provinces. PSFM implementation was expanded to cover eight additional PFAs in five provinces of Xayabouly, Vientiane, Bolikhamxay, Xekong, and Attapu. Work continued in the eight PFAs already supported during SUFORD in Khammouane, Savannakhet, Champassak, and Salavan. The total area covered by SUFORD-AF was 1.283 million ha, out of which the new PFAs covered 627 000 ha (WB 2013b).

SUFORD-AF worked in 723 villages, out of which 412 were in the initial provinces and 311 in the new provinces (MAF/DoF/SUFORD-AF 2013). Village development activities were planned and completed in all target villages. The number of villages that were directly involved in forest management activities was estimated to be 10-15% of the total number of villages (WB 2013b). 38% of the villages in old provinces received timber revenue (MAF/DoF/SUFORD-AF 2013).

Under each component, SUFORD-AF produced significant achievements. **The revision of the regulation on timber revenue sharing (Presidential Decree No. 1 in 2012)** was considered a significant improvement under the Support Services for Sustainable Forest Management component. The implementation of the Decree was expected to result in increased financing for forest management operations and to lead into a 6-fold increase in the proportion of revenues received by the villages (MAF/DF/SUFORD-AF 2013, WB 2013b).

The main achievements under the Sustainable Forest Management and Village Development component consisted of the approval of management plans for all 16 PFAs. In Khammouane, Savannakhet, Champassak and Salavan (initial SUFORD provinces) more than half of the Sub-Forest Management Areas (Sub-FMA) prepared also annual operational plans. FSC certificates that were initially obtained during SUFORD were maintained (82 760 ha under Forest Management Standard). In 310 villages, Village Development Plans were completed and Village Forestry Organizations and Village Forestry Committees established. Village development grants were released to 310 villages. By September 2012, 38 955 families had received a grant consisting of 12 559 families in the new provinces and 26 396 in the old provinces (MAF/DoF/SUFORD-AF 2013).

The Forest Sector Monitoring and Control component improved the sector control and monitoring system. The strengthening of the capacity of the Department of Forest Inspection and its provincial offices (Provincial Forest Inspection Office, POFI) in all provinces of Lao PDR was very significant in this respect. A Forest Law Enforcement Strategy 2020 was developed and an inter-

agency Lao Wildlife Enforcement Network established. Examples of achievements include the landscape-level hot spot analysis of forest, contributions to the integrated forest inventory and cover monitoring and data management system, design of an internal monitoring program and system for forestry reporting, and software for reconciling data on timber quota, timber harvesting and timber revenue (MAF/DoF/SUFORD-AF 2013, WB 2013b)

Both DoF and DoFI increased their capacities and acquired new tools that were needed, e.g. for managing risks from concessions and minimizing unauthorized logging in PFAs. DoF was able to develop a set of comprehensive guidelines for PSFM and use of the village development grants which incorporated guidelines for working with ethnic groups (WB 2013b). In total, SUFORD-AF delivered more than 107 000 training days during 2009-2013. 61% of the training days were delivered with IDA and PHRD funds and 39% with MFA funds. The female training days accounted for 23% of the total (MAF/DoF/SUFORD-AF 2013).

According to studies conducted by the project, Government staff demonstrated improvement of skills, especially in land use planning, and village development planning. Financial skills still needed further improvement especially at the sub-national level. The project also assisted in developing a set of management tools, including a national forestry reporting system, internal monitoring system, document management system, budget planning system, and budget monitoring system. When SUFORD-AF closed, the implementation of these systems was under way. However, their mainstreaming required further training. This was planned to be delivered under the follow-on project (WB 2013b).

### 3.1.5 Scaling-Up Participatory Sustainable Forest Management 2013-2019

Government of Finland funding to the project TA came to its end in June 2017 as a result of the austerity measures that were announced in 2015 (see discussion in Chapter 2.3). This was followed up by restructuring of project budget whereby funds for the TA were provided from the World Bank. At the time of the Synthesis Evaluation in 2019, the Scaling-Up Participatory Sustainable Forest Management Project (SUFORD-SU<sup>29</sup>) was still ongoing. Although the ToR of the Synthesis Evaluation puts emphasis on evaluation of activities and achievements that took place with the Government of Finland funding (namely the TA), the evaluators are compelled to discuss the achievements of the entire project. The TA component was not independent from the main project but an integral part of SUFORD-SU.

#### Justifications

Despite achievements of SUFORD and SUFORD-AF, the Borrower's Completion Report of SUFORD-AF discusses many **familiar forestry sector challenges** that were pervasive in 2013. Wide-spread illegal logging and unplanned logging (i.e. logging that was authorized by some Government authority) continued. Financial governance was found to be poor (MAF/DoF/SUFORD-AF 2013). The causes of deforestation and forest degradation remained more or less the same as the ones listed in the Production Forest Study in 2001. Main causes of deforestation were expansion of agricultural and industrial tree plantation development, inundation by hydropower projects, and clearing of the sites of mining, infrastructure development, and urban expansion. Forest degradation was mainly caused by unsustainable wood extraction and shifting cultivation (WB 2013a).

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<sup>29</sup> In the WB PAD (2013) the official acronym SUPSFM arising from the project name was used. Due to widespread recognition of SUFORD, the project "nickname" of SUFORD-Scaling Up, or acronym SUFORD-SU, was adopted for informal use. In all reports and materials produced by the project, a logo that incorporates both the official project acronym (SUPSFM) and the informal acronym (SUFORD-SU) have been used (SUFORD-SU 2014).

Many villages inside the SUFORD and SUFORD-AF supported PFAs were not expecting to benefit from timber revenue due to degraded condition of forests. Also, land planning issues needed attention. Both the Government staff and the Village Development Grant fund managers at village level were lacking the skills needed for sustainable fund management. Although guidelines were in place for participation of women and ethnic groups, their implementation was weak (MAF/DoF/SUFORD AF 2013).

Capacity building effort was tremendous during SUFORD and SUFORD-AF. In the original four SUFORD provinces the capacities had increased with regard to implementing basic forest management (pre-harvesting inventories, etc.), but for incorporating new concepts and tools (e.g. forest and land use zonation, participatory approaches and working with villagers) more training was needed. It was learned that in the additional five SUFORD-AF provinces the existing guidelines were not providing adequate instructions to the staff (MAF/DoF/SUFORD-AF 2013).

Also **new issues and opportunities were emerging** in the sector agenda, such as **forest law enforcement and REDD+** (MAF/DoF/SUFORD-AF 2012, 2013). In the WB PAD, the volume of investment projects and the risks related to unsustainable management of natural resources in relation to the investments are brought up. The PAD flags out the GoL efforts and recognition of its international obligations to reduce emissions from deforestation and forest degradation, conserve forest biodiversity, sustainably manage forests, and enhance carbon stocks thereby contributing to global efforts to mitigate climate change (WB 2013a).

## **Project Design**

Although the planning teams fielded by WB, Forest Investment Programme (FIP<sup>30</sup>) and MFA kept in touch, there are discrepancies in content between the WB PAD (April 2013) and the Project Document for GoF-financed TA (May 2013).

According to the WB PAD, SUFORD-SU was expected to build and expand on progress achieved by Government of Lao PDR in implementing participatory approaches to sustainable forest management under SUFORD and SUFORD-AF. A number of issues were added to the project design. SUFORD-SU would go beyond the models and methods established during SUFORD and SUFORD-AF in several respects. For example, the project was expected to explicitly incorporate and monitor forest carbon emission reductions and introduce performance payments for forest carbon sequestration. Inter-agency coordination at landscape-scale would be fostered and focus would be given to additional efforts on developing sustainable livelihood options (WB 2013a). The Synthesis Evaluation considers that **these issues constitute a thematic expansion of the project scope**.

SUFORD-SU incorporated also **a geographic expansion** when support to 25 more PFAs was included in the design. In total, the PSFM working area was planned to consist of 41 PFAs spread across 13 provinces, three of which were new (Bokeo, Luangnamtha and Oudomxai). 7 PFAs were located in the new provinces, while 18 of them were in the provinces supported by SUFORD and SUFORD-AF. Piloting forest landscape management in four provinces also added to the working area. The Forest Law Enforcement (FLE) component was implemented by Department of Forest Inspection in all 18 provinces of Lao PDR (WB 2013a).

In the WBP PAD the Project Development Objective of SUFORD-SU was (WB 2013a, p. 3): *“to execute Reduced Emissions from Deforestation and Forest Degradation (REDD+) activities through participatory sustainable forest management in priority areas and to pilot forest landscape management in four provinces”*.

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<sup>30</sup> Forest Investment Programme is supported through a multilateral trust fund managed by WB.

Six result indicators<sup>31</sup> were identified at the PDO level. Two of them were based on forest area (area brought under management plans and area brought under forest landscape management). One focused on beneficiaries at community level ([Number of] people in with monetary /non-monetary benefits from forest). One indicator was geared towards forest cover change (rate of forest cover loss/gain compared to untreated areas). The remaining two were driven by REDD+ agenda (enhanced carbon storage from forests in selected PSFM areas and reduced emissions from deforestation and forest degradation in selected PSFM areas) (WB 2013a).

The project structure consisted of four components. Component 1 focused on Strengthening and expanding PSFM in Production Forest Areas and was expected to support REDD+ through PSFM and delivery of associated livelihoods in PFAs and adjacent village-use forests. Component 2 Piloting Forest Landscape Management was designed to support the development and adoption of a landscape approach to managing extensive forest areas. Enabling Legal and Regulatory Environment was Component 3. It included sub-components on strengthening the legal and regulatory frameworks for PSFM and Forest Landscape Management and on strengthening forest law enforcement and governance. It was providing additional support to the parallel efforts in FLEGT and REDD+. Component 4 Project Management operated at all levels: national, provincial, district and village. Efficient project implementation and collaboration among various institutions at each level, provision of TA, and project monitoring and evaluation were among the expected tasks (WB 2013a).

*Box 8. SUFORD-SU beneficiaries and expected benefits at village level (WB 2013a, p. 3)*

*"All villages within project PFAs, those adjacent to them, and those located in protection and conservation forest areas from landscape pilot initiatives will benefit from a diversity of expanded livelihood options. Villages located within PFAs that have significant forest stock will receive direct and tangible benefits from their share of timber revenue. Vulnerable communities, ethnic groups, and women will receive priority in project design and activities through the project's enhanced consultation and participatory processes."*

Communities involved in field implementation of project activities, and the Government through improved quality of forest management and revenue collection were listed as main project beneficiaries (see Box 8). District, province and national forestry and other government institutions and their staff were also direct beneficiaries receiving support and training. The total number of beneficiaries from PSFM provinces was expected to be around 424 000, out of which 198 000 women and 237 000 belonging to ethnic groups. These figures did not include beneficiaries from Forest Landscape Management (FLM) which was planned to be determined in the course of project implementation (WB 2013a).

Initially, the main implementing partners at the national level consisted of Department of Forestry under MAF, Department of Agricultural Extension and Cooperatives (DAEC) under MAF and Department of Forest Resource Management (DFRM) under MoNRE. At the province and district level, main partners were Provincial Agriculture and Forestry Office (PAFO), District Agriculture and Forestry Office (DAFO), Provincial Office for Forest Inspection (POFI) and District Office for Forest Inspection (DoFI) (WB 2013a). In April 2016 (PM Order No. 57) the mandate for management of all forests was assigned to the Ministry of Agriculture and Forestry. As a result, the Department of Forestry assumed the role of main implementing partner. In 2017, the DFRM was merged under DoF structure (SUFORD-SU 2017).

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<sup>31</sup> These result indicators have been further refined during project implementation. The latest approved set of indicators is available in the WB Implementation Status and Results Report dated 20 June 2019 (WB 2019d).

Within the Ministry of Agriculture and Forestry, several departments and agencies had roles in the project implementation (WB 2013a, Niras and Impact Consulting 2013b):

- Department of Forestry (DoF): the main national agency looking after the national system of Production Forest Areas and other production forests including village-use forests, forest plantations, and smallholder agroforestry and tree farms.
- Department of Agricultural Extension and Cooperatives (DAEC): provision of strategic and technical support in the implementation of Component 1, specifically in the village livelihoods development.<sup>32</sup>
- Department of Forest Inspection (DoFI) and the Provincial Forest Inspection Services (PoFI): enforcement of forest laws and regulations through monitoring and inspection of timber harvesting operations, log transportation activities and timber processing facilities.
- National Agriculture and Forestry Research Institute (NAFRI): development of technical and livelihood systems, guidelines, and recommendations that will be applied in PSFM and livelihoods development.
- Department of Inspection (DoI): inspections on various aspects of MAF operations at all levels.

Several other ministries and organizations were expected to be involved, such as:

- Ministry of Natural Resources and Environment: Initially the land agencies under MoNRE supported the PSFM teams in conducting participatory land use planning and documentation for communal titling of village use forest. This changed in 2017 when the Department of Land Resources Management was transferred to MAF.
- Ministry of Industry and Commerce: governs the activities of the commercial forest sector, responsible for rationalizing processing capacity with current and long-term sustainable wood supply, including the operation and establishment of wood processing facilities on the basis of confirmation of the level of sustainable wood supply by MAF.
- Ministry of Finance: a key role in facilitating the flow of financing for project operations.
- A number of Mass Organizations, Civil Society Organizations and universities: Two prominent ones are the Lao National Front for Construction (LNFC) and the Lao Women Union (LWU), and different universities.

The project management and coordination arrangements were carried over from previous SUFORD projects (Figure 3). The National Project Management Office (NPMO) was based at DoF and was led by a National Project Manager (NPM). The long-term Chief Technical Adviser (CTA) provided by Government of Finland also supported the NPMO. The responsibilities of the NPMO included overall project coordination and management at the national and province level, including financial management, procurement, monitoring and reporting. The leadership to Province Management Offices were provided by the respective Chief of Provincial Agriculture and Forestry Office (PAFO). District Agriculture and Forestry Offices (DAFO) had the responsibility for project implementation at district and community level (WB 2013a).

National Project Steering Committee (NPSC) was constituted to provide policy guidance and enhance inter-ministerial coordination. NPSC was chaired by the Vice Minister of Ministry of Agriculture and Forestry. Ministry of Natural Resources and Environment (MoNRE), Ministry of Finance (MoF), Ministry of Planning and Investment, Ministry of Industry and Commerce (MoIC) and Ministry of Home Affairs (MoHA) were members. Steering committees were constituted also at provincial and district level. They were chaired by provincial Vice Governor, and District

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<sup>32</sup> The new name of the department is Department of Technical Extension and Agro-Processing (DTEAP).



Governor respectively. The members consisted of local level departments and divisions (WB 2013a).

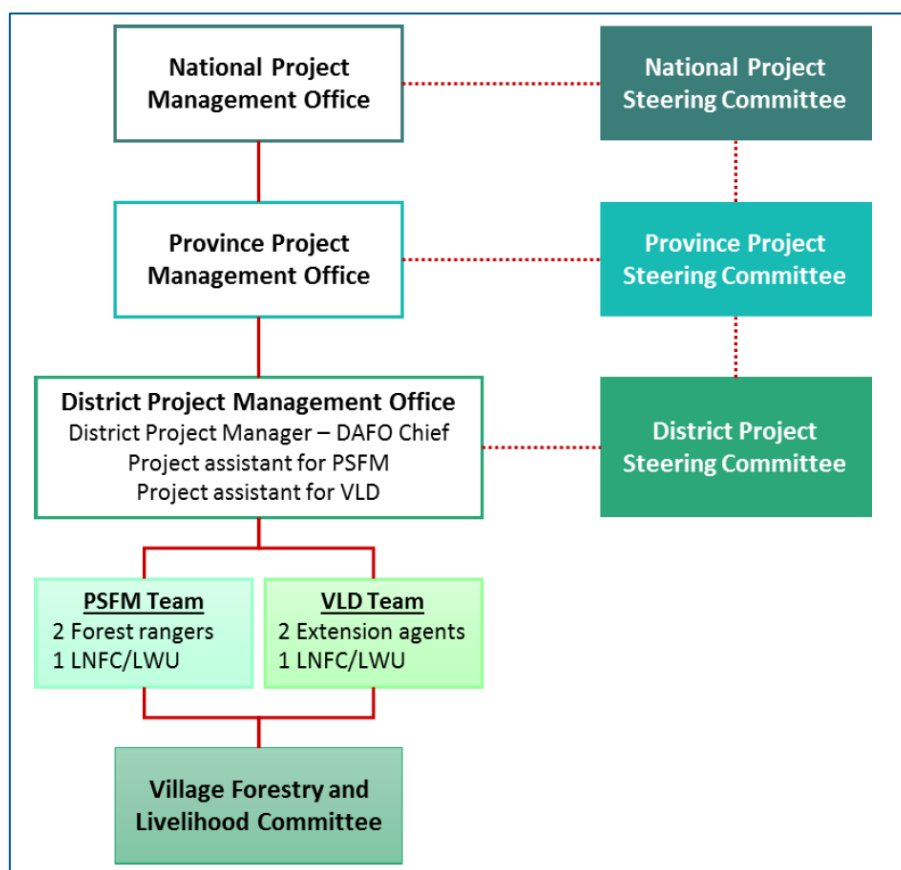


Figure 3. SUFORD-SU Organizational Structure (SUFORD-SU 2017, p. 33)

**The WB PAD incorporates a number of provisions regarding the GoF-financed TA.** The Finland TA consisting of national and international consultants was tasked to work with (WB 2013a, p. 28) “*capacity building and training to support expansion of SUFORD-SU in PFAs, strengthen forest law enforcement and governance, support forest sector policy reform, build capacity for participatory land use planning and tenure strengthening, support development of sustainable livelihoods, and undertake analytical work as required to meet the overall objectives of the SUFORD-SU project*”. In addition to the main TA provided by GoF, supplementary TA was provided by the Bank. The composition of the GoF-financed TA is the same as is reflected in the Project Document for TA (see below) with only minor differences in person months per expert. The bulk of the TA person months funded by IDA/FIP consisted of Project Assistants working at district level, expertise in financial management and procurement and some short-term international TA inputs. **It is explicitly defined in the PAD that the TA supported by parallel financing from Finland would follow the WB Safeguard Policies** (WB 2013a).

The M&E system of SUFORD-SU builds on the practices and systems for monitoring, evaluation and reporting that were developed under SUFORD. Same as before, the implementation support missions would be jointly conducted with Government of Finland. In Annex 3 of the PAD the implementation arrangements were defined in detail. For example, it is mentioned that the additional indicators agreed with GoL and GoF would be spelled out in the Project Implementation Plan (WB 2013a).

**The project design triggered seven different WB safeguard policies.** In response to Environmental Assessment (OP/BP 4.01) an Environment and Social Impact Assessment (ESIA)

was conducted and Community Engagement Framework (CEF) was prepared. The other safeguard policies were the Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), Pest Management (OP 4.09), Physical and Cultural Resources (OP/BP 4.11), Indigenous Peoples (OP/BP 4.10) and Involuntary Resettlement (OP/BP 4.12). In response to the Indigenous Peoples safeguard policy, an Ethnic Group Planning network was incorporated in the CEF. The principles of a free, prior and informed consultation process (FPIC) were also applied in the social assessments conducted at the project sites (WB 2013a).

Between 2011 and 2013 **MFA commissioned a series of GoF-funded assignments that contributed to the formulation of SUFORD-SU.** The first one was a project identification mission that produced an extensive Identification Report and Final Concept Note (Thurland et al 2011). It was followed by programme formulation (Indufor 2012). An appraisal of the GoF TA project document<sup>33</sup> and subsequent finalization of the project document for Technical Assistance Scaling-Up Participatory Sustainable Forest Management Project took place during first half of 2013 (Niras and Impact Consulting 2013a, 2013b).

All the above missions resulted in **the Project Document for Finland TA**, where the relationship of the Government of Finland financed TA project ("Finland TA") and the WB project is clearly stated. SUFORD-SU continued the **parallel financing set-up** of previous SUFORD projects and FOMACOP where Finland provided Technical Assistance and the WB-managed IDA/FIP the operational funds. The Project Document for Finland TA was defined as an attachment to the WB PAD. The PAD functioned as the official project document incorporating the results framework of the World Bank. Although much of the content was derived from the WB PAD, in the Project Document for the Technical Assistance Component, the project objectives and indicators were phrased differently. The Project Document contained also other differences, for example in the expectations on how the Government of Finland Development Policy priorities and cross-cutting objectives would be incorporated in the implementation of SUFORD-SU (Niras and Impact 2013b). On the basis of the WB PAD and the Project Document for Finland TA, **it is evident that the donor partners no longer fully shared the same vision for the project: for the Bank the project was scaling up, while the Ministry for Foreign Affairs interest was on phasing out of support.**

The overall objective of the MFA Technical Assistance Project was to institutionalize: (Niras and Impact Consulting 2013b, p. 9) *"Improved forest governance and environmentally, socially and economically sustainable forest management practices for the mitigation of climate change, protection of biodiversity and enhancing contribution of forestry sector to national and local economies and poverty reduction"*. The Project Development Objective from the PAD was incorporated in the second ladder in the hierarchy of MFA project objectives (Niras and Impact Consulting 2013b).

The Community Engagement Process Framework (CEF) of the project was expected to serve as the main tool in realising the cross-cutting objectives of gender equality and reduction of inequality in SUFORD-SU. The third cross-cutting objective, climate sustainability was recognized as the backbone of the project due to contributions to national REDD+ efforts in Lao PDR (Niras and Impact Consulting 2013b).

The 2012 Government of Finland Development Policy (see discussion in Chapter 2.3) expected that human rights based approach was implemented in all development cooperation interventions supported by GoF. The Project Document recognized that in the SUFORD-SU implementation of human rights based approach was particularly relevant in development of forest related policies and legislation to reduce inequality, in PSFM and Village Development by

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<sup>33</sup> The appraisal commissioned by MFA reviewed the draft Project Document of the Technical Assistance Component, not the World Bank Project Appraisal Document.

strengthening the rights of village population to natural resources and their management, and in the implementation of GoL policy to monitor project results regarding poverty reduction and income generation by local populations. Also, a combined advisor post working with gender and ethnic groups was incorporated in the TA team (Niras and Impact Consulting 2013b).

A tentative Logical Framework was attached to the Project Document. It contained the indicators of the WB PAD together with a large number of additional indicators that were proposed at the component level. However, the indicators listed in the Results Framework of the PAD were the global indicators to be measured during project implementation. It was expected that a more complete set of indicators would be developed and incorporated in the Project Implementation Plan<sup>34</sup> (Niras and Impact Consulting 2013b).

Under institutional framework the arrangements defined in the WB PAD were adopted. However, an additional level of oversight, a Supervisory Board (SVB), was added to keep with MFA requirements. Its role was defined to be the highest governing body of the project and its mandate included for example approval of the annual work plans and budgets and progress reports (Niras and Impact Consulting 2013b).

In the Project Document, the Technical Assistance team consisted of a total of 15 long-term international and regional advisors, 8 long-term national TA specialists, short-term international and regional TA and short-term national TA and support staff. The total inputs were 978 working months, consisting of 525 working months for international and regional long-term TA, 399 working months for long-term national TA, 30 working months for short-term international TA and 24 working months for short-term national TA. In addition, 300 working months were budgeted for national support staff (project administrator, two office assistants and two drivers) (Niras and Impact Consulting 2013b).

After the decision to discontinue funding of the forest sector in Lao PDR beyond 2017 was made, MFA commissioned one final short-term consultancy as an input to the exit process. The aim of the consultancy was to provide inputs to both GoL and GoF to assist in informed decision making for the remainder of project duration. The report explored different options for providing the TA and suggested a holistic exit plan (Niras 2015).

## **Audits, Reviews and Evaluations**

To fulfil a requirement of the MFA agreement, an external audit of the use of TA funds was commissioned in 2017 (Rytilahti 2017).

There was no external Mid-Term Review for SUFORD-SU. Instead the Joint Implementation Support Mission that WB, MFA, and GoL conducted in November 2015 also served as a Mid-Term Review for the project (WB 2015).

A recent Forest Investment Programme case study on SUFORD-SU (WB 2019e) offers some useful insights into the effects and impacts of SUFORD-SU that have been incorporated in the discussion on evaluation findings as appropriate.

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<sup>34</sup> As the result framework of the Implementation Status & Results Reports indicate (see for example WB 2019d) the planned merging of the two sets of indicators (WB PAD and GoF Project Document) was not accomplished.

## Agreements and Financial Inputs

There were two legal agreements signed for the project, an agreement between GoL and IDA for the IDA and FIP funding, and an agreement between GoL and GoF for the GoF funding (MAF/DoF/SUFORD-SU 2019, GoF and GoL 2013). The evaluators learned through the interviews that initially a Memorandum of Understanding was considered to formalize the relationship between MFA and WB. The idea was dropped after the aid cuts were announced and early closure of Finland TA became evident.

The financing plan (budget) for the SUFORD-SU included an IDA grant of USD 19.00 million and a grant of USD 12.83 million from the Forest Investment Program (FIP). The parallel financing from the Government of Finland for technical assistance was USD 14.5 million (EUR 10.94 million). The GoL contribution was USD 7.56 million. The total budget for a five-year project was USD 53.89 million out of which USD 46.3 million were donor contributions (WB 2013a).

### Box 9. Expenditure and Duration of SUFORD-SU (SUFORD-SU 2014, SUFORD-SU 2017, WB 2019d)

#### Project Expenditure, 30 June 2017, USD:

Partner	USD
WB (IDA+FIP)	16.8 million
Government of Finland (GoF)	9.0 million
<b>Total</b>	<b>25.8 million</b>

#### Project Duration:

Partner	Start-end
WB (IDA+FIP):	Original: August 2013-August 2018
	Actual: August 2013-August 2019; further revision until March 2020
GoF:	Original: October 2013-August 2018
	Actual: October 2013-June 2017

In Box 9, project expenditure data is provided for the duration of Finland TA (August / October 2013 - end of June 2017). The combined expenditure of FIP and IDA funds was USD 16.8 million in June 2017. The expenditure of GoF funds was USD 9 million (EUR 7.6 million). Finland TA closed down 14 months earlier than originally planned. As a result, savings of EUR 3 332 836 were generated to the Government of Finland aid budget (MAF/DoF/SUFORD-SU 2017).

World Bank and GoL have subsequently extended the implementation period of SUFORD-SU from the end of August, 2018 until the end of August, 2019. During the mission in August 2019 it was learned that the disbursement rates of both IDA and FIP funds were *de facto* 100%. This is supported

by the Implementation Status and Results Report of the World Bank dated 20 June 2019, where the expenditures of IDA and FIP allocations stood at USD 17.96 million (100% disbursed) and USD 12.49 million (97% disbursed, only USD 340 000 remaining), respectively (WB 2019d). The total expenditure of SUFORD-SU from 2013 until August 2019 (six years, all donor partners) is to the tune of USD 39.8 million. The WB report, however, does not contain information about the GoL expenditure.

## Main Achievements during 2013-June 2017

The discussion about main project achievements is divided into two chapters. First, the progress that was achieved by June 2017 when the TA was funded by GoF is discussed. This is then followed up by a discussion of the project achievements during July 2017-August 2019 when the Technical Assistance was funded by the World Bank.

The key reference in discussing the main outputs of the first four years is the Project Completion Report that the SUFORD-SU project management wrote in 2017 corresponding to the closure of the MFA Technical Assistance project.

Two major changes took place in the policies and the regulatory framework after the project approval. The first one is **the nationwide logging ban was constituted in October 2013** (Prime Minister's Order No. 13, 2013) and has remained in force ever since. The second one is

the **PM Order (No. 15, 2016) that banned the export of unprocessed logs**. Both Orders have had repercussions on the project which are discussed in subsequent report chapters (SUFORD-SU 2017).

By June 2017, SUFORD-SU was working in 25 new PFAs. Some activities took place also in the 16 PFAs that were already supported by SUFORD and SUFORD-AF. Project coverage was increased by approximately 1 million ha of production forest areas. In total, the project was working in 13 provinces and 59 districts. Three provinces in the north (Bokeo, Luangnamtha and Oudomxai) were new. Project was scaled up to cover a total of 41 of the country's 51 production forest areas (SUFORD-SU 2017).

Under Component 1 Strengthening and Expanding PSFM in the PFAs progress was evident in activities that related to the preparatory work for community engagement (updated Community Engagement manual, staff capacity building) and with forest management planning. 78% of the SUFORD-SU target for DoF-approved Forest Management Plans was achieved (78 approved plans covering over 950 000 ha). 1087 Village Forestry Committees were organized, participatory land use mapping and planning was conducted in all 1087 villages, and PSFM agreement signed by all villages. Forest Restoration Grants (USD 2000 per village) were granted but waiting for disbursement (SUFORD-SU 2017).

Village Forestry was re-introduced as a concept to be piloted into SUFORD-SU. Pilot Village Forestry Sites were established in 33 pilot villages; Village Forestry Committees were formed but formulation of Village Forestry Management Plans was delayed. However, virtually all planned activities that related to pre-harvest operations, sustainable timber harvesting and post-harvest were on hold. There was no progress in forest certification (SUFORD-SU 2017).

The preparatory work, livelihood analysis and community action planning work and preparation of Village Livelihood Development Grants was completed for all 675 target villages. Fund transfer was still pending for 512 villages by June 2017. Value chain analyses for livelihood development options and staff training were ongoing (SUFORD-SU 2017).

For Component 2 Forest Landscape Management, the methodology for defining the FLM area and approach to FLM implementation was approved. The establishment of FLM pilots had not started (SUFORD-SU 2017).

Under Component 3 Enabling Legal and Regulatory Development<sup>35</sup> the project had made contributions to many policy products. These included, e.g., the REDD+ implementation strategy, the Draft National Land Policy and Draft Land Law and the Guidelines for Communal Titling of Village Use Forests in Production Forest Areas. Forest law enforcement capacity building was ongoing together with further improvement of the law enforcement system (SUFORD-SU 2017).

In Component 4 Project Management the M&E system of the project was operating as expected. Annual assessments for WB safeguards had been completed. Work on Reference Emission Levels of forests covered by SUFORD-SU progressed as planned. Also, a system for monitoring illegal logging was developed and piloted successfully (SUFORD-SU 2017).

**Training and capacity building activities were so important to all components** that they were considered a cross-cutting activity by the project management. By June 2017, the project had delivered more than 41 000 person days of training to staff of various GoL departments and agencies consisting of DoF, DoFI, Other Central Level (OCL), PAFO, DAFO, LWU, LFNC and others

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<sup>35</sup> Under this component, the project also experimented with new policy approaches, including Payment for Environmental Services (PES). The work on PES was suspended in 2015 (SUFORD-SU 2015b).

(Figure 4). 59% of the activities took place during FY 2015/2016 indicating that the speed of training activities was picking up. Majority of the training days were targeted towards PSFM and VLD. Participation of women consisted 19% of all training days. <sup>36</sup> Unfortunately, the Completion Report does not provide exact data about the training activities at the community level for PSFM and VLD. According to the report, at peak periods up to 100 000 villagers were trained annually (SUFORD-SU 2017).

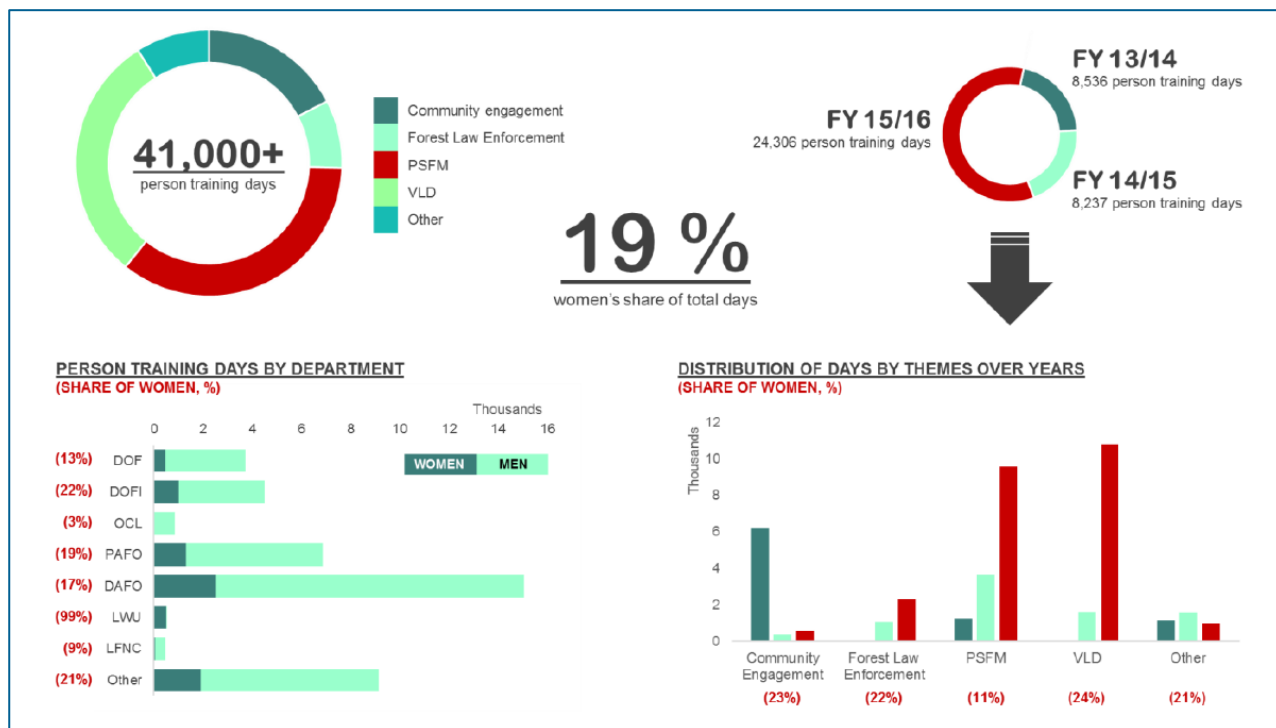


Figure 4. SUFORD-SU Training data 2013-June 2017 (SUFORD-SU 2017, p. 31)

### Main Achievements during July 2017-August 2019

Following the GoF decision to terminate the Finland TA, World Bank and Department of Forestry engaged in negotiations about **the TA arrangements for the remaining project period**. The negotiations resulted in a step-wise scaling down of the TA team and transfer of the expert posts to WB-funding. The international expert positions that were initially transferred from MFA funding to WB-funding consisted of the Forest Management Consultant, Village Forestry Consultant, and Forest Law Enforcement Consultant. Also, six National Consultants (three Forestry Consultants and three Livelihood Development Consultants) were transferred to WB-funding. Forest Law Enforcement Adviser finished his assignment in December 2017 and Village Forestry Consultant in January 2018. The Communication Advisor and the IT Advisor resigned in the end of December 2016. The M&E Advisor inputs were reduced to a part-time position already starting from March 2017 (SUFORD-SU 2018a).

In July 2017, a contract was signed with Indufor, the company that had managed the Finland TA, to enable the employment of the remaining consultants under this contract funded by FIP/IDA. These consultants included the CTA, the Remote Sensing Consultant, the M&E

<sup>36</sup> Based on information received from CTA of SUFORD-SU, the post of full term Monitoring and Evaluation officer was discontinued after the Finland TA was restructured into TA financed by WB (IDA and FIP). Similar data on training days is not available for the period of July 2017-August 2019 because the project was not able to continue with equal rigour the practice of monitoring capacity building inputs.

Consultant, the Financial Management Consultant, the Forest Economics Consultant, and the Gender and Ethnic Consultant (SUFORD-SU 2018a). In late 2018 – April 2019, 6 international TA team members were in the payroll, but all were providing only short-term inputs. The team consisted of the CTA, M&E Adviser, Ethnic and Gender Consultant, Forest Management Consultant, Village Livelihood Consultant and Forest Law Enforcement Advisor (SUFORD-SU 2019b).

The SUFORD-SU Progress Reports and the World Bank supervision mission reports of the years 2017-2019 indicate that even though the TA team was reduced, the project managed to stay on course. This was also confirmed through the interviews during the Synthesis Evaluation. The project continued to support all four components as planned.

Based on a request from GoL to extend the duration of the project, the World Bank approved in April 2018 an extension of one year until August 30, 2019 (WB 2019b). With project closure expected, DoF also initiated the preparations for a Borrower's Completion Report for the entire implementation period (2013-2018) (MAF/DoF/SUFORD-SU 2019).

According to the draft BCR of SUFORD-SU, under Component 1 Strengthening and Expanding PSFM in PFAs, with the exception to activities related to timber harvesting from PFAs, much has been achieved. For example, forest restoration activities have been implemented in the project villages in 59 districts of the 25 project PFAs. Certificates to FSC Forest Management Standard were issued to four forest management areas in Dong Sithuane PFA (Savannakhet) and certificates to the FSC Controlled Wood standard in two FMUs, Nakathing PFA and Dong Phousoi PFA (Khammouane). 31 Village Forestry Management plans were completed and the total area of village forests is 10 750 ha. Village Livelihood Development activities have been completed. Capacity building activities at village, district and provincial levels have also been completed (MAF/DoF/SUFORD-SU 2019).

Development of methodologies and frameworks for Forest Landscape Management (Component 2) were completed already in 2017. Support to FLM has concentrated on establishing the piloting scheme under provincial REDD+ Task forces and ensuring that they would take ownership of the FLM process. The FLM framework that was developed can be used as a prescriptive tool in FLM in the four provincial landscapes in Bokeo, Luangnamtha, Oudomxai and Xayabouly (MAF/DoF/SUFORD-SU 2019).

Under Component 3 Enabling Legal and Regulatory Environment the project contributed to the revision of the Forestry Law, especially with respect to provisions for village forestry. Support to Forest Law Enforcement continued, with DoFI implementing the Strategic and Tactical Enforcement Patrol Program (STEPP) (MAF/DoF/SUFORD-SU 2019).

Under Component 4 Project Management, project management duties continued as planned. Drafting of the Borrower's Completion Report of SUFORD-SU was initiated in 2018. A number of studies were initiated under different components to provide data about project achievements that has been used as an input to the draft BCR (MAF/DoF/SUFORD-SU 2019).

Discussion on project results continues in Chapter 3.2.3 Effectiveness and on financial resources in Chapter 3.2.4 Efficiency.

### **3.1.6 WB and GoL plans for project extension and future partnership**

At the time of the Synthesis Evaluation, WB and GoL were in talks about extending the partnership further. As a first step, a further extension of SUFORD-SU until the end of March 2020 was already approved by the Bank (WB 2019b, WB2019c).

The extension was planned to serve as a bridging phase before the additional financing for SUFORD-SU could be approved. GoL had requested additional financing of USD 5 million for a

15-month extension starting in April 2020 and closing in June 2021. According to the Restructuring Paper (WB 2019b) the funds would be needed for: (i) continuing forest management activities, including forest certification and ensuring that momentum is not lost on the ground and among provincial agencies, (ii) carrying out preparatory work with provinces, partners and their projects and private sector on initiating a landscape platform nationwide, and (iii) supporting preparations for a potential Landscapes and Livelihoods Project, that is expected to be co-funded at least by IDA and GEF. Additional financing of SUFORD-SU would also fill the financing gap of that was created by foreign exchange loss during SUFORD-SU whereby the actual budget (IDA) decreased by USD 1.3 million.

The World Bank and the Government of Lao PDR have also started talks about a new project to start after eventual closure of SUFORD-SU. The tentative project name is Landscapes and Livelihoods Project. The proposed project would be considered a successor to the SUFORD-SU. The anticipated focus of the project would be on integrated landscape management, including PSFM in PFAs, forest restoration and plantation forests within and outside PFAs, protected areas management, integrated forest and wildlife law enforcement, nature-based tourism, watershed management and green jobs (WB 2019c). The interviews also suggest that a more prominent role for private sector is foreseen, for example expansion of plantation forestry and involvement of forest industries.

## **3.2 Findings and Conclusions**

In Chapters 3.2.1-3.2.7 the findings and conclusions regarding SUFORD-SU and the other forestry projects with respect to all evaluation issues and questions are presented.

### **3.2.1 Relevance**

#### **Highlights of findings on relevance:**

- SUFORD projects relevant to the policy objectives of Governments of Lao PDR and of Finland; demonstrate a long-term sustained commitment to improving the management of production forests in Lao PDR.
- The system of Participatory Sustainable Forest Management in Production Forest Areas emerged from the experiences of FOMACOP, has evolved during the SUFORD projects.
- The Prime Minister's Order 31 (2013) on suspension of logging in PFAs has had negative implications on the project; project also suffered from provisions in national development policies and programmes that have conflicted with Sustainable Forest Management.
- Two main categories of project beneficiaries, the communities living in or near the PFAs and the government organizations responsible for production forest management, forest law enforcement, REDD+ and forest landscape management
- The SUFORD projects have addressed genuine development needs of the participating organizations, namely DoF, DoFI, LWU and LFND at national, province and district level; activities have been relevant to the rural communities and have addressed their needs. The scope of SUFORD-SU demonstrates a reduced emphasis on rural poverty reduction; this may have had negative implications on livelihood development activities at community level.

#### **Consistency with policies of Lao PDR and Finland**

Overall, SUFORD-SU - and the projects preceding it - have been consistently assessed by WB and GoL as relevant to the policy objectives of GoL and to the Bank as well (as evident e.g. in the PAD and draft BCR of SUFORD-SU or ICRs and BCRs of previous SUFORD projects). The assessments have been confirmed during the formulation and/or appraisal missions that have been commissioned by MFA for design of TA components for SUFORD projects (Mäkelä & Selänniemi 2002, Thurland et al 2011, Niras and Impact Consulting 2013b). The Synthesis



Evaluation concurs with this assessment. Based on the policy analysis in Section 2, it is evident that all four forestry projects (FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU), their objectives and approaches have been well aligned and consistent with both Government of Lao PDR and Government of Finland policies. Both Governments – and the World Bank Group – have reflected a strong and shared **commitment to global policies and principles supporting sustainable forest management, poverty reduction and sustainable development.**

Poverty reduction and sustainable management of natural resources and forests has remained at the core of successive National Socio-Economic Policies in the 2000s in Lao PDR. The theories of change of the projects demonstrate **a long-term sustained commitment to improving the management of production forests in Lao PDR.** This has been done by building the requisite capacities of beneficiary organizations and their staff at all levels of government (national, provincial and district) as well as at the level of communities in Lao PDR. The forestry projects have made tangible contributions to the achievement of the GoL policies in general and in the forestry sector especially. The projects, starting with FOMACOP and ending with SUFORD-SU have been responsive to the needs of forest dependent rural communities (livelihood development, poverty reduction). The 2010 Evaluation of Finnish Support to Forests and Biological Resources (Sandom and Tuominen 2010) came up with similar findings in terms of alignment with GoL development objectives, particularly with National Socio-Economic Plans and the Forestry Vision for 2020. According to the evaluation SUFORD stimulated a coordinated approach to PSFM and its integration with other national policies. In the Project Performance Appraisal Report of SUFORD and SUFORD-SU (WB 2018) relevance assessment consists of two dimensions, namely relevance of project development and relevance of project design, both of which were rated substantial. The PPAR found that the approach, linking sustainable forest management to poverty reduction was a worthwhile feature of project design.

SUFORD-SU aims at improved forest governance and environmentally, socially and economically sustainable forest management practices for the mitigation of climate change, protection of biodiversity and enhancing contribution of forestry sector to national and local economies and poverty reduction. All these are elements that **contribute to the objectives of the GoF development policies** (MFA 2012 and MFA 2016) regarding the sustainable use of natural resources for the benefit and wellbeing of the most vulnerable segments of the society and promotion of social equality. They also keep well within the objectives of the Forestry Sector Guidelines and SUFORD-SU addresses several relevant themes of the 2013 MFA forest policy explicitly (MFA 2009 and MFA 2013). These include, for example, rights for use, decision making and equitable benefit sharing, role of forests in combating climate change, and support to national forest sector programmes and good governance.

The Synthesis Evaluation notes that the GoF Development Policies also contain other important priorities and objectives, particularly with respect to cross-cutting objectives and human rights based approach. Based on the PADs of SUFORD-AF and SUFORD-SU, it is evident that the concern for climate sustainability has been particularly well addressed in the project design. This is demonstrated by activities supporting REDD+ that have received increasing emphasis in SUFORD-AF and providing the core of the SUFORD-SU Project Development Objective in the WB PAD. Also, measures promoting gender and social equality have been incorporated in the WB and GoL design documents. Discussion on these provisions and the extent to which they have contributed to the achievement of overall objectives of SUFORD-SU and Government of Finland policy objectives continues in Chapter 3.2.2 (Impact).

### **Policy changes and reorientation of projects**

In terms of policy changes two dimensions are important: the extent to which the projects have been a driving force behind – or providing important contributions to – development of relevant policies, and the extent to which the projects have adjusted themselves to other changes in the legal framework and policies.

In terms of production forest management in Lao PDR, **all four projects** (FOMACOP and SUFORD projects) **have served as an incubator for development of landmark new policies and legislation in Lao PDR.** The system of Participatory Sustainable Forest Management in Production Forest Areas emerged from the experiences of FOMACOP and from the policy dialogue that followed in 2001 and 2002. It appears quite likely that without the sustained interest of donor partners, the PM Decree 59/2002 on Sustainable Management of PFAs may have not been promulgated, at least not in its present form. The SUFORD projects have been instrumental in introducing new legislation and guidelines for sustainable forest management in production forest areas.

The design and scope of SUFORD projects indicate that from project to project, the partners (GoL, WB and GoF) have responded well to the global and local policy changes. Examples include the increasing emphasis on forest law enforcement (support to Department of Forest Inspection and Provincial Offices of Forest Inspection), emphasis on forest cover change monitoring (to support REDD+), and piloting of forest landscape management.

However, it is the view of the Synthesis Evaluation that **SUFORD-SU, its relevance, effects and impacts have suffered from the Prime Minister's Order 31 (2013) on suspension of logging in PFAs.** This is the single policy change that has had most negative implications on the project, and that the partners did not succeed in resolving. This view is shared by the Government of Lao PDR and the project management as evidenced by the Annual Reports of SUFORD-SU during 2013-2018 and in the draft Borrower's Completion Report in 2019 prepared by the Department of Forestry. The discussions with the World Bank and Government of Finland staff verified that the partners were equally concerned about the logging ban. The concern was also shared by the Department of Forestry. Also, the PPAR of SUFORD and SUFORD AF (WB 2018, p. 12) mentions that during the previous SUFORD projects Government created uncertainties with *"its on-again, off-again declarations of logging bans and their selective enforcement."*

The evaluators are in agreement with the WB Independent Evaluation Group in its review of the SUFORD and SUFORD-AF Implementation Completion Report (WB 2014). The IEG review notes that significant risks existed to sustain the development outcomes that the project had achieved. Factors such as increased foreign direct investment in mining, hydropower, and other types of concessions were likely to cause negative impacts on the production forest areas. The partners of SUFORD projects have been aware that the drivers of deforestation and forest degradation originate not only from the actors and policies within the sector, but also from actors and policies that are outside the sector, and therefore are not within the mandate of Department of Forestry. The PPAR of SUFORD and SUFORD-AF supports this by stating that *"the SUFORD legislation was contradicted by other laws and regulations that were selectively invoked to deny the principles of participatory forest management"* (WB 2018, p. 12). The Synthesis Evaluation considers that this finding is valid for SUFORD-SU as well.

Therefore, **the consecutive designs of SUFORD projects have only addressed those root causes that remain within the forestry sector in Lao PDR**<sup>37</sup>. The Government development policies discussed in Section 2 have also been geared towards infrastructure development for economic development and poverty reduction. Agricultural expansion, hydropower development, mining and road construction have led into fragmentation and loss of large areas of natural forest (see for example Lloyd Thomas 2015, Dwyer 2017). The evaluators concur with the observations of Hardcastle et al (2010): The GoL was committed to sustainable forest management. However, there was a risk that the national development policies and programmes (e.g. major infrastructural improvements) can result in conflict with SFM. They continued that the potential

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<sup>37</sup> This is, of course, typical to the programmes of the time. Addressing the root causes of deforestation and forest degradation is a more recent phenomenon in designing projects.

of the forestry sector actors to influence decision making in the much more prominent agriculture sector was small. Further, they predicted that this would make it difficult for project partners to adequately influence the broader developmental debate, and address the conflict between national development priorities. It is the view of the Synthesis Evaluation that the external drivers have not been adequately addressed in the Project Appraisal Documents of SUFORD projects or in the Project Component Document for SUFORD-SU Finland TA. Therefore, critical risks that have influenced the project results have not been adequately identified and mitigated (Hardcastle et al 2010).

### **Needs of beneficiary groups and satisfaction on the results**

Starting from FOMACOP and SUFORD the projects have intended to produce benefits to two main categories of project beneficiaries (individuals or organizations), namely the communities living in or near the PFAs and the government organizations responsible for production forest management. The beneficiary categories were later expanded to include Government partners working in Forest Law Enforcement, REDD+ and Forest Landscape Management. The beneficiaries, their capacities and development needs have been identified and analysed well in each successive PAD. The analyses have provided a solid foundation for implementation of the projects.

The discussions that the evaluators had with the donor partners (WB, MFA) indicate a broad satisfaction on the results of all SUFORD projects, including SUFORD-SU. Also, among the GoL stakeholders (DoF, DoFI, LWU and LFND) there is a consensus that **the projects have addressed genuine development needs of the participating organizations**. At the national level there was a high degree of satisfaction among the staff of DoF, its departments and staff of DoFI. Similar sentiments were echoed by the provincial and district level staff (PAFO, POFI, DAFO, LWU and LFND) in Oudomxai and Savannakhet.

The World Bank and the SUFORD-projects have conducted a number of studies and assessments (both during project formulation and project implementation) among the ultimate beneficiaries, namely the members of forest-dependent communities. The **studies indicate that the projects have been relevant to the rural communities and have addressed their needs**. A study on quality of technical services and community engagement was conducted by SUFORD-SU management in three provinces in 2019 (SUFORD-SU 2019a). The study covers PAFO, LWU and LFNC staff at provincial and district level and Village Forestry and Livelihood Committee (VFLC) as well as Village Livelihood Development Grant (VLDG) beneficiaries. Regarding distribution of the benefits (village level), 71% of the informants said they were happy with the project benefits including employment opportunities and the Village Local Development Grant. 95% of the informants were of the opinion that the Community Livelihood Development activities were based on local priorities and resulting from internal consent. The vast majority of the respondents rated the quality of technical services for village livelihood development positively. In terms of PSFM, 75% of VFLC representatives found the services suitable or very suitable. However, the detailed perception of the respondents is more nuanced: While 75% of the respondents said that the plans were well prepared, only 58% stated that the documents were clear and that the preparatory team had considered villagers viewpoints. However, merely 25% of the respondents considered that the training provided was adequate (SUFORD-SU 2019a).

The Synthesis Evaluation team was able to hold brief discussions with community leaders and members in four villages (two in Oudomxai and two in Savannakhet). The village leaders and recipients of Village Livelihood Development grants expressed overall satisfaction on the project activities both in PSFM and in VLD. However, the village meetings in Oudomxai indicate that all recipients of VLD grant had not received adequate training due to late deployment of VLD Grants.

The scope of SUFORD-projects demonstrates a decreasing emphasis on rural extension services over time. This may have had some negative implications on livelihood development activities.

When SUFORD was designed, the main implementing partner was National Agriculture and Forestry Extension Services (NAFES<sup>38</sup>) of MAF. MAF transferred this role to DoF at the beginning of SUFORD-AF. During SUFORD-SU, the village development activities were no longer coordinated with the agricultural extension department (DAEC/DTAEP) although the agency is responsible for implementing livelihood development at community level. The Synthesis Evaluation, therefore, argues that **through subsequent designs of SUFORD projects, the emphasis on rural poverty reduction decreased and the interests of forestry sector actors took precedence**, particularly during SUFORD-SU. Certainly, an increasing emphasis on equipment, tools and capacities of DoF and DoFI staff at central, provincial and district level is evident.

The discussions that the Synthesis Evaluation had with the GoL stakeholders revealed a subtle change that seems to have happened during SUFORD-SU. There were small but consistent indications that **the needs of forest-dependent communities**, although well identified as the “main project beneficiaries” in the Project Appraisal Document (WB 2013a, p. 3) **have not been at the forefront of SUFORD-SU implementation**. The Synthesis Evaluation considers this as an indication of the “waning commitment to SUFORD principles” that is also brought up in the PPAR of SUFORD and SUFORD-AF. In the PPAR it is said that (WB 2018, p. 24) *“the revised Forest Law does not refer to participatory sustainable forest management (GoL 2007). The Seventh Socioeconomic Development Plan (2011–15) includes “strengthening forest management,” but there is no reference to the role of local communities or participatory approaches, or links between management and poverty reduction. The various levels of government enforced the enabling legislation selectively and inconsistently. Central, provincial, and district officials often failed to embrace the participatory spirit of SUFORD and gave little opportunity for villagers to own the project. Decisions about concessions (some of which affected production forest areas) and harvest quotas were not transparent, sending mixed messages to villagers.”*

The changes in the project name over successive SUFORD-projects point to the same direction. SUFORD was Sustainable Forestry **and** Rural Development Project, SUFORD-AF was Sustainable Forestry **for** Rural Development Project Additional Financing but SUFORD-SU is Scaling-Up Participatory Sustainable Forest Management Project. Whether the name changes are intentional or not, they certainly indicate a tacit shift away from rural development and towards PSFM.

## Conclusions

The overall conclusions of the evaluation with respect to relevance are as follows: The forestry projects (FOMACOP, SUFORD, SUFORD-AF and SUFORR-SU) have been well aligned and consistent with both Government of Lao PDR and Government of Finland policies. Both Governments – and the World Bank Group – have reflected a shared commitment to global policies and principles supporting sustainable forest management, poverty reduction and sustainable development. The forestry projects have served as an incubator to development of new forest management policies and legislation in Lao PDR for more than 20 years. The project partners (GoF, WB and GoL) have responded well to the global and local policy changes and, thereby, have kept the designs relevant from project to project.

There are, however, policy related issues that have diminished the relevance of SUFORD-SU compared to the earlier SUFORD projects. Firstly, SUFORD-SU, its effects and impacts have suffered from the Prime Minister’s Order 31 (2013) on suspension of logging in PFAs. Secondly, although the project partners have recognized that significant risks to project outcomes continue to be caused by actors and policies that fall outside the forestry sector (the main drivers to

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<sup>38</sup> The name was later changed to Department of Agricultural Extension and Cooperatives (DAEC) and again to Department of Agricultural Extension and Agro-processing (DTAEP).

deforestation and forest degradation), the design of SUFORD-SU has failed to adequately address these issues.

SUFORD-SU has addressed genuine development needs of the participating Government organizations, namely Department of Forestry and Department of Forest Inspection. The priorities and activities intended to support Government capacity building have been addressed as planned. Although SUFORD-SU has been relevant to the participating rural communities and has addressed their needs, the needs of communities have not received as much attention during SUFORD-SU implementation as was planned. As a result, emphasis on rural poverty reduction (extension services and livelihood development) has diminished.

### **OECD/DAC rating of SUFORD-SU Relevance**

The Synthesis Evaluation is summarizing findings of the overall performance of the project under each OECD evaluation criteria using a four-level grading system: (4/green = very good), (3/yellow = good), (2/orange = problems) and (1/red = serious deficiencies).

Based on the findings of all evaluation questions under criterion Relevance, the rating for SUFORD-SU is "3/good". The rating is based on assessment of SUFORD-SU only. It is justified by the overall positive findings on the policy relevance (both GoF and GoL), on the demonstrated attempt to respond to policy changes, and the satisfaction to results that was expressed by partners and stakeholders. The rating is pulled down by two factors: the effects of 2013 logging ban and the reduced emphasis on rural extension services.

### **3.2.2 Impact**

#### **Highlights of findings on impact:**

- FOMACOP's long-term aim of developing a sustainable forest management system largely achieved; the Village Forestry model that was developed and piloted was the main impact
- All SUFORD projects: The development, piloting and near nationwide implementation of the Participatory Sustainable Forest Development model is a significant impact; the PFAs still not managed sustainably because timber harvesting and timbers sales not possible after 2012.
- SUFORD-SU: Improvements of forests governance with sustainable forest management increasingly practiced in the PFAs and forest landscapes with some contributions to climate change mitigation. Concern: social and economic sustainability and lack of contributions to national economy.
- The total PFA area covered by SUFORD-SU is nearly 2.3 million hectares, represents 73% of the production forest area in Lao PDR.
- SUFORD-SU has slowed down deforestation in the PFAs compared to a no-SUFORD scenario; however, deforestation remains a problem, also in the PFAs.
- The original vision of SUFORD (shared by SUFORD-AF and SUFORD-SU) of village-based forest management benefiting both rural communities, and the Government, through more efficient collection of royalties and taxes, improved forest protection and sustainable management, and enhanced economic development has not been realized as expected; the introduction of the national logging ban (2013) erodes the Government's support to PSFM.
- The donor-support village local development funds have generated the main poverty reduction impacts of SUFORD projects, SUFORD-SU included. During SUFORD-AF and SUFORD-SU approximately 40 000 households received grants (equivalent to 200 000 VLD Grant beneficiaries).
- The capacities of the two lead institutions, Department of Forestry and Department of Forest Inspection to fulfil their respective missions and functions have improved

- Government of Finland priorities: SUFORD-SU has addressed gender and social inclusion through the WB safeguards; SUFORD-SU considered gender aware; expansion to areas predominantly inhabited by ethnic groups has contributed to reduction of inequalities; climate sustainability has been an integral part of SUFORD-SU.

The implementation of SUFORD-SU was well on its way in mid-2017 when the Government of Finland funding came to its end. Considering that with the WB support project implementation has continued it is difficult to tease out what the actual impacts were two years ago. Therefore, the discussion in the Chapter focuses on cumulative impacts of the project during 2013-2019.

### **Progress towards achieving the overall objectives**

The impact analysis is based on an assessment of how well FOMACOP and SUFORD projects have succeeded in making progress towards achieving their overall objectives as follows:

- FOMACOP originally aimed at implementation of a forest resource management system for Lao PDR that would better achieve both sustainable economic development and conservation of forest resources (WB 1994). Following the redesign in 1996, the project incorporated both implementation of a sustainable forest management and biodiversity conservation system throughout the country. The system was expected to involve and benefit villagers and build on experiences gained by other projects (FOMACOP 1996). The Synthesis Evaluation considers that this **long-term aim of FOMACOP in terms of sustainable forest management has been largely achieved**. Government of Lao PDR declared a new resource management system for Production Forest Areas in 2002. The PSFM system did not incorporate the concept of Village Forestry as such but the PSFM concept was certainly influenced by the experiences and lessons learned during FOMACOP. PSFM has generated both monetary and non-monetary benefits to rural communities and villagers in the past 15 years.
- The Project Development Objective of SUFORD (WB 2003) had two dimensions: (i) achievement of sustainable management of production forests, not just for the sake of forests but also to (ii) alleviate rural poverty in project working areas. The PDO was carried through to the SUFORD-AF without any changes in the definition (WB 2008). The objective statement was defined to consist of production forests only. Certainly, **SUFORD and SUFORD-AF have made a lot of progress towards SFM in Production Forest Areas. Nevertheless, at present the PFAs are not managed sustainably** because the management actions mainly consist of land use planning, forest management and implementation of forest restoration activities without any activities leading into timber harvesting and timber sales. During SUFORD and SUFORD-AF the rural villagers were able to improve their livelihoods both through accessing Village Local Development Grants and through timber revenue. The timber revenue stream dried up already in 2012 when the Government did not approve the logging quotas that were proposed for the PFAs (MAF/DoF/SUFORD-AF 2013).
- The Synthesis Evaluation has two long-term objectives of SUFORD-SU to consider, the PDO in the WB PAD and the overall objective of the GoF Project Component Document. The PDO statement in the PAD is activity oriented. It discusses execution of REDD+ activities through participatory sustainable forest management in priority areas and piloting forest landscape management in four provinces (WB 2013a). The view of the Synthesis Evaluation is that **the PDO is not a true development objective** because it consists only of activities that the WB, GoF and GoL have financed and that have been implemented in 40 PFAs and four forest landscapes in Lao PDR.

For the Synthesis Evaluation, the above finding validates the MFA decision to incorporate an entirely different development objective into the project document for Finland TA. For GoF the long-term development objective of SUFORD-SU was to institutionalize a number of things, namely (i) improved forest governance, (ii) environmentally, socially and

economically sustainable forest management practices for (iii) the mitigation of climate change, (iv) protection of biodiversity, (v) and enhancing contribution of forestry sector to national and local economies and poverty reduction” (Niras and Impact Consulting 2013b). Based on the primary (interviews) and secondary data (documents), the Synthesis Evaluation considers that **SUFORD-SU has resulted in improvements of forests governance, that sustainable forest management has increasingly taken place in the PFAs and forest landscapes, and that these actions have contributed to climate change mitigation in Lao PDR.** The Synthesis Evaluation is, however, **doubtful about the extent to which the results have been socially and economically sustainable, and the extent that they have led to enhanced forestry sector contribution to local or national economies** (see discussion on pp. 56-58 and in Chapter 3.2.3 (Effectiveness)).

### **Institutionalization of PSFM**

The Synthesis Evaluation considers that **the main positive impact of FOMACOP was the Village Forestry model that was developed and piloted** in Savannakhet and Khammouane. The project area was not large (management plans for 300 000 ha, implementation in 145 000 ha) and the number of beneficiaries was small (approximately 5 000 villagers) (WB 2001a). Also, the PPAR of FOMACOP (WB 2002, p. 21) notes that *“the village forestry programme was one of the best pilot programmes of its kind in the world.”* At the time the project sites were the only production forest areas in Lao PDR that were under properly planned and executed forest management. The model was built on the premise that villagers have access to direct financial incentives to participate in sustainable forest management. In the FOMACOP model villagers were responsible for management decisions. The villagers kept the net profits from timber sales after they had paid the government royalties, taxes and other fees and labour costs (from logging, transportation and village forest management) (WB 2002).

Village Forestry concept was dormant for more than a decade until it was incorporated as a small sub-component in SUFORD-SU. Another indication of the renewed Government interest is the new KfW-financed Village Forest Management Project that started in August (KfW 2019). Together with the expected inclusion in the 2019 Forestry Law this signals a come-back of the Village Forestry concept.

The Synthesis Evaluation considers that **the development, piloting and near nationwide implementation of the Participatory Sustainable Forest Development model is a significant impact of the SUFORD projects**, a view that is widely shared, for example in the recent WB reports (WB 2019e, WB 2019f) as well as in the draft BCR of SUFORD-SU. The impact is cumulative - each subsequent project phase has built on and added to the achievements of the previous SUFORD project(s).

During SUFORD, the guidelines for implementation were initially defined and sustainable management of production forests was initially practiced in eight Production Forest Areas in four provinces (Khammouane, Savannakhet, Salavan and Champassak). The project working area consisted of 412 villages with a total population of almost 174 000 people (87 000 women). SUFORD-AF saw the expansion of the concept initially into five (at present six) more provinces in the southern and central parts of Lao PDR (Xayabouly, Vientiane Province<sup>39</sup>, Bolikhamxay, Xekong and Attapu). Work started in eight more PFAs and 311 villages. The Scaling-up of SUFORD-SU further expanded the project working area into three more provinces in the north (Bokeo, Luangnamtha and Oudomxai) and the pilot landscapes in the north and in Xayabouly. SUFORD-SU has worked in 1078 villages in 40 PFAs in 13 provinces.

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<sup>39</sup> The actual number of provinces that SUFORD-AF supported is now 10 after Vientiane Province was divided into Vientiane and Xaisomboun provinces.

**The total PFA area covered by SUFORD-SU is nearly 2.3 million hectares which represents 73% of the production forest area in Lao PDR.** In addition, SUFORD-SU has supported Forest Law Enforcement activities in all 18 provinces. Piloting of Forest Landscape Management was started in over 3 million ha of forest land (this however includes also the PFA area in the four provinces of Bokeo, Luangnamtha, Oudomxai and Xayabouly). More than 700 000 people live in this area (SUFORD-SU 2017). The expansion of coverage of SUFORD projects in terms of provinces, PFAs and hectares of Production Forest Areas is depicted in Figures 5 and 6 below.

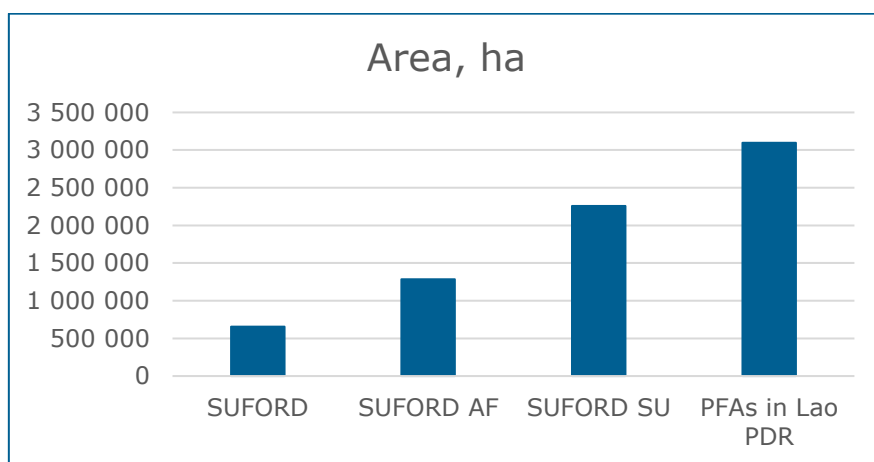


Figure 5. The expansion of working area of SUFORD projects and total PFA area of Lao PDR, 2003-2019 (based on references listed in chapters 2.2.4 and 3.1)

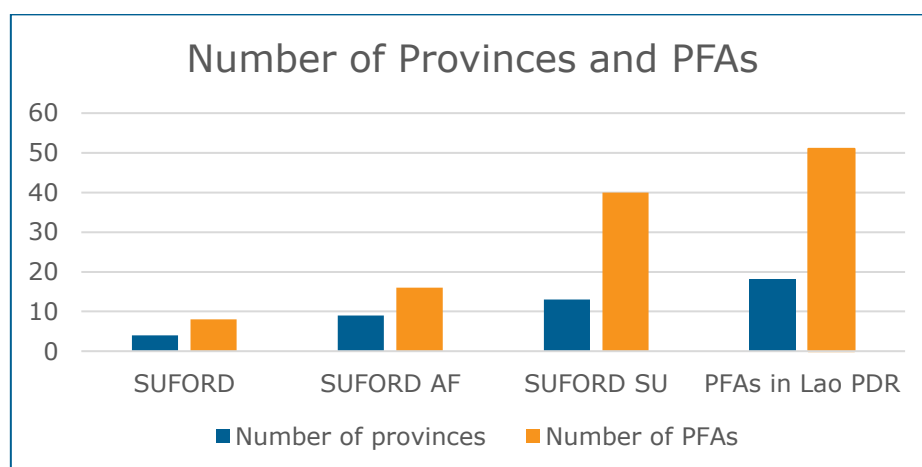


Figure 6. The expansion of working area of SUFORD projects in terms of number of provinces and PFA and total number of PFAs in Lao PDR, 2003-2019 (based on references listed in chapters 2.2.4 and 3.1)

As is argued in the draft BCR of SUFORD-SU (MAF/DOF/SUFORD-SU 2019) **PSFM has been institutionalized in the country.** PSFM is, in fact, the only approach that is implemented in the Production Forest Areas. As a result of the SUFORD projects, areas that the Government considered as priority among the production forests were brought under PSFM already during SUFORD-AF. The discussions with Government stakeholders and review of documents also indicates that Department of Forestry is practicing PSFM in those PFAs that were not supported by SUFORD-SU.



## **Change in forest cover and condition**

The discussions with the senior officials of the Department of Forestry staff and with other sector stakeholders indicate that **deforestation has remained a serious problem in Lao PDR**. It is still a problem in the Production Forest Areas as well, despite all the efforts of SUFORD projects. There are at least 650 000 ha of seriously degraded forest land within the PFAs (WB 2019f). The Forest Investment Programme study on SUFORD-SU (WB 2019f) maintains that there is only 260 000 ha of good quality forests remaining in the PFAs. This constitutes only 8% of the total PFA area in Lao PDR.

The draft BCR of SUFORD-SU presents some evidence that the SUFORD projects in general, and SUFORD-SU especially, have at best slowed down deforestation compared to a no-SUFORD scenario. Although forest degradation and deforestation have continued in the areas supported by SUFORD-SU, these problems could be less serious in SUFORD PFAs. Deforestation continues to decrease in the PFAs, with some regional variation. According to the SUFORD-SU study (Jänne 2018) loss of forest cover in PFAs had reduced from 0.30%/year 2010-2015 to 0.18%/year 2015-2017 and in reference areas adjoining PFAs from 0.52%/year to 0.19%/year. This suggests that SUFORD-SU has produced some forest quality improvements in the Production Forest Areas (MAF/DoF/SUFORD-SU 2019). The evidence provided by the data on enhanced carbon storage, both originating from improved forest protection and restoration and from reduced emissions from deforestation and forest degradation, seems to point to the same general direction (MAF/DoF/SUFORD 2019).

Overall, it is the view of the Synthesis Evaluation that the PSFM, although widely practiced with support from WB and GoF, has not entirely managed to live up to the expectations in making forest management sustainable in the PFAs. Contradictory Government policies are considered the main contributing factor to the lower than expected impacts on forest condition and cover (see discussion below).

## **Poverty reduction**

The **theory of change of all SUFORD projects** rests on two pillars that are expected to go hand in hand: **Participatory Sustainable Forest Management and Village Development**. Support to sustainable forest management is expected to result in improved forest condition and increased logging opportunities which in turn would lead into increased revenue to be shared with the Government and the communities. Improved forest management is expected to produce an improved and stable supply of forest products, including Non-Timber Forest Products to the communities. More importantly, the revenue from legal logging operations is expected to provide incentives to the communities to participate in forest management in the first place.

In the PAD of SUFORD (WB 2003) the objective of Village Development sub-component was to support investments in small scale village infrastructure aimed at supporting villager involvement in forest management and at building local capacity. The intention was to support villagers to plan, implement, monitor and evaluate their own development projects. Initially the projects were expected to be financed through project support but later on from revenues based on sustainable forest utilization. **The vision was that village-based forest management would benefit both rural communities, and the Government, through more efficient collection of royalties and taxes, improved forest protection and sustainable management, and enhanced economic development** (WB 2013b).

According to the PPAR of SUFORD and SUFORD-AF, poverty was expected to be reduced in two ways. Firstly, poor households were expected to be included among the community members receiving a share of timber harvest revenues. Forest certification was also expected to lead into better prices for harvested logs. Secondly, the households would also benefit from the infrastructure and income-generating activities that were expected to be financed from the

village development funds. These funds became known as Village Local Development funds and were financed by SUFORD (USD 8 000 allocation per community<sup>40</sup>) (WB 2018).

**During SUFORD and SUFORD-AF the main poverty reduction impact came from the donor-supported village local development funds.** Initially the village development fund was established as a revolving fund. However, when WB learned that loan repayment rates were low, the revolving fund aspect was omitted and the concept of Village Local Development Grant was adopted. A study by SUFORD-AF indicated in 2012, that the village development fund led to the percentage of poor households falling by five points more in project villages than in control villages. This is not a major achievement (WB 2018)<sup>41</sup>. The PPAR also observes that **the village development funds were not targeted to the poorest households.** Ethnic minority households tended to be marginalized despite the provisions incorporated (on paper) for ethnic minority development plans (WB 2018).

SUFORD-SU has assessed poverty impacts in project villages in 2019. The assessment concluded that villagers receiving VDLGs were better off than those not receiving support. SUFORD-SU distributed more than 21 300 grants to households. During SUFORD-AF and SUFORD-SU approximately 40 000 households received grants. This translates to more than 200 000 VLD Grant beneficiaries (MAF/DOF/SUFORD-SU 2019).

Although the grants were meant to be one off inputs (based on the WB policy), during the field visits the evaluators learned that the communities have decided to set revolving funds for the management of grants. In Oudomxai, the evaluators discussed with community members who had received a grant for livelihood development activities in 2018 with an expected pay-back period of three years. The DoF representatives confirmed that the same practice would have been widely applied by communities across the country.

Villagers have also received other livelihood benefits from participation in the forest restoration activities (USD 2 000 grant per village) and from preparation of forest management plans for which daily wages have been paid. Income per household is small so livelihood improvements and poverty reduction benefits are not expected to be significant (MAF/DOF/SUFORD-SU 2019)

During SUFORD and at the beginning of SUFORD-AF timber sales from PFAs were allowed. There were revenues from timber harvesting, but they were not as sizable as expected (Box 10). The implications of the logging ban on PFAs (PM Order 31/2013) are drastic: there has been **no harvesting from PFAs and consequently no income from sustainable forest management to the Government or to the communities after 2011.** The economic benefits that the communities have received have all been provided by IDA and FIP financing and are thus entirely dependent on external resources.

Therefore, the introduction of **the national logging ban (2013) erodes the Government's support to PSFM.** The ban goes against the theory of change – income from harvesting providing incentives to the communities and revenues to the Government and providing the main incentive to community participation. Since 2011 there has been no revenue to villagers through from any harvesting related activities. Thus, the design of SUFORD-SU is no longer entirely relevant when it comes to PSFM activities, forest certification and using sustainable forest management in PFAs as a way to contribute to villagers' incomes and livelihood and generate revenue to the government (MAF/DOF/SUFORD-SU 2019). The logging ban has also a

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<sup>40</sup> SUFORD-AF communities received a grant of USD 4 000 during SUFORD-AF and another grant of USD 4 000 during SUFORD-SU. All new SUFORD-SU communities received a grant of USD 8 000 (MAF/DoF/SUFORD-SU 2019)

<sup>41</sup> Also, a study by Paavola (2012) found that it was is very unclear what will happen after the external support for village development funds from the World Bank and Finland ceases. The sustainability of the village development funds was a critical factor during the time of the study (years 2005 and 2008)

side effect: in 2012 the Presidential Decree No. 1 on timber revenue sharing from PFAs was approved and received much praise among the stakeholders. Had it been possible to implement this Decree, the community share of timber revenue would have significantly increased.

*Box 10. Timber revenues from PFAs (MAF/DoF/SUFORD 2009)*

According to the Borrower's Completion Report of SUFORD (MAF/DoF/SUFORD 2009), timber sales took place in five out of eight PFAs supported by SUFORD (two PFAs in Savannakhet, two in Salavan and one in Champasak) during 2006-2007. The total volume sold was 8 139 m<sup>3</sup> ranging from 532 m<sup>3</sup> in Salivangveun PFA, Champasak to 4 781 m<sup>3</sup> in Dong Sithuane PFA, Savannakhet. Sales were organized through bidding and price comparison and the buyers included local timber/furniture companies and factories. The timber selling system was fully integrated and under the responsibility of timber selling committee of the community. The total sale amounted to USD 1 085 018 dollars. USD 795 462 were transferred into the government royalty and the remaining amount was shared according to the regulation 0204/MAF. USD 31 805 was transferred to the Government budget as royalty, USD 21 718 to Forest Development Fund, USD 26 756 was given as Forest Managing Fund of concerning PFA and USD 26 756 was handed over to local communities as Village Development Fund.

The Borrower's Completion Report of SUFORD-AF (MAF/DOF/SUFORD-AF 2013) provides data about community revenue. However, it does not provide comparable data about the total revenue from timber sales. Only information about the portion of revenue that was deposited in the Village Development Funds in four "old" provinces is available. 38 % of the villages in old provinces [Khammouane, Salavan, Savannakhet and Champasak] received timber revenue; in new provinces no timber was harvested. On average, the benefiting villages received USD 276 per year. In Salavan, 94% of the villages received timber revenue because the revenue was shared with all villages in the Sub-FMA. However, the revenue per village was low, USD 31 per year. In Khammouane and Savannakhet, the village revenue was higher, USD 720 and USD 678 per year, respectively, because the PFA have better forests and because the revenue was usually not shared with other villages. In Champasak, the forest resources inside the PFA were limited, the share of benefiting villages was only 15 % and the annual revenue USD 24 per year. The total timber revenue in all villages over a period of 4-6 years was USD 193 441.

There has been no timber revenue from PFAs after 2011 (MAF/DOF/SUFORD-SU 2019).

## Capacity building of Government institutions

The SUFORD projects have mainly supported capacities of existing Government institutions of Lao PDR. There have been changes in the institutional structures of partner organizations but those have taken place at the initiative of the Government (most notably the establishment of MoNRE in 2011). However, the Synthesis Evaluation considers that the establishment of Department of Forest Inspection in 2008 was influenced by SUFORD activities in forest law enforcement.

Because of the large outreach of the SUFORD projects, both in terms of working area and thematic scope, and long duration of the projects (more than 15 years), the institutional capacities of the participating government institutions have improved. The discussions and meetings that the Synthesis Evaluation had with the project partners, beneficiaries and other stakeholders confirmed that **the capacities of the two lead institutions, Department of Forestry and Department of Forest Inspection to fulfil their respective missions and functions have improved**. The institutional capacity gains are also indicated by the fact that the implementation of SUFORD-SU activities has been increasingly in the hands of DoF and DoFI staff in recent two years. After the IDA and FIP budgets became scarce, the international TA support was available only on part-time basis and the national TA had to cover larger areas.

The Department of Forest Inspection as a new institution has obviously gained a lot from SUFORD-AF and SUFORD-SU support. The mandate of the Department is much broader than curbing illegal logging and timber trade. Therefore, DoFI has received institutional and staff capacity support from a number of donors working in wildlife and conservation sector. SUFORD-

SU conducted a study that compares the level of law enforcement activity in the first year of SUFORD-SU operations (October 2013-September 2014), and the last full year (October 2017-September 2018). The findings of the study indicate that law enforcement efficiencies and effectiveness outcomes have improved (SUFORD-SU 2019a). There are certainly other contributing factors at play. During the project lifetime, the policy and legal framework has become more enabling after the Government elected in 2016 has demonstrated both interest and consistency about combating illegal logging and wildlife trade. This has certainly had positive repercussions on performance of DoFI (MAF/DoF/SUFORD-SU 2019).

LFND and LWU have also benefited from capacity gains. Both organizations were incorporated in the SUFORD-SU implementation structure with the vision to improve community engagement (WB 2013a). The discussions the Synthesis Evaluation team had with the LFND and LWU staff in Vientiane, Oudomxai and Savannakhet confirm that these Mass Organizations have participated in the SUFORD-SU village-level planning activities (land use plans, forest management plans, Village Livelihood Development Grant proposals) and have also contributed to the monitoring of the project activities. According to the project study that assessed effectiveness of capacity building (SUFORD-SU 2018), the resources of SUFORD-SU have made it possible to LWU and LFND to have more frequent field presence. Practical work at community level has increased their capacities.

Discussion about capacity building, particularly training provided to staff of Government organizations continues in Chapter 3.2.3 Effectiveness.

### **Government of Finland priorities: promotion of human rights-based priorities and cross-cutting objectives**

Based on the assessment of MFA of Finland development policies and the Safeguard policies of the World Bank it is evident that **the policy sets of MFA and WB are not 100% compatible with each other**. The World Bank has not adopted a human-rights based approach nor does it have a standalone Gender Safeguard (WB 2019g). In the World Bank projects, gender and human rights assessments are included in the Environmental and Social Impact Assessment that is conducted during project preparation as well as in the individual Safeguards such as the Indigenous Peoples Safeguard and Involuntary Resettlement Safeguard.

The Synthesis Evaluation notes that the World Bank procedures have been applied in the SUFORD projects. This means that reporting and monitoring was conducted according to the WB Safeguard procedures, and therefore the findings need to be based on those same guidelines and procedures. However, to conduct an adequate assessment of the gender dimensions of SUFORD-SU, the Synthesis Evaluation has applied a GEF Gender rating tool (GEF 2017). **The Synthesis Evaluation rates SUFORD-SU as gender aware**. Same finding applies to the previous SUFORD projects (SUFORD and SUFORD-AF). The projects have recognized the political, social and economic roles, rights, entitlements, obligations, responsibilities and power relations that are socially determined for women and men. This is mainly reflected in the Environmental and Social Impact Assessment of SUFORD-SU and in the Project Appraisal Documents (WB 2003, WB 2013a).

According to various documents and reports (i.e. MFA Project Document, WB PAD, Annual reports, evaluation and completion reports) gender issues have been addressed throughout the SUFORD projects through trainings and workshops. During SUFORD-SU the project supported the National Committee for the Advancement of Women (NCAW) in organizing three regional training workshops on gender equality (SUFORD-SU, DOF 2015). Thus, it is evident that an attempt to integrate gender aspects into trainings and guidelines was made. In general, most interviewees were unable to remember any gender or human rights related trainings. This could indicate that trainings and workshops have not necessarily had a lasting and sustainable impact

on capacities of participants or that the events may have not been specifically aimed or addressed as gender trainings.

Gender equality and ethnic group issues were assessed in the **Environmental and Social Impact Assessment (ESIA)**. As part of the social assessment gender dimensions, human rights and ethnic groups were assessed and discussed. The recommendations of ESIA were subsequently addressed in the Community Engagement Framework document. The CEF also incorporates the findings of the Indigenous Peoples/Ethnic Groups Development Framework and Resettlement Policy Framework It, however, remains unclear how this information has influenced project implementation. For example, the SUFORD-SU Annual Reports track progress in terms of planned and realized activities, but they do not include gender assessments: the inclusion of gender dimensions, human rights and ethnic group issues has mostly been limited to one sex disaggregated indicator and a one-time qualitative assessment under the ESIA (Anon 2013a, Anon 2013b, MAF 2013).

Throughout the different phases of SUFORD, there has been an attempt to gather sex disaggregated data. In practice, for example in SUFORD-SU one sex (and ethnicity) disaggregated indicator was included in the WB Result Framework to keep track of the number of women and ethnic group members in communities reached by the project. The World Bank Project Appraisal Document for SUFORD-SU suggests that originally there was a more ambitious goal of collecting sex disaggregated data: *“All data collected for baseline, livelihoods, forest resources, surveys, and assessments will be disaggregated by gender. An annual gender assessment will be conducted and results will be used during implementation to evaluate and improve CAPs [Community Action Plans].”* (WB 2013a, p. 13). The same is reiterated in the Project Document of the Finnish TA (Niras and Impact Consulting 2013b). However, whether this data collection took place (apart from the above-mentioned indicator) or the mentioned annual gender assessment, could not be verified during the desk review nor the field mission.

For SUFORD-SU a Gender and Ethnic Advisor was included in the Finland TA. However, in terms of activities and reporting and monitoring on progress with regards to gender and ethnic groups issues, the Advisor has needed to rely on existing WB procedures.

The evidence of how effectively the SUFORD projects have addressed gender differences or promoted gender equality is mixed. For example, in the PPAR of SUFORD and SUFORD-AF (WB 2018), data from years 2010-11 is presented. According to this data set women provided 11% of working input and thus received 11% of wages. The draft BCR of SUFORD-SU (MAF/DOF/SUFORD-SU 2019) discusses gender issues only briefly. The draft BCR claims that **SUFORD-SU has contributed to women’s empowerment in communities**, particularly through livelihood activities. Women have been included in meetings and in decision-making for project activities. Also, gender trainings were considered instrumental in empowering women both at the community and household levels. The draft BCR states (MAF/DoF/SUFORD-SU 2019, p. 21) that *“There are no significant outcomes or impacts concerning gender”*. Integrated Safeguards Assessment of the SUFORD-SU were carried out in FY14/15, FY15/16, and FY16/17 to find out how well the project has complied with social and environment safeguard principles. Social safeguards have been implemented reasonably well even though the approach was not consistent across all villages.

To address both gender equality issues as well as ethnic group dimensions – which the Synthesis Evaluation considers human rights issues as well - SUFORD-SU involved Lao Women’s Union, the National Committee for the Advancement of Women and the Lao Front for National Development in project implementation. By involving LWU and LFND, the Synthesis Evaluation considers that SUFORD-SU was taking steps towards addressing the GoF cross-cutting objectives (gender equality, social equality and human rights) as well as the WB triggered indigenous peoples / ethnic groups safeguards. According to SUFORD-SU progress reports, both organizations have also participated in forestry, ethnic groups and gender related trainings. The Synthesis Evaluation team was able to confirm during the mission that members at all levels

(national, provincial, district and village) had participated in forestry related trainings during SUFORD-SU, but no other thematic trainings were mentioned by interviewees.

Most trainings have been conducted in Lao and not in ethnic languages. The CEF discusses the importance of including ethnic groups as well as various actions that should be taken in the project to ensure this (i.e. hiring enough staff with ethnic language skills). To what extent this provision of CEF has been implemented is unclear. The field mission interviews confirmed that very few staff at district level are able to communicate in ethnic languages. Previous project assessments have also confirmed that most trainings have been conducted in Lao without translation into ethnic languages. In many communities, translation has depended on availability of community members, who speak both Lao and the ethnic language of the community. Problems of language are also mentioned in the draft BCR (MAF/DoF/SUFORD-SU 2019).

Although SUFORD and SUFORD-AF adopted an inclusive approach and prioritized ethnic group communities, there are indications that translating these principles into practice remained a challenge (WB 2013b). This same view is shared by the IEG review that also argued on behalf of building the equity goals in the project design and monitoring system (WB 2014). The PPAR mentions that attempts to include ethnic minorities in participatory planning and the sharing of benefits were less effective than the project design envisaged (WB 2018). **SUFORD-SU expanded to areas inhabited predominantly by ethnic minority groups.** The project considered this a significant contribution to reduction of inequalities as ethnic minority groups tend to be disadvantaged (compared to main population groups) (SUFORD-SU 2017).

**Climate sustainability was well and truly addressed**, with inputs initiated during SUFORD-AF and fully incorporated in SUFORD-SU. The Synthesis Evaluation considers this more an outcome of opportunities made available by global policies and programmes, particularly REDD+ financing, rather than GoF policy priorities. Obviously, there is a 100% agreement on the significance of the issue among all the partners (WB, GoL and GoF).

**Negative impacts:** The Synthesis Evaluation has not identified any significant negative impacts of the projects. Also, the evaluation has not found any evidence about any significant unintended impacts that would have been caused by SUFORD projects.

## Conclusions

The evaluation concludes, that the projects have produced many positive impacts. The main positive impact of FOMACOP was the Village Forestry Model that was developed and piloted in Savannakhet and Khammouane during 1995-2000. The development, piloting and near nationwide implementation of the Participatory Sustainable Forest Development model is the most significant impact of SUFORD projects during 2003-2019. SUFORD-SU was successful in scaling up PSFM as planned. PSFM is now the adopted approach for management of Production Forest Areas in Laos.

Despite many advancements in PSFM, deforestation and forest degradation have remained a serious problem also in the PFAs. The area of good quality of forests inside PFAs is estimated to be only 260 000 ha at present. Evidence collected by SUFORD-SU suggests that rates of deforestation and forest degradation may now be less inside the PFAs compared to other forest lands. SUFORD-SU has, therefore, produced some forest quality improvements in the PFAs.

Overall, the studies conducted by the project suggest villagers receiving VLDGs were better off than those not receiving support. However, SUFORD-SU has not been able to produce the expected impacts in poverty reduction as planned. The main reason is the fact that there has been no revenue from timber sales in PFAs since 2011. The only inputs for rural livelihood development activities have come from the Village Local Development Grant funds provided by SUFORD-AF and SUFORD-SU. Villagers have also received small livelihood benefits from

participation in forest restoration activities and from preparation of forest management plans (wages for work).

Overall, more than USD 80 million has been spent on SUFORD projects (see Chapter 3.2.4 Efficiency). Only a small portion of the inputs of the projects has gone to the villagers. The monetary benefits from PSFM that have gone to the villages consist only of the revenue from early timber sales (before 2012). The SUFORD projects have not achieved the core of their objectives, a functioning, sustainable village level forest management system that provides livelihoods and reduces poverty.

The analysis of the WB Safeguard policies and MFA Development Policies suggests that the policy sets of MFA and WB are not 100% compatible. The World Bank has not adopted a human-rights based approach nor does it have a standalone Gender Safeguard. Instead these issues are addressed through the Environmental and Social Impact Assessment, Indigenous Peoples Safeguard and Involuntary Resettlement Safeguard. Overall, SUFORD-SU has adequately addressed the cross-cutting objectives of Government of Finland Development Policies. Climate sustainability has been particularly well addressed, given that contributions to REDD+ in Lao PDR were at the core of project objectives. However, gender and social equality were only addressed through the World Bank safeguards. While both gender and ethnic groups have been reflected well in the Project Appraisal Document, the evidence collected during the Synthesis Evaluation suggests that the attention to gender and social equality has not been consistent across the provinces and districts.

### **OECD/DAC rating of SUFORD-SU Impact**

Based on the findings of evaluation questions under criterion Impact, the rating for SUFORD-SU is "2/orange=problems". Building on the achievements of SUFORD projects, SUFORD-SU has produced many positive impacts in institutionalizing the PSFM model in Lao PDR and in capacity development. However, the impacts that have been achieved in poverty reduction are entirely based on project grants, and although deforestation in the PFAs has slowed down, both deforestation and forest degradation still remain a problem. Also, the evaluation is of the opinion that the implications of the 2013 logging ban are so severe, and in fact influence impacts in both PSFM and Village Development, that a higher rating would not be justified.

### **3.2.3 Effectiveness**

#### **Highlights of findings on effectiveness:**

- SUFORD-SU has met the Project Development Objective targets as expressed in the WB results framework, e.g. 976 211 ha of PFAs have management plans; more than 21 000 households have received VLD grants (translates as 117 400 beneficiaries, 50% female and 77% belonging to ethnic groups),
- Use of results a main problem: a number of activities and achievements of SUFORD-SU have been developed with project resources but are not fully used or not used at all. Examples: Management plans in all PFAs (newly developed or revised), forest certification, and part of capacity building (e.g. government staff and villager skills in harvesting and timber sales).
- SUFORD-SU has slowed down deforestation in PFAs; Significant contributions to enhancing carbon storage from improved forest protection and restoration;
- Forest law enforcement outcomes have improved, although also factors outside SUFORD-SU contributing (e.g. PM Order No. 15 in 2016 to ban export of unprocessed timber).
- SUFORD-SU has delivered a large number of outputs to policy and legal development; many other actors work with Department of Forestry and have also contributed to the policy and legal development processes.

- SUFORD-SU role in capacity development pivotal; many improvements in government staff capacities; some capacities created but evidence mixed about the capacities created at community level.
- The role of Technical Assistance team of crucial importance to capacity building in SUFORD projects; SUFORD projects developed many new methods and useful tools and processes

## Results produced

Discussion on results that SUFORD-SU has produced is based in the draft BCR from June 2019, supplemented with the latest World Bank Implementation Status & Results Report and the Aide Memoire of the May 2019 supervision mission as well as on discussions with project partners, beneficiaries and stakeholders during the Synthesis Evaluation. This analysis is primarily looking at the results produced by SUFORD-SU and if they are in accordance with the plans.

According to the draft BCR of SUFORD-SU, **the project has met the PDO targets of the results framework** (Table 5). The project has worked with 25 new PFAs<sup>42</sup> which expanded the PSFM coverage by almost 0.98 million ha. PSFM was supported in a total of 1078 villages out of which 666 received support in Village Development activities. 364 villages were new entrants and received a VLD grant of USD 8 000. The remainder (302) were villages that entered the programme during SUFORD-AF but did not receive a full VLD Grant then. They received the balance of USD 4 000 during SUFORD-SU (SUFORD-SU 2017, MAF/DoF/SUFORD-SU 2019).

*Table 5. Achievement of SUFORD-SU result framework targets, 2019 (MAF/DoF/SUFORD-SU 2019, WB 2019d)*

Indicator Name	2019 value	End-of project target (2019)	Comment
1. Forest area brought under management plans	976 211 ha	975 000 ha	Consists of 40 PFAs; one PFA inaccessible due to security reasons
2. Forest area under landscape management plans	3 380 000 ha	2 680 000 ha	Areas of FLM plans in four provinces (Bokeo, Luangnamtha, Oudomxai and Xayabouly)
3. People in forest & adjacent community with monetary / non-monetary benefit from interventions	117 400	115 000	Includes direct beneficiaries of VLD grants; 21 344 recipient households x average of 5.5 people per rural household (according to 2015 census)
3a. People in forest & adjacent community with monetary / non-monetary benefit from interventions – female	58 700	53 000	50% of the figure above
3b. People in forest & adjacent community with monetary / non-monetary benefit from interventions – Ethnic minority / indigenous	90 500	80 000	Includes direct beneficiaries of VLD grants who do not belong to Lao-Tai ethnic group; 16 450 recipient households x average of 5.5 people per rural household

<sup>42</sup> The target was 25 new entrant PFAs. However, one of the original PFAs has not been accessible due to security reasons (WB 2019d).



Indicator Name	2019 value	End-of project target (2019)	Comment
4. Rate of annual forest cover loss in targeted Production Forest Areas	0.18%	0.23%	Based on the Forest Cover Change Assessment carried out using RapidEye (2015) and Sentinel 2 images (2017-2018)
5. Enhanced carbon storage from improved forest protection and restoration	33 500 tCO <sub>2</sub> e	14 227 tCO <sub>2</sub> e	Estimated on the following assumptions: Average monthly sequestration if all village projects successfully implemented (2 500 tCO <sub>2</sub> e); by April 2018, 40% of village projects were under implementation with an average implementation time of 3.5 months; since May 2018, 100% of village projects under implementation (12 months included)
6. Reduced emissions from deforestation and forest degradation	1 800 000 tCO <sub>2</sub> e	121 407 tCO <sub>2</sub> e	SUFORD-SU's estimated contribution to national level emission reduction because of more efficient law enforcement

Progress was made also in forest certification (total area certified 108 408 ha in May 2019). Forest Landscape Management was piloted was approximately 3.4 million ha. **Forest management plans were prepared for all supported PFAs** and the plans in the PFAs supported by SUFORD were updated (MAF/DoF/SUFORD-SU 2019).

In the WB PAD (WB 2013a) it was estimated that the total number of PSFM beneficiaries of SUFORD-SU would be 424 000 people, out of which 198 000 women and 237 000 belonging to ethnic groups. The data on Table 5 indicates that 117 000 persons have benefited from the VLD Grants (50% women). A vast majority of these beneficiaries belong to other ethnic groups than Lao-Tai (MAF/DoF/SUFORD-SU 2019). In addition, all villages in 25 new PFAs benefited from the Forest Restoration Grants that were 2000 USD per village (SUFORD-SU 2017). Forest restoration work exceeded its target with nearly 30 000 ha of forest restored (SUFORD-SU 2019b).

Forest cover loss in PFAs was also a key monitoring indicator. Deforestation and forest degradation have continued in SUFORD-SU working areas, but perhaps less than in areas where SUFORD-SU did not work. As the data in Table 5 suggests, there is evidence that SUFORD-SU, together with the other SUFORD projects, has slowed down deforestation. There are also other contributing factors, such as the PM Order No. 15 (2016) and the plantation policies of the Government (MAF/DoF/SUFORD-SU 2019).

**Forest law enforcement has also made useful contributions to sustainable forest management**, but again there are other contributing factors at play. The project has improved law enforcement outcomes. For example, the wildlife and NTFP seizures increased 20-fold and the level of fines issued 11-fold from FY 2013/14 to FY 2017/2018. Improved forest law enforcement is positively influencing forest conservation and maintaining carbon stocks (MAF/DoF/SUFORD-SU 2019). Illegal timber harvesting has reduced after 2016, although harvesting continues in southern provinces and Khammouane (SUFORD-SU 2019b).

The indicator analysis also suggests that **SUFORD-SU has made significant contributions to enhancing carbon storage in the forests**. These benefits arise both from improved forest

protection and restoration, and from reduced emissions from deforestation and forest degradation (MAF/DoF/SUFORD-SU 2019).

Much has changed in Lao PDR in terms of sector policy framework in the 2000s. The Synthesis Evaluation agrees with the draft BCR: SUFORD-SU– and also SUFORD and SUFORD-AF before it – had **an important component providing support to legal and regulatory environment**. The project has delivered a large number of inputs and outputs to policy and legal development, but the extent to which SUFORD-SU can be credited for these changes is not easy to assess. Certainly, SUFORD projects with support from WB and GoF have been instrumental in passing and implementing decrees that have led to the institutionalization of the PSFM system. In the case of the Forestry Law (2019) and Land Law (2019), discussions with the sector stakeholders suggest that besides SUFORD-SU many actors have contributed as well. Among the donors that have in recent years had an active working relationship with the Department of Forestry are the World Bank (e.g. Green Growth initiatives), EU (on FLEGT), JICA (on REDD+ and forest cover monitoring) and KfW (on village forestry). Also, international and regional organizations such as RECOFTC are contributors to policy dialogue.

The **project's role in the capacity development has been pivotal**. Government staff capacities have improved in e.g. developing forest management plans, forest certification, village forestry, forest cover assessments, and forest landscape planning. The trained staff members on all government levels have developed sufficient capacities to undertake routine tasks. Also, villagers have been trained to manage their development projects, although more capacity building would have been needed in grant and revolving fund management (MAF/DoF/SUFORD-SU 2019). Other evidence indicates that the villagers also need training to successfully implement their selected livelihood schemes.

Starting from SUFORD and continuing through to SUFORD-SU the bulk of the training efforts have improved the technical skills of DoF, PAFO and DAFO staff in topics such as guideline development and updating, forest management, land use planning and forest management planning in PFAs, remote sensing and GIS, forest inventory techniques, forest restoration, and also planning timber harvest in early years. DoF has been able to refine the methodologies and guidelines for PSFM based on lessons learned from project to project. The second key topic where DoF, PAFO and DAFO staff – and DAEC staff until the end of SUFORD-AF – were able to gain more skills is village livelihood development. Through expansion of project scope, forestry staff has developed skills in new topics, such as forest landscape management and planning for REDD+ interventions.

SUFORD-SU conducted a partner capacity assessment study in 2018 (SUFORD-SU 2018b). Government staff in all levels was able to demonstrate improved skills and competencies. The study credits it to the capacity building approach of SUFORD-SU. Actually, the Synthesis Evaluation has learned that the approach consisting of both theoretical training (workshops) combined with practical in the field training builds on the capacity building approach of FOMACOP. During SUFORD-SU, emphasis on using the Training of Trainers' approach has become more prominent. On the one hand, this is because the project coverage expanded. On the other hand, the TA inputs per working area decreased compared to SUFORD-AF. Also, the operational budgets (funded by WB) of SUFORD projects have provided resources for field presence and field activities and enabled learning by doing.

In PSFM, the forestry staff have obtained adequate skills to carry out routine tasks. In Forest Landscape Management, the understanding of the concept was rather weak at all levels of Government. At present the provinces do not have adequate capacity to continue FLM without external TA. In remote sensing and GIS, already since SUFORD the technical capacity has been relatively good at the central level. However, in the provinces and districts the capacities are not equally well developed. External support for basic GIS tasks would be required. The discussions with PAFO and DAFO staff in Oudomxai indicate the same. The staff are confident about their capacities to carry out routine tasks. However, developing and implementing new approaches

and activities still requires external TA. The importance of gender and ethnic issues is generally well understood, e.g. the respondents acknowledged that women and members of ethnic groups have a better knowledge of forest resources than men and majority would have. Overall, **the capacities of PAFO and DAFO in gender and ethnic issues were found to need further support**. The study discusses also problems that relate to sustainability of capacity development outcomes (SUFORD-SU 2018b). See further discussion in Chapter 3.2.5 below.

The recent **reports produced by SUFORD-SU provide mixed evidence about the capacities created at the community level**. Due to the TA team restructuring, there was no longer a long-term M&E expert available. As a result, there is hardly any village level data available in the capacity development activities and their results for the period of July 2017-August 2019.

**The role of TA has been crucial to capacity building in SUFORD projects**. In their respective areas of expertise, each TA team member has provided inputs to the design and development of new methods, guidelines and tools, and design and implementation of training packages. The evaluators interviewed some TA team members that had served already during FOMACOP and SUFORD. Their view was that back then the training package was really practical. FOMACOP had set up a training centre where the training programmes were organized. The training activities systematically mixed theory with practice and were very much community oriented. One week of theoretical training on, e.g. preparation of project management plans, was followed up by immediately starting the forest management plan preparations in the village. The international experts were closely involved with the training activities. This is of course an approach that is efficient only at a small-scale.

The programme coverage grew with SUFORD-AF and SUFORD-SU. This has made the shift on emphasis to Training of Trainers (ToT) approach quite logical. The international and regional experts have conducted training at the central and perhaps provincial level, but have not had much chance to observe training sessions at district and community level. Most of the training at the provincial and district levels was conducted by the national TA team experts. Their numbers, however, have dwindled over the years: in SUFORD-AF there were 42 national experts, in SUFORD-SU initially 8 and after June 2017, only 6. Similar trend is evident in the international TA experts. The small size of TA team may be a factor explaining some of the quality issues that were discussed above.

## **Tools and Guidelines**

SUFORD projects have developed many new methods, tools and processes. During SUFORD-SU examples of tools and guidelines that were primarily intended to provide guidance during the lifetime of the project include the Community Engagement (CE) Manual and Handbook on Grievance Redress Mechanisms for Community Engagement and the guidelines and methods for VLD Grant management processes.

In Participatory Sustainable Forest Management SUFORD-SU was able to apply a set of DoF Guidelines that were already developed during SUFORD and SUFORD-AF. These consist of the methods, processes and tools for, for example, land use planning and forest management planning and processes to support forest restoration. Also, the Strategic & Tactical Enforcement Program (STEPP), a tool initially developed to support Forest Law Enforcement during SUFORD-AF – has become a part of DoFI toolkit. These are just a few examples of tools and guidelines that Department of Forestry and Department of Forest Inspection have adopted and are using at present at national, provincial and district level.

The tools and guidelines that relate to timber harvesting from PFAs were designed during SUFORD and SUFORD-AF. They include, for example, templates and processes for logging planning, pre-harvest inventories and low impact logging in natural forests. The tools are at the disposal of DoF but their use and further development has been discouraged by the logging ban.

## Use of results

An important dimension of effectiveness analysis is to look at the results and how they are put in practice by the intended beneficiaries. The Synthesis Evaluation is of the view that this is a dimension that is not particularly well addressed in the WB result framework. Further, the review of project documentation, for example, aide memoires and annual progress reports suggests that the qualitative aspect of result monitoring has not received enough attention from the partners during SUFORD-SU implementation.

There are a number of activities and achievements of SUFORD-SU (see description of project achievements in Chapter 3.1.1.5) that have been developed with project resources but are not fully used or not used at all. For example, a large number of forest management plans were either developed or revised during SUFORD-SU. While an up-to-date management plan is obviously an asset and has some use, for example, in providing updated data on forest resources, a large part of the forest management activities that are incorporated in the plans cannot be implemented. Certainly, none of the activities that relate to harvesting and timber sales can take place at present.

In the process of developing the plans, a lot of capacity building activities have taken place, both at village, district, provincial and national level. The participants may have learned very useful skills or knowledge about new tools, techniques or work methods. But any set of newly gained skills will be soon forgotten if there is no possibility to apply the skills in practice.

As was discussed in Chapter 3.2.1, a subtle emphasis to delivering results to government partners is evident in SUFORD-SU. This is reflected in the beneficiary target at the community level which appears low compared to the project budget (see Chapter 3.2.4).

SUFORD-SU has also invested in the maintenance of the forest certification (FSC Forest Standard and FSC Controlled Wood Standard<sup>43</sup>) in some of the PFAs. The forest certificates would be useful – if harvesting and sale of timber from those PFAs would be allowed.

In terms of producing project results that are actively used as well as useful to all beneficiary groups, it is the view of the Synthesis Evaluation that SUFORD-SU has been only moderately successful.

## Conclusions

The evaluation concludes, that while SUFORD-SU has met all the important result targets set in the WB result framework, there are problems in the use of the results. The total PFA area covered by SUFORD-SU is nearly 2.3 million hectares which represents 73% of the production forest area in Lao PDR. More than 700 000 people live in this area. In PSFM and VLD, SUFORD-SU worked in 1078 villages in 40 PFAs located in 13 provinces. In addition, SUFORD-SU supported Forest Law Enforcement in all 18 provinces of the country. Piloting of Forest Landscape Management was started in over 3 million ha of forest land across four provinces.

SUFORD-SU and also the other SUFORD projects before it provided important support to legal and regulatory environment. Also, the project's role in capacity development has been pivotal. The capacities of the participating Government institutions have improved which is a significant positive impact. The capacities of the two lead institutions, Department of Forestry and Department of Forest Inspection have improved the most. Government staff capacities have improved in e.g. developing management plans, forest certification, Village Forestry, forest cover

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<sup>43</sup> The forest certification targets are among the Intermediate Result Indicators in the WB result framework (see e.g. WB 2019d).

assessments, and forest landscape planning. The trained staff members on all government levels have developed sufficient capacities to undertake routine tasks. Villagers have been trained to manage their development projects, although more capacity building would be needed in e.g. grant and revolving fund management and in the livelihood activities itself.

The use of results is a dimension that is not particularly well addressed in the WB result framework. While result targets focus e.g. on area under management plans, there is no attention given to the use of management plans or the changes sustainable forest management can introduce both to the condition of forests, people and organizations. There are a number of activities and achievements of SUFORD-SU that have been developed with project resources but are not fully used or not used at all. The Synthesis evaluation therefore concludes that in this respect SUFORD-SU has been only moderately successful.

### **OECD/DAC rating of SUFORD-SU Effectiveness**

Based on above findings under criterion Effectiveness, the rating for SUFORD-SU is “2/orange = problems”. Although, SUFORD-SU has mostly delivered the results as expected in the WB PAD and in the result framework, many results cannot be actively used by the anticipated beneficiaries.

### **3.2.4 Efficiency**

#### **Highlights of findings on efficiency:**

- Sizable partner investment to the forestry sector development in Lao PDR: The total expenditure to FOMACOP and three SUFORD projects approximately USD 99 million during 1995-2019); 60% of funds provided by the WB and 40% by GoF
- Expenditure on three SUFORD-projects during 2003-2019 USD 86 million in total.
- Total GoF contribution to all four projects approximately EUR 33 million. During 2003-2017 contribution to SUFORD projects EUR 27.2 million.
- SUFORD-SU the costliest of the SUFORD projects: Total expenditure USD 39.8 million (2003-2019), out of which WB (IDA & FIP) expenditure USD 29.8 million and GoF expenditure USD 9.0 million.
- Delivery of GoF-financed TA consistently rated as good; transition from GoF-funding to WB-funding in 2017 was smooth.
- The implications of the logging ban have resulted in considerable financial inefficiencies in the project; the project has continued to invest resources on activities and outputs that cannot be applied in practice.
- the activities of SUFORD-SU have brought up many useful results that contribute to the institutionalization of the PSFM system in Lao PDR; the overall analysis on the Synthesis Evaluation on cost-efficiency is positive.

#### **Summary of partner allocations**

Starting from FOMACOP, the contributions of two financing partners, WB (representing IDA, FIP and GET) and MFA (representing GoF), have been separate from each other. WB financing has been allocated to operational activities and has essentially met all the activity costs during SUFORD projects. GoF financing managed by MFA has been targeted to Technical Assistance and has been complementary to WB funding. There are some exceptions, most notably the GoF funding to SUFORD-AF that also contained some budget for capacity building. For assessment of results of project components in terms of quality, quantity and time, it is necessary to keep in mind that the agreements between the World Bank and Government of Lao PDR, and the related WB and GoL guidelines have guided the project. Also, **a detailed efficiency analysis of the use of WB funds in SUFORD-SU is outside the mandate of the Synthesis**

**Evaluation.** It will be available in the final BCR and ICR of SUFORD-SU, at the earliest in 2021 if the Additional Financing moves forward as expected.

The Synthesis Evaluation is, therefore, interested in the volume of resources provided by the partners, and more specifically if the resources used have produced the intended results as defined in the PADs, and if the achieved results justify the expenditures of projects. In this respect, the Finland TA is an integral part of the projects: a standalone WB-GoL partnership project would have contained Technical Assistance inputs in any case. In the case of Lao PDR, without the WB projects there would have been no Finland TA either. In the case of SUFORD projects, **the funds for operational activities and Technical Assistance are joined in the hip and therefore needs to be analysed together.**

The WB-GoF partnership has provided an impressive amount of funds to the development of forestry sector in Lao PDR (Table 6). **During 1995-2019, the total expenditure of all projects, FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU, is estimated to stand at USD 99.1 million.** The expenditure from donor funds approximates a 60-40 split between the different funds managed by the World Bank and the Government of Finland allocation.

*Table 6. Expenditure (USD) of FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU, 1995-2019*

Project	Total expenditure, million USD						Comment
	WB (IDA)	WB (GET)	WB (FIP)	GoF	GoL	Total	
FOMACOP <sup>a</sup>	2.5	4.46		5.38	0.54	<b>12.88</b>	
SUFORD <sup>b</sup>	10.66			10.1	0.43	<b>20.81</b>	
SUFORD-AF <sup>c</sup>	10.53			14.72		<b>26.25</b>	Contains also USD 0.5 of PHRD funds
SUFORD-SU <sup>d</sup>	17.96		12.83	9.0	n/a	<b>39.79</b>	No data on GoL expenditure
<b>Total</b>	<b>41.65</b>	<b>4.46</b>	<b>12.83</b>	<b>39.2</b>	<b>0.97</b>	<b>99.11</b>	
<b>% of expenditure</b>	<b>42.02</b>	<b>4.50</b>	<b>12.95</b>	<b>39.55</b>	<b>0.98</b>	<b>100.0</b>	

References: <sup>a</sup> ICR of FOMACOP (WB 2001), <sup>b</sup> BCR of SUFORD (MAF/DoF/SUFORD 2009), <sup>c</sup> BCR of SUFORD-AF (MAF/DoF/SUFORD-AF 2013), <sup>d</sup> Finland TA Completion Report and WB ISRR (SUFORD-SU 2017, WB 2019d)

In Table 7 the total expenditure of SUFORD projects and respective partner shares are tabulated. **By August 2019, the expenditure of SUFORD, SUFORD-AF and SUFORD-SU had climbed to the tune of USD 86 million<sup>44</sup>.** The share of allocations for all SUFORD projects between donor partners remained at 60.3% for the World Bank and 39.2% for the Government of Finland, despite the early termination of GoF funding in mid-2017. As the data suggests, both IDA and FIP invested more heavily in the Scaling-up of SUFORD than Government of Finland did. Government of Finland contribution was 22.6% and World Bank (IDA and FIP) contribution 77.4% of SUFORD-SU expenditure during 2013-August 2019.

<sup>44</sup> Keeping in mind the WB and GoL plans for project extension and additional financing (Chapter 3.1.1.6), these figures, however, will not be the final ones.

*Table 7. Expenditure (USD) of SUFORD, SUFORD-AF and SUFORD-SU, 2003-2019*

Project	Total expenditure, million USD					Comment
	WB (IDA)	WB (FIP)	GoF	GoL	Total	
SUFORD <sup>a</sup>	10.66		10.1	0.43	<b>20.81</b>	
SUFORD-AF <sup>b</sup>	10.53		14.72		<b>26.25</b>	Contains also USD 0.5 of PHRD funds
SUFORD-SU <sup>c</sup>	17.96	12.83	9.0	n/a	<b>39.79</b>	No data on GoL expenditure
<b>Total, USD</b>	<b>39.2</b>	<b>12.83</b>	<b>33.8</b>	<b>0.43</b>	<b>86.20</b>	
<b>% of expenditure</b>	<b>45.40</b>	<b>14.88</b>	<b>39.22</b>	<b>0.5</b>	<b>100.0</b>	

References: <sup>a</sup> BCR of SUFORD (MAF/DoF/SUFORD 2013), <sup>b</sup> BCR of SUFORD-AF (MAF/DoF/SUFORD-AF 2009), <sup>c</sup> Finland TA Completion Report and WB ISRR 2019 (SUFORD 2017, WB 2019d)

**The total contribution from Government of Finland to all four projects is to the tune of EUR 33 million.** During 2003-2017 contribution to SUFORD projects was EUR 27.2 million (Table 8). As discussed earlier, GoF financed almost entirely Technical Assistance expenditures of the projects. As evidence in Chapter 3.1 suggests, in several occasions the Finland TA budget also provided “bridging funds” to provide momentum, for example when WB financing had already closed or a new project was still being developed.

*Table 8. Expenditure (EUR) of GoF on FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU, 2003-2019*

Project	EUR, million	Comment
FOMACOP <sup>a</sup>	5.78	Calculated on the basis of total expenditure of USD 5 380 000, in December 2000, using historical currency converter at <a href="http://fxtop.com/en">http://fxtop.com/en</a> (Accessed on 15 September 2019)
SUFORD <sup>b</sup>	8.45	
SUFORD-AF <sup>c</sup>	11.15	
SUFORD-SU <sup>d</sup>	7.6	
<b>Total</b>	<b>32.98</b>	

References: <sup>a</sup> ICR of FOMACOP (WB 2001), <sup>b</sup> BCR of SUFORD (MAF/DoF/SUFORD 2009), <sup>c</sup> BCR of SUFORD-AF (MAF/DoF/SUFORD-AF 2013) and ICR of SUFORD and SUFORD-AF (WB 2013a, p. 5), <sup>d</sup> Finland TA Completion Report (SUFORD 2017)

### Cost of projects vs. results achieved

The Synthesis Evaluation is not in a position to provide an explicit answer to the question to what extent the costs of SUFORD projects can be justified by results. Based on the documentary evidence, **the finding for SUFORD and SUFORD-AF is reasonably positive.** The completion reports, both BCRs and available ICRs share a high degree of satisfaction among the World Bank and the GoL implementing partners (NAFES and DoF) for the first two SUFORD projects. Information in the BCRs strongly suggests that during SUFORD and SUFORD-AF most of the objectives set for the components were achieved (MAF/NAFES 2009, MAF/DoF/SUFORD-AF 2013). However, the IEG review of the joint ICR of SUFORD and SUFORD-AF gave a rating ‘modest’ to project efficiency and noted that the villagers received only small amount of benefits from management of PFAs (WB 2014). The 2018 PPAR gave a rating ‘modest’ to the achievement

of both objectives, the objective of making forest management sustainable and to the objective of reducing rural poverty. It observes that the returns to the project investments were not correctly estimated at appraisal. It also points out that the proportion of villages that received a share of timber revenues was not as planned because under SUFORD-AF no villages benefited. In the PPAR, the project design receives a rating 'satisfactory' based on the choice of components and activities that are considered logical (WB 2018).

During the over 20-years long partnership, some inefficiency and delays have resulted from the realignment of responsibilities following the establishment of the new Ministry for Natural Resources and Environment and transfer of responsibilities in REDD+ and protected area management to MoNRE (MAF/DOF/SUFORD-AF 2013). Progress on REDD+ has been slower than expected and according to stakeholders interviewed has started to move forward in 2017 when the activities were returned to the MAF/DoF mandate.

However, **the findings on SUFORD-SU are more critical**, for several reasons. **There are several inefficiencies that have slowed down delivery of outputs of SUFORD-SU.** Among the reasons were unavailability of TA, insufficient numbers of Government staff, inexperience, etc. The examples mentioned in the draft BCR of SUFORD-SU also include the slow transfer of VLD grants and forest restoration grants. The Synthesis Evaluation was able to corroborate this finding in Oudomxai: the interactions at provincial, district and community level revealed that the villages received their VLD grants only in 2018. Although trainings to community members to strengthen their skills in their adopted livelihood scheme were planned, most of the planned trainings could not take place due to lack of project resources. Overall, the process from planning to approval and to transfer of funds took a long time. Senior DoF and TA staff acknowledged that the delays were caused partly by changed conditions on behalf of WB that needed to be reflected in the project guidelines, and partly by capacity issues with the Government financial staff. According to the draft BCR, financial management remained a major problem throughout implementation of SUFORD-SU, even after DoF had hired additional staff.

**The logging ban has had a number of negative implications to the activities and outputs of SUFORD-SU.** As a matter of fact, the ban has been "the elephant in the room" since 2013. The partners have not been oblivious to it, on the contrary. For example, the Aide Memoires of the supervision missions verify that the ban was discussed with project partners on every occasion. Nevertheless, the advocacy efforts were not effective. This, in turn, has then led into inefficiencies in project implementation. As was also discussed in Chapter 3.2.3, many activities planned under Component 1 to ensure sustainable harvesting and timber trade could not be implemented because of the ban. SUFORD-SU was operating on the assumption that the Government would come around and allow legal logging from at least some of the PFAs. In preparation, the project invested in updating forest management plans that were developed already during SUFORD as well as in developing new plans for 25 PFAs. The logging ban initially slowed down forest certification activities, because costly certification and auditing processes are not considered worth the effort when revenue from timber sales was not forthcoming. Forest certification activities picked speed in 2018, but only time will tell if the project funds spent on updated forest management plans and certification have been wasted or used wisely.

The draft BCR of SUFORD-SU considers **the project financially inefficient because of the impact of the logging ban.** This is the viewpoint that also came up in the interviews. The Synthesis Evaluation concurs with these partner assessments with respect to SUFORD-SU. The intended flow of benefits from the forests to the Government and communities has not been achieved but the project costs have remained as originally planned (IDA & FIP funding).

Interestingly, neither the interviews nor the draft BCR cited inefficiencies that would have been caused from the TA staff being transferred to the WB-funding in 2017. Obviously, the negotiations took a while, but all in all, the transition appears to have been surprisingly smooth.



The Synthesis Evaluation considers that **some of the donor provisions and requirements have also contributed to inefficient use of resources**. One such example is the result framework / logical framework. Apparently, the project management needed to work with three different frameworks (FIP, IDA and GoF/MFA) when SUFORD-SU was started. Eventually the project was able to come up with a joint planning, monitoring and reporting system as is evident in Work Plans and Semi-annual / Annual Reports and supervision mission Aide Memoires.

The Synthesis Evaluation has some reservations on the establishment of the Supervisory Board for SUFORD-SU, although it did not exist during the previous SUFORD projects. This was a requirement of MFA. Based on the management and coordination mechanisms designed during the earlier projects, SUFORD-SU had already well-established steering, management and coordination mechanisms. The discussions the Synthesis Evaluation had with partners suggests that adding another layer did not seem to add much value. The joint supervisory missions continued to provide the main window of opportunity for all partners to officially discuss and agree about the project-related issues.

While the Synthesis Evaluation has identified several inefficiencies in project implementation, the Evaluation is also clear SUFORD-SU has been implemented according to the plans and budgets that were approved by all partners. The partners (WB, GoF and GoL) have had an opportunity to discuss and influence those plans and direction of the project, for example, during the supervision missions. As has been discussed earlier in the report (Chapters 3.15 and 3.2.3), the activities of SUFORD-SU have brought up many useful results that contribute to the institutionalization of the PSFM system in Lao PDR. For that reason, the overall analysis on the Synthesis Evaluation on cost-efficiency is positive.

In the course of the Synthesis Evaluation, it has been learned that there are significant differences in how the World Bank and Ministry for Foreign Affairs manage large bilateral projects. The MFA system has mechanisms in place to allow for changing even an entire project strategy, at least on component and output level, if lessons learned from project implementation suggest that. In comparison, a Project Appraisal Document approved by the World Bank Board is a much more rigid instrument. In fact, a significant revision of the objectives or components would require a re-approval of the revised PAD by the Board which is a time-consuming process.

### **Component expenditures and Finland TA (2013-2017)**

Regarding SUFORD-SU the Completion Report of Finland TA (SUFORD-SU 2017) provides an interim assessment of the allocation of project resources vis-à-vis project components. The data in Figure 7 indicates that by June 2017, the largest share of funds (WB and GoF together) was allocated to PSFM followed up by Project Management. In terms of main expenditure categories, Training and workshops, Incremental Operational Cost and Consultant Services were the top three spenders. Regarding the use of Finland TA, Components 1 and 4 stand out in the expenditure by component. The analysis by expenditure categories confirms that the GoF financing was used for Consultant Services as planned. Also, the expenditures in the other categories are related to the operating costs of the TA.

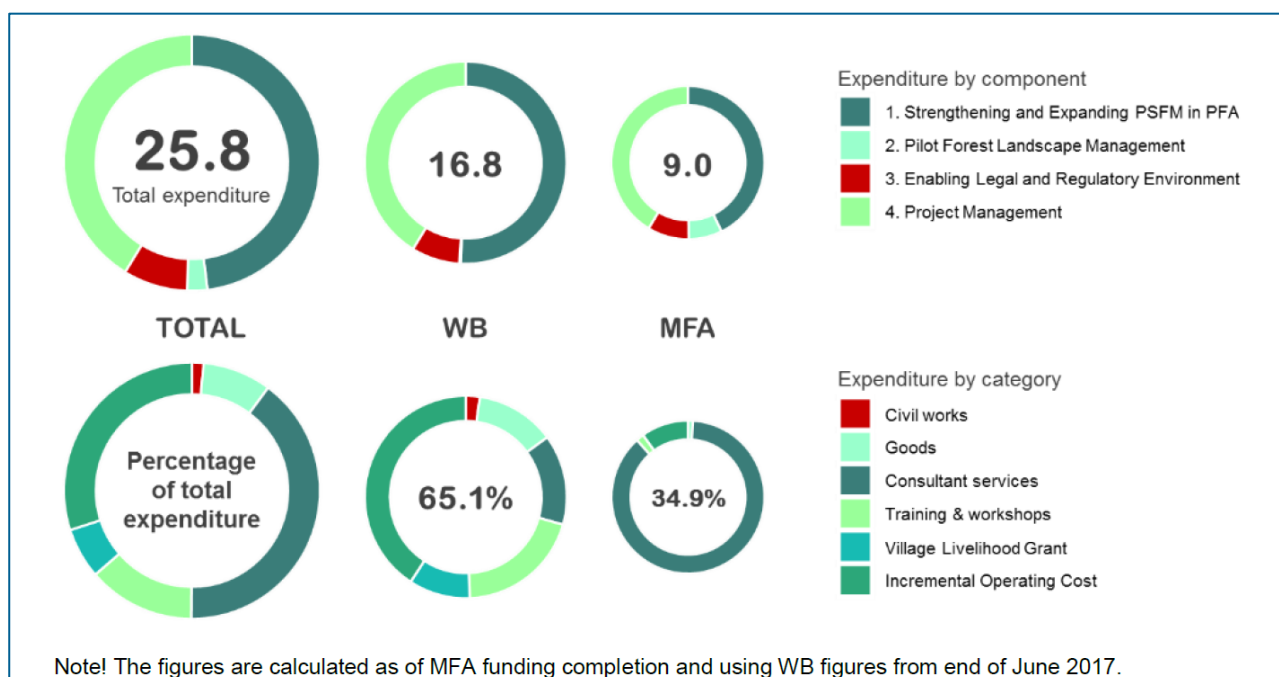


Figure 7. Cumulative expenditure by component and category of SUFORD-SU 2013-6/2017 (million USD) (SUFORD-SU 2017)

By closure of Finland TA, the total TA inputs were 674.6 working months. The inputs from international long-term consultants were 373.8 person months and from long-term national consultants 264.5 person months. The inputs of international and national short-term consultants were 23.4 and 10.9 person months, respectively. The list of expert posts and respective working months is available in Annex 8. In comparison, the total TA inputs for SUFORD-AF were 1 827.4 months (see Chapter 3.1.4). There was a big difference between the TA in SUFORD-AF and SUFORD-SU: SUFORD-AF had 42 national long-term TA experts with a total input of 1 401.1 person months. The Synthesis Evaluation considers the reduced availability of national TA as an important factor that explains inefficiencies that slowed down the delivery of outputs of SUFORD-SU. There was much less TA support available although project coverage expanded both geographically and thematically.

**Performance of Finland TA** has been one of the issues of interest to the Synthesis Evaluation. It is, however, a topic that has received only cursory interest in the WB and Borrower reports over the years. **The BCRs (SUFORD, SUFORD-AF and draft for SUFORD-SU) consistently report delivery of TA as good.** The ICR covering SUFORD and SUFORD AF gives a lot of credit to the Finland TA (WB 2013b). The TA had provided analytical rigour and support for monitoring and evaluation. Among other things, the TA helped to identify emerging issues, supported policy dialogue, and provided learning opportunities for senior government officials and key implementing agency staff.

The persons interviewed confirmed that overall the TA team experts had the required qualifications for the post and performed well. If some issues were identified, corrective action took usually place in a timely manner and was orchestrated in good coordination between the implementing agency (NAFES/DAEC or DoF), MFA and WB. One such example is the slow delivery of SUFORD at the beginning. The MTR commissioned by MFA in 2005 made recommendations (also regarding the composition of the TA team) that were endorsed by partners and quickly led into improvements in project management.

During SUFORD-SU a system of annual performance assessment was constituted at the initiative of MFA. The performance of the TA was assessed once a year. The findings of the assessments

and TA performance were discussed at the Supervisory Board meetings that coincided with the joint supervision missions. The Synthesis Evaluation has reviewed the assessment reports for 2015 and 2016 together with the Supervisory Board minutes. Based on the documents and on the discussions with partners, there were no major issues in the performance of the TA during 2014-2016. In the Supervisory Board minutes the rating of TA performance is at least satisfactory. Also, the fact that the DoF and WB extended the contracts of several key experts under IDA/FIP funding indicates a degree of satisfaction among the clients.

## **Conclusions**

The total investment made by WB and GoF in SUFORD projects is USD 86 million. The expenditure on SUFORD-SU was approximately USD 40 million during 2013-8/2019. The evaluation concludes that SUFORD-SU has succeeded in implementing its activities mostly as planned. It indicates that the project has provided value for money. However, there are also considerable inefficiencies, many of which are caused by the logging ban. The intended flow of benefits from timber revenue has not been achieved, yet the project costs have remained as originally planned. Many planned activities to support sustainable harvesting and timber trade could not be implemented because of the ban.

The Synthesis Evaluation observes that some inefficiencies were also caused by the donor requirements, for example, the Supervisory Board that was established for SUFORD-SU to keep up with the MFA requirements and the delay in Village Livelihood Development activities that was caused by new WB regulations that needed to be incorporated in the project guidelines. The multiple result frameworks, one from IDA (attached to the WB PAD), one from FIP and one from GoF, that the project management needed to address before a joint planning, monitoring and reporting system was in place is another such example.

The total SUFORD-SU expenditure of Finland TA during 2013-June 2017 was USD 9 million. With it a total of 674.6 person months was provided. The partners and stakeholders were satisfied with the quality and availability of the TA. The arrangement of providing TA under a parallel contract worked reasonably well. The total Government of Finland contribution to all four forestry projects is approximately EUR 33 million.

## **OECD/DAC rating of SUFORD-SU Efficiency**

Based on the above findings under criterion Efficiency, the rating for SUFORD-SU is "3/yellow=good". The rating is based on the positive analysis on the performance of the GoF-financed TA component and on a balanced view of cost-efficiency.

## **3.2.5 Sustainability**

### **Highlights of findings on sustainability:**

- The results of SUFORD-SU are only partly sustainable; key GoL stakeholders considered withdrawal of donor support a risk to sustainability.
- GoL capacity building: staff with good competencies in activities such as forest management, land use planning and forest law enforcement; more support needed in e.g. in forest landscape management and village forestry.
- Some concerns about the sustainability of village livelihood development activities; at community level the capacities in sustainable forest management have not developed adequately – for lack of opportunities to practice PSFM fully.
- Commitment and ownership of key partners is very high to maintain and further develop the results that directly benefit the operations of the government organizations.
- Lack of recurrent funding a key sustainability concern; logging ban has long-term implications to financial sustainability; recent study of PSFM in PFAs suggests that even

in the current condition, the forests in PFAs could provide the Government with sufficient revenue to continue implementing PSFM (recurrent funding).

### **Partner commitment and sustainable results**

SUFORD-SU has developed and implemented quite a few methods, tools and processes that are applied at present by Government institutions at various levels. However, a consolidated view of all key stakeholders is that **not all results supported by SUFORD-SU are sustainable if the donor support is withdrawn**. Similar observations are presented in the Draft Borrower's Completion Report of SUFORD-SU as well as in the number of recent studies produced by SUFORD-SU (MAF/DoF/SUFORD-SU 2019, SUFORD-SU 2018b, 2019d).

Both Department of Forestry and Department of Forest Inspection and their respective provincial and district offices considered that activities such as forest management, land use planning and forest law enforcement are among the activities that are likely to be sustainable. All these were initially developed either during SUFORD, as is the case with forest management and village livelihood development or during SUFORD-SU as is the case with forest law enforcement. **The approaches and methods that are considered sustainable have gone through one or more cycles of participatory trial-error-improvement during SUFORD projects**. This has helped the beneficiaries to internalize the practices. Training of Trainers approach for staff capacity building is also considered to have a positive impact on sustainability.

The Department of Forestry and the provincial and district offices also considered village livelihood activities sustainable. Similarly, the draft BCR assesses the sustainability of village development projects positively – but has not really dwelled on the issue. Based on the desk review and observations in Oudomxai, the Synthesis Evaluation parts with the views of GoL stakeholders and is **concerned about the sustainability of village livelihood development activities**. At the community level the observed capacities were not particularly strong. It is not a surprising finding considering that majority of the planned training activities associated to the delivery of VLD Grants were not implemented. The studies conducted by the project in 2018-2019 in preparation of the draft BCR all point to the same direction: **at the community level the capacities in sustainable forest management have not developed adequately – for lack of opportunities to practice PSFM fully**.

Activities supporting, for example, forest landscape management were only started during SUFORD-SU. Also, village forestry was not practiced for more than a decade before it was newly incorporated in the SUFORD-SU. The implementation period has been short, and although capacities have been built, the beneficiaries struggle to carry on independently.

**The legal framework has institutionalized PSFM in Lao PDR**, as is also demonstrated by the range of systems and related training manuals that are incorporated in the daily operations of DoF and DoFI.

The commitment and ownership of key partners is very high to maintain and further develop the results that directly benefit the operations of the government organizations. The ongoing revision process of the **Forest Law and Land Law** indicate a high commitment on sustaining PSFM on behalf of MAF/DoF and MoNRE. **The Synthesis Evaluation, however, is concerned about the fact that the Government has not yet made any explicit commitments towards their implementation**. Even if the new Laws are promulgated as expected, further preparatory work is needed to develop the necessary Decrees and Orders to implement them. The discussions in Vientiane also suggest an interest in shifting emphasis from management of natural forests to plantation forest management. **Overall, the Synthesis Evaluation finds that the WB decision to provide Additional Financing to SUFORD-SU does not provide GoL authorities any real incentive to sort out the constraints in domestic financing**.

The Capacity assessment study in 2018 (SUFORD-SU 2018b) suggests that the VLD activities would be more sustainable than forestry activities for a simple reason: **the villagers get more benefits from VLD than from forest management**. The study shares an observation that Village Livelihood Development had lower priority than other SUFORD-SU activities. This has hampered implementation and capacity building. The assessment on quality of technical services and Community Engagement (SUFORD-SU 2019d) also indicates that the quality of technical services available to the communities suffered from budget limitations. This meant that some of the planned activities, such as capacity building at community level, monitoring of both VLD and PSFM activities and extension services could not be implemented as planned. This also implies that without further technical support the VLDG use may not be sustainable.

### **SWOT on sustainability**

The Synthesis Evaluation has used the SWOT tool (Strengths, Weaknesses, Opportunities and Threats) to highlight the key sustainability factors (Table 9). Factors that are in favour of sustainability of project results include **the scale of SUFORD-SU which has made it necessary for both DoF and DoFI to properly own the project and assume responsibility of implementing the activities**. Also, there was no need to invest in setting up any new institutional framework for the project because it was already in place (DoF structures). The project has benefited from working through existing Government structures, not by project management units run by external TA. The volume of activities supported by WB operational funds is such that there was no other option but GoL taking the full responsibility. There are significant improvements in capacity at all levels that are expected to have a positive impact on sustainability in the long run. The technical plans, guidelines and systems are largely in place and being used. However, they will need to be updated as and when new issues emerge. More than half of the SUFORD-SU villages have ethnic groups as the majority population. The fact that the project was implemented nationwide has ensured that also ethnic groups have benefited.

There are also **inherent weaknesses in the GoL system that inhibit sustainability**. Rapid turnover of Government staff continues to be a problem: after trained staff are being transferred to new posts their replacements would not have similar capacities, e.g. for PSFM and forest law enforcement. Government institutions have the capacity to maintain the existing systems and apply the existing tools and systems – but they do not have the capacity to develop them further and address any new / additional needs. At the village level, the capacities are not as strong as expected for many reasons. The discussions with the Government partners suggest that there is no system in place to ensure that skills and capacities created within a unit or organization would be retained when staff changes take place.

In the interviews with the Government staff, the most frequently cited **sustainability concern was “lack of funding”** – staff at national, provincial and district level shared a concern that with the current level of recurrent funding, the resources would not be adequate to maintain the activities at the level that has been supported by IDA and FIP funding. This is in stark contrast with the potential that the Production Forest Areas have, even in their current degraded form, towards sustainable financing (see below).

The **logging ban is by far the most critical sustainability factor** because it has impacted so many actors and processes during implementation of SUFORD-SU. If not resolved, it has long-term implications to financial sustainability.

The **community capacities in PSFM and VLD are weaker than expected**, for multiple reasons. Overall, there is a lack of capacities to start and implement livelihood activities sustainably and to conduct all forest management activities that relate to timber harvesting and sales. The studies by SUFORD-SU and observations during the field visits also suggest that there is still work to be done to improve DAFO and PAFO capacities and attitudes in issues related to gender, ethnic groups and FPIC.

*Table 9. Strengths, Weaknesses, Opportunities and Threats enhancing or inhibiting sustainability of SUFORD-SU*

<p><b>Strengths:</b>                  PSFM institutionalized in the operations of DoF; it is the Government system. Has been widely practiced (in 40 PFAs out of 51 PFAs).                  Organisational structures are in place.                  Activities implemented by Government staff (DoF, DoFI, PAFO, POFI, DAFO and DoFI), not by TA.                  Adequate number of government staff that has been trained and capable to implement (most of) the activities.                  Plans, systems, guidelines and manuals in place and being used.                  Building on achievements of SUFORD and SUFORD-AF.                  Nationwide implementation has benefited also ethnic groups.</p>	<p><b>Weaknesses:</b>                  Rapid staff turnover.                  Capacities to develop the systems further not yet strong.                  Shortage of recurrent funding, both for continued capacity building and operations at provincial, district and community level.                  Forest cover and condition in PFAs.                  Weaker than expected community capacities (in PSFM and VLD).                  DAFO and PAFO capacities and attitudes in issues related to gender, ethnic groups and FPIC.</p>
<p><b>Opportunities:</b>                  Once FLEGT VPA is in place, it will provide incentives to both private and public sector to practice SFM.                  REDD+ process is moving forward, first performance-based payments may be possible in 1-2 years from now.                  If approved, the Forestry Law and Land Law of 2019 will facilitate Village Forestry.                  Potential of PFAs for sustainable financing of PSFM.                  All the key processes (FLEGT, REDD+, PSFM and others fall under the mandate of DoF.</p>	<p><b>Threats:</b>                  Logging ban in place since 2013 with multiple implications on government (lack of recurrent funding) and community revenue (lack of incentives). Revised benefit sharing regulation not implemented since 2012.                  Waning interests in sustainable management of natural forests; plantation forestry takes precedence also in PFAs.                  Pressures from outside forest sector (e.g. land use change), partly driven by external investment financing provided by the Mekong region neighbours.                  Availability of donor funding discouraging implementation of PSFM for sustainable domestic financing.</p>

The policy level presents more opportunities. The **operational context has become a lot more welcoming to sustainable forest management** which is definitely an opportunity. Approval of the draft Land Law and draft Forestry Law 2019 are expected to open up possibilities for Village Forestry. The other two landmark processes are the FLEGT VPA negotiation process and the work done by several projects and actors in REDD+, both managed by DoF. Compared to the situation in the 1990s the sector appears now a lot more organized. It will still take years before the processes supported by FLEGT and REDD+ start generating significant financial returns to the people of Lao PDR.

Recently the project has updated the cash flow analysis on Production Forest Management that was initially done by SUFORD-AF in 2012 (SUFORD-SU 2019c). Obviously, the original analysis is no longer valid because of the logging ban and because of illegal logging in the PFAs that has depleted the timber stock. Based on the current condition of the forests, the updated study suggests that **the revenue from PFAs would be sufficient for the Government of Lao PDR to continue implementing PSFM.** if harvesting in the PFAs were resumed, the revenues from PFAs would provide the Government with the basic funding to continue operations and activities in PSFM.

**If harvesting is resumed in the PFAs, the average net revenue during the first 15 years is expected to be about USD 8.6 million per year. During the second 15 year cycle the revenue would increase to USD 37 million per year.** If the 2012 regulation on timber revenue sharing would be implemented, USD 6.4 million would be deposited annually to the Treasury within the first 15 years. During the second 15-year period, the Treasury would receive an estimated USD 25.8 million per year. The allocations to support management of Production Forests would be USD 1.5 million and USD 5.9 million respectively. The timber revenues would account for 68% of the estimated costs of PFA management during first 15 years and 109% of the estimated cost during the second 15-year period. If the allocations to village funds would be distributed to all villages, each village would receive nearly USD 1 000 per year in the first 15-year period and about USD 4 000 in the second period (SUFORD-SU 2019c).

Neighbouring Mekong Region countries, notably China and Vietnam, are vying for business opportunities in Lao PDR. However, Foreign Direct Investment is known to produce mixed impacts and can therefore be considered a threat to SFM. The increasing regional economic integration will also mean that there will be more resources to investment projects and schemes that contribute to forest cover loss and forest degradation. The Synthesis Evaluation does not oppose development of plantation forestry, on the contrary. However, it is worrying that development of plantation forestry, also within PFAs, may take precedence over management of natural forests.

## **Conclusions**

The evaluation concludes, that if the donor support would be withdrawn, not all results that were supported by SUFORD-SU would be sustainable. Although the commitment and ownership of key partners in Lao PDR to maintain and further develop the results is very high, financial sustainability is the main bottleneck.

Factors that are in favour of sustainability include the large scale of SUFORD-SU. It has made it necessary for both DoF and DoFI to properly own the project and take full responsibility of implementing the activities. There are significant improvements in capacities at all organizational levels that are expected to have a positive impact on sustainability in the long run. The fact that the project was taken nationwide has ensured that also ethnic groups have benefited.

There are also inherent weaknesses in the GoL system that inhibit sustainability. Rapid turnover of Government staff continues to be a problem. Government institutions have the capacity to maintain the existing systems and apply the existing tools and systems – but they do not have the capacity to develop them further and address any new / additional needs. At the village level, the capacities to manage village funds and to implement livelihood activities are not strong. No capacities have been created to manage timber harvest and sales.

The most critical sustainability concern is the lack of recurrent funding – staff at national, provincial and district level all shared a concern that with the current level of recurrent funding, the resources would not be adequate to maintain the activities at the level that has been supported by IDA and FIP funding. The recent study by SUFORD-SU, however, indicates that if harvesting is resumed in the PFAs, the revenues would be adequate and provide Department of Forestry with the basic funding to implementation of forest management plans. The system could also provide small but sustained revenues to rural communities.

## **OECD/DAC rating of SUFORD-SU Sustainability**

Based on the above findings and conclusions discussed under criterion Sustainability, the rating for SUFORD-SU is “2/orange=problems”. Although the key project partners in Lao PDR demonstrate high ownership, the dependency on external resources is evident and not all capacities are considered sustainable if donor is withdrawn – or another, more permanent source of financing identified. Lack of recurrent funding is the most critical sustainability concern.

### 3.2.6 Added value provided by support from Finland

#### Highlights of findings on added value:

- Main added value is the partnership and parallel financing arrangement between the World Bank and Government of Finland; this is considered an innovative modality.
- Parallel financing arrangement successful because roles and responsibilities of partners were clear: WB funds were used for operational resources and GoF funds for TA
- World Bank procedures were applied in the projects; Project Appraisal Documents contained the organizational and management structures, with joint supervision missions serving as an important coordination mechanism

**The foundation for the partnership between Government of Finland and the World Bank** was laid down in negotiations that were organized in Washington D.C. in February 1993 to discuss about FOMACOP and roles of IDA, Government of Finland and Government of Finland in the project. Minutes of the meeting exist.

Interestingly, the Synthesis Evaluation has not been able to dig up a similarly strong legal document that would have laid down the formal basis for the WB-GoF partnership for SUFORD and subsequent projects. The interviews of MFA of officials suggest that **the collaboration principles for SUFORD projects were shared only through an exchange of letters**. Despite the informal basis between the partners the collaboration continued successfully for nearly 15 years. It is perhaps just luck that there were enough of likeminded and flexible experts representing both the WB and MFA/Embassy offices at different junctures of time. An informal basis is, however, an uncertain basis. The fact that there was no agreement between MFA and WB made the ultimate flexibility – early exit – possible in 2017.

**The main added value of SUFORD projects is the partnership itself.** Also, the evaluation conducted by Hardcastle et al (2010) defined the modality between the partners as innovative. The evaluation and MTR reports bring up quite a number of techniques and approaches in relation to forest management were Finland and Finnish expertise traditionally demonstrated strong experience and was appreciated by partners. These include, for example, commercial production forest management, forest inventory, forest information systems, forest certification and REDD issues (Hardcastle et al 2010, Williams et al 2010). Overall, the partnership between the World Bank and Ministry for Foreign Affairs of Finland was initially built on shared interests and commitment to natural resource management and participatory approaches. The partnership sustained itself through several projects.

The Synthesis Evaluation considers that **one of the strengths of the parallel financing arrangement is the clarity on inputs and roles**. Both partners were well aware of the roles and responsibilities of each other. Thus, the complementarities between the donor partners, GoF and WB are evident. They stem from the clear division of resources that has been maintained throughout the years. The review of Completion Reports (BCR, ICR and Finland TA Completion Report) together with the discussions with WB, GoL and GoF staff supports a finding that there were no overlaps in the financial packages.

**The use of resources was coordinated through the organizational and management structures described in the PADs, with joint supervision missions serving as an important coordination mechanism.** The interviews with staff of MFA, Embassies of Finland and the World Bank indicate that coordination between the partners was good. The partners were able to resolve any issues that would have come up in the course of the implementation of projects. The Mid-Term Review missions mobilized by MFA were particularly helpful in addressing problems in project implementation.



The documentary evidence (Chapter 3.1) indicates that **the funds allocated by GoF have been used rather flexibly for the benefit of the projects.** When the IDA funding for SUFORD was closed as planned at the end of 2008, a bridging period of eight months was possible with the TA funds from Finland. Similarly, the WB support to SUFORD-AF was closed at the end of 2012, but TA funded by GoF remained active until September 2013. Government of Finland funding was also readily available to support SUFORD AF in 2009, after WB and GoL had agreed to move forward with Additional Financing.

It is evident that **when the design of SUFORD-SU was started, the partners, MFA and WB, no longer shared a long-term vision for the project:** Finland was keen on consolidating the results and making the achievements of SUFORD and SUFORD-AF sustainable whilst WB and DoF opted for the scaling-up and expanding the project even further. The Synthesis Evaluation considers that this is also evident in the TA budget provisions which are not commensurate with the targets of Scaling Up.

In 2011-2013, MFA was investing quite a bit of resources in the formulation of SUFORD-SU as MFA commissioned a series of planning missions. The missions focused on: (i) drafting Project Document for Finland TA component, (ii) reviewing the draft Project Document, and (iii) finalization of the draft Project Document. The TA component itself was well coordinated between the missions fielded by WB and MFA as is demonstrated that the composition of the TA team in both the WB PAD and GoF TA Component Document is identical (see discussion in Chapter 3.1.5).

Although GoF readily funded MTR missions of projects, before this Synthesis Evaluation the only available independent evaluations were carried out by the Independent Evaluation Group of the World Bank Group. They consist of only two Project Performance Appraisal Reports. Both are of high quality. The PPAR of SUFORD and SUFORD-AF (2018) contains many critical findings and recommendations that should have been available already during SUFORD-SU design. The problem, of course, is the timing: the PPAR was conducted five years after SUFORD-AF closed and thus has had no impact on SUFORD-SU. Looking at the complexities and challenges that SUFORD projects have faced, and given the significance and magnitude of the partnership, final evaluations conducted during the last year of each respective project could have served as a useful input to the planning of the next project. In the PADs, responsibility on organizing the evaluations remained within the World Bank. Therefore, also **MFA did not commission any final evaluations of the projects.**

Overall, **the inputs from Government of Finland to the forestry projects** have consisted of: (i) Technical Assistance (parallel funding) to management and implementation of SUFORD-projects, (ii) short-term missions to prepare or review (appraise) plans for Technical Assistance to be funded by Finland, and (iii) mid-term reviews of the projects (in partnership with WB and GoL). Also, the MFA and Embassy experts (Embassy of Finland in Bangkok until 2014 and Embassy of Finland in Hanoi from 2015) contributed their expertise to SUFORD-SU through participation in the WB supervision missions. All these inputs have been considered useful and relevant to the projects by partners.

It is noteworthy that **two other examples of parallel financing arrangements** between the World Bank and Ministry for Foreign Affairs exist. Both projects dealt with water resource management and were implemented from 2009 onwards in Africa. With GoF financing, Technical Assistance inputs were provided to the World Bank-led integrated water resources management projects in Ethiopia and in South Sudan. According to the interviews, the partnership between MFA and WB was good and the arrangement was considered a success.

Apart from academic cooperation between academic institutions in Lao PDR and Finland (National University of Laos and University of Helsinki), additional **collaboration with Finnish and Lao institutions** has not developed on a significant scale beyond the companies providing the TA services. Examples of forest industry companies with linkages to Nordic countries that operate in Lao PDR are Burapha Agro-Forestry Co., Ltd and Stora Enso Corporation. Their interests lie

predominantly in plantation forestry which has so far not been a key interest to SUFORD-SU. WWF Laos is one of WWF Finland's programme partners and has been working with DoF, particularly in forest certification issues.

## Conclusions

The evaluation concludes that the main added value of the SUFORD projects is the partnership and parallel financing arrangements between the World Bank and Government of Finland. This modality, despite being practiced since 1995, is still considered rare and innovative in the MFA portfolio. The parallel financing partnership has been one of its kind among the forestry sector interventions funded by MFA. In the MFA portfolio of projects two other examples of successful parallel financing interventions between the WB and MFA are available from integrated water resource management projects in Ethiopia and South Sudan.

The complementarities between the two donor partners are evident. They stem from the clear division of resources that has been successfully maintained over the years. The partnership between the World Bank and Ministry for Foreign Affairs of Finland was initially built on shared interests and commitment to natural resource management and participatory approaches. The partnership sustained itself through several projects.

The SUFORD partnership has consisted of three partners, the World Bank (representing several funds such as IDA and FIP), Ministry for Foreign Affairs (representing Government of Finland) and Department of Forestry under Ministry of Agriculture and Forestry (representing Government of Lao PDR). Both WB and MFA have had their respective agreements with GoL that have governed the use of resources provided by respective partner. The SUFORD projects were managed under a joint management structure as defined in the Project Appraisal Documents. The joint management, monitoring and evaluation structures were an efficient way to run a large programme.

Inputs funded by Government of Finland have consisted of the Technical Assistance (parallel funding) to management and implementation of SUFORD projects, commissioning and funding short-term expert missions that have contributed to preparation of projects, as well as commissioning and funding of MTR missions of the projects. Also, the Government of Finland staff, namely Ministry for Foreign Affairs and Embassies of Finland in Bangkok and Hanoi, have contributed their expertise and experiences to the projects, most notably through participation in joint implementation supervision missions with the World Bank and DoF/MAF staff.

Compared with a situation where either partner would have worked in the forestry sector in Lao PDR alone, **the merits of the parallel financing are many**: a coalition of like-minded donors carries more weight than any donor alone, the World Bank grants for operational resources have made it possible to expand the project activities to a national scale, and the flexible availability of MFA funds has allowed the SUFORD projects to stay operational even at times when the WB funds were either not yet available or not anymore available. For small donor, there is also merit in increased visibility: through provision of a parallel TA package, inputs from MFA and GoF have been independently recognized.

## OECD/DAC rating of Added value

Based on the above findings and conclusions, the rating for SUFORD-SU is "1/green=very good". The parallel financing is an innovative mechanism that has worked well in Lao PDR.

### 3.2.7 Coordination, complementarity and coherence / aid effectiveness

#### Highlights of findings on coordination, complementarity and coherence:

- SUFORD-SU, SNGS/EP and EMPS designed independently from each other; implementation arrangements led to projects to operate without close coordination or collaboration with each other.
- In the absence of an Embassy of Finland in Lao PDR, the projects coordinated from Bangkok and later from Hanoi; this put limitations on the Embassy involvement in e.g. sector dialogue and coordination.
- The project designs of SUFORD projects indicate ownership and alignment to GoL priorities; project implementation arrangements build on the use of local systems.

#### Complementarity of SUFORD-SU, SNGS and EMSP

The Synthesis Evaluation considers that **the relationship between the GoF-funded projects in Lao PDR was more of co-existence than complementarity and collaboration.** The project documents of SNGS/-EP, EMSP and the Project Appraisal Document have not included any actual measures to ensure complementarity with each other. The Synthesis Evaluation considers this an outcome of a number of issues. The projects have operated in different fields with different Ministries and/or Departments within the Ministries. Each project was designed independently from each other. Also, the implementation arrangements of the projects led the projects to operate independently. There is no evidence to suggest that the projects directly collaborated or coordinated activities.

MoNRE (the sector ministry responsible for EMSP) was actually involved with SUFORD-SU during 2011-2016. However, their involvement was through Department of Forest Resource Management and focused on REDD+ and protected area management (MAF/DoF/SUFORD-SU 2013).

The TA of SNGS/-EP and SUFORD-SU confirm that they exchanged and used the aerial photography, although it was more characterized as an unofficial use and for verification purposes. The staff of DoF did not explicitly mention the use of aerial photography. Rather the DoF uses satellite imagery for various purposes. Some of the ortho-photos were used by the SUFORD-SU TA to verify work done by DoF staff.

The topographic maps that NGD was producing would have been most useful to SUFORD-SU activities, particularly for land use planning, mapping and forest management planning at community level. However, the maps were not available when the DAFOs, PAFOs and communities would have benefited from them. The digital maps for central and northern parts of Lao PDR were completed only after 2015.

The Synthesis Evaluation considers the situation at least partly an outcome of the fact that **there is no Embassy of Finland in Vientiane.** All main partner countries of MFA have an Embassy of Finland. The Embassy staff, regardless of a country or sector, plays an active role in bringing different interventions funded by GoF together, fostering project-to-project coordination, and contributing to the sector dialogue with the government. The SUFORD projects were managed first by Embassy of Finland in Bangkok and later by Embassy of Finland in Hanoi. While there were dedicated and active staff members in both supporting the projects in Lao PDR, there is certainly a limit on how much can be achieved from a distance. This was confirmed by information gathered during the interviews.

Coordination and collaboration between GoF and WB in supporting SUFORD projects was discussed in Chapter 3.2.7. It was good.

## **Ownership, alignment, management for development results and mutual accountability**

The ownership of GoL in the SUFORD projects is demonstrated by the fact that the successive Project Appraisal Documents and the Project Paper on SUFORD-AF have been developed to address key concerns and issues identified by the Government partners. The projects have been aligned with GoL policies and strategies in the forestry sector and have contributed to their further development.

The alignment is further demonstrated by **the use of local systems**. SUFORD projects and their implementation arrangements have been embedded in the Government structures at national, provincial and district levels. Government has provided the working space to the GoF-funded TA. The TA team was sitting in NAFES/DAEC offices during SUFORD and SUFORD-AF. DoF has provided the premises to the TA during SUFORD-SU.

The TA component has been responsible for monitoring and reporting the results of the projects, following the World Bank result framework and guidelines. The regular supervision missions have served as the main mechanism to keep GoL, WB and GoF committed to shared results and accountable for their achievement.

## **Conclusions**

During 2010-2015, the relationship between the three GoF-financed projects, SUFORD-SU, EMSP and SNGS/-EP did not demonstrate strong evidence of complementarity and collaboration. Main reasons: project documents did not include any measures to ensure complementarity, projects operated in different fields, each project designed independently from each other. SUFORD-SU used the areal photography produced by SNGS.

The projects were supported by Embassy staff based in neighbouring countries (initially Thailand, later Vietnam) and the fact that there is no Embassy of Finland in Lao PDR limited the role of the Embassy staff in coordination and in sector dialogue.

The implementation arrangements of SUFORD projects were based on the use of government systems at national, provincial and district level. This demonstrates strong commitment to government ownership and alignment. All SUFORD projects, including SUFORD-SU have been aligned with the forestry sector policies and strategies of GoL and have contributed to their further development.

World Bank systems have been used for project monitoring and reporting. Regular supervision missions were participated by all partners (GoF, GoL and WB) and have contributed to the joint commitment to results and accountability.

## **OECD/DAC rating of Coordination, complementarity and coherence / aid effectiveness**

Based on the findings and conclusions discussed above, the rating for SUFORD-SU is "3/yellow=good". SUFORD-SU applied local systems, was aligned with GoL sector policies and strategies. There was some collaboration between SUFORD-SU and SNGS/-EP.

## 4. MAPPING PROJECTS

The two projects under consideration in the Synthesis Evaluation are the **Strengthening National Geographic Services (SNGS)** and its extension phase, the **Strengthening National Geographic Services – Extension Phase (SNGS-EP)**. As the SNGS-EP was not a separate project, but merely an extension of the original SNGS, the following findings and conclusions generally refer to both phases, and unless specifically mentioned, described achievements are considered as the combined achievements of SNGS and SNGS-EP.

### 4.1 Project descriptions and achievements

#### 4.1.1 Strengthening National Geographic Services (SNGS)

The Strengthening National Geographic Services (SNGS) project was implemented between 2010 and 2014<sup>45</sup> with a planned budget of EUR 6.5 million, of which about EUR 6 million were contributed by the Government of Finland (GoF). Main implementation agency of the SNGS project was the National Geographic Department (NGD) of Lao PDR, initially under the Prime Minister's Office, as well as the Surveying and Mapping Centre (SMC), which was established during the project's lifetime. Both, the NGD and the SMC are now under the Ministry of Home Affairs (MoHA).

Previous interventions with Government of Finland support date back decades when the NGD carried out mapping along the Mekong river for the Ministry of Transportation, Post and Construction. Between 1998 and 2003, again with Government of Finland support, the NGD carried out mapping at 1:5 000 scale over the Vientiane plains in 4 major cities of Lao PDR (Vientiane Plain Mapping Project 1998-2003<sup>46</sup>).

The SNGS project was initiated to address a perceived lack of accurate, reliable and up-to-date spatial information at all levels in Lao PDR. Southern Laos was identified as the SNGS project area, covering the provinces of Savannakhet, Salavan, Champassak, Xekong and Attapu, as well as the southern part of Khammouane province. In total, the original intervention area of the SNGS project covered about 71 000 km<sup>2</sup> or 31 % of the total land area of the country. Based on 2005 figures, the project area was home to about 2.2 million inhabitants, equalling about 39 % of the then total population of the country<sup>47</sup>.

The overall objective of the SNGS project was to "reduce poverty, improve land management, sustainable natural resource management and good governance through support to development of national spatial information services". Its immediate project purpose was formulated as "providing support to the National Geographic Department to create, maintain, manage, provide and distribute reliable geographic data services to the public and to private stakeholders" (PM, NGD and MFA 2010, p. 16).

The main implementing organisation of the SNGS project was the National Geographic Department (NGD). Main stakeholders were (i) Government ministries and institutions potentially making use of the spatial data generated by the project, (ii) other relevant donors and their agencies, (iii) national and international NGOs as well as CSOs, (iv) local as well as foreign investors, (v) the private sector in general, (vi) land owners and (vii) the citizens of Lao

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<sup>45</sup> The project effectively started in August 2010 and ended in September 2014 after a 2-month non-cost extension.

<sup>46</sup> The technical assistance to the Vientiane Plains Mapping Project was provided by FINNMAP Oy.

<sup>47</sup> The total area for the aerial photography campaign was enlarged by more than 90 000 km<sup>2</sup> following the project's MTR.

PDR in general (PM, NGD and MFA 2010). Other Finland-funded projects (SUFORD and EMSP) are mentioned as potential beneficiaries of the expected SNGS outputs.

The SNGS project was implemented through three main components:

- Component 1 Service policy development of the National Geographic Department: This component was organised in two sub-components aiming at the development of (i) a long-term strategy and a mid-term development plan for the NGD and (ii) identifying / locating potential clients for NGD services.
- Component 2 Technical capacity building of the National Geographic Department: Under this component the SNGS primarily identified capacity building needs, organised training and provided technical equipment to the NGD.
- Component 3 Aerial photography, survey and production of orthophoto and topographic maps and satellite image and establishing National Spatial Data Infrastructure (NSDI): The third component, which was organised into five sub-components, included the technical work on ortho-photo production, topographic mapping, and the enlargement of the geodetic network of Lao PDR.

In line with the then still valid Finland development policy of 2007, the SNGS project was designed to support participation by a wider range of stakeholders. While not particularly oriented towards gender equality, the SNGS as a technology-focussed project aimed at environmental sustainability and technology that can be considered as appropriate at the time of procurement.

Technical assistance (TA) to the SNGS project was provided by FINNMAP International and SKM-GIS AIR. The following TA inputs were provided (SNGS 2014b) (Table 10).

*Table 10. SNGS Technical Assistance positions*

No.	Position	Type	Inputs*
1	Chief Technical Adviser	International, long-term	44
2	Cartography Adviser	International, long-term	27
3	Associate IT Adviser	International, long-term	30
4	Associate Web-GIS Adviser	International, long-term	24
5	Home Office Coordination	International, long-term	50
6	Photogrammetry Adviser	International, short-term	20
7	Strategic Planning Adviser	International, short-term	7
8	Marketing, Media and Public Awareness Adviser	International, short-term	10
9	Legal Adviser	International, short-term	7
10	Aerial Photography Adviser	International, short-term	8
11	Stereo Restitution Adviser	International, short-term	13
12	GIS Adviser	Regional, long-term	39
13	Survey and Field Completion Adviser	Regional, short-term	24
14	Stakeholder Coordination, Client Relations and Marketing Adviser	National, long-term	34
15	Field Survey Adviser	National, long-term	43
<b>Total:</b>			<b>380</b>

\* person/months (rounded)

Initial project targets under component 3 of covering the South of Lao PDR with aerial photography were achieved rather quickly. After the mid-term review in 2012 the project used reallocated funds to extend the aerial photography campaign by another 90 000 ha to the centre of Lao PDR, thus covering 2/3 of the country with ortho-photos (SNGS 2014b). By 2014, production of topographic maps was completed for the southern 1/3 of the country.

By the end of the SNGS, achievements under component 2 (technical capacity building) and component 3 (aerial photography and topographic mapping) were substantial. The TA

completion report saw results as “satisfactory and tangible”, acknowledging at the same time that the project was “less successful” in improving policies on data sharing and pricing under component 1 and that these “results remained rather modest” (SNGS 2014b p. 56).

#### 4.1.2 SNGS - Extension Phase (SNGS-EP)

A 15-month extension period - the **Strengthening National Geographic Services – Extension Phase (SNGS-EP)** - was designed and approved with the intention to address remaining institutional shortcomings at the NGD, to extend the coverage of basic geographic data to the entire country, and to further ensure sustainability of results previously achieved under the SNGS. After a 2-month bridging period, the SNGS-EP was implemented from October 2014 to December 2015 with a planned financial contribution from Finland of about EUR 1.23 million and in-kind contribution from the Government of Lao PDR. The NGD remained the main implementation agency during the extension phase. Main stakeholders and beneficiaries equally remained unchanged.

The **overall objective** of the SNGS extension phase was to have a “functioning National Spatial Data Infrastructure<sup>48</sup> (NSDI)” for Lao PDR allowing access to accurate, up-to-date and harmonised geospatial data (SNGS-EP 2015a). The project **purpose** was formulated as “The basic geographic data covering the whole of Lao PDR are available and accessible to potential users, and the NGD and the SMC are technically capable to maintain and disseminate the data” (SNGS-EP 2014a, p. 11).

In line with this, the SNGS-EP assisted NGD and SMC to complete their (i) strategic plans, (ii) systematic long-term training plans, (iii) marketing plans, as well as a (iv) multi-year mapping plan.

While the SNGS project was still designed in line with the 2007 Finland development policy, the SNGS-EP was based on the 2012 Finland development policy, aiming particularly at the cross-cutting objectives and on human rights. Consequently, the SNGS-EP identified potentials to provide duty-bearers within the Government of Lao PDR with relevant geospatial data to allow them fulfilling their duties in a transparent manner. At the same time, it helped rights-holders within the civil society with access to information. With respect to promoting gender equality, the SNGS-EP intended to incorporate principles and guidelines into key strategies of partner institutions (SNGS-EP 2014a).

In contrast to the original SNGS project that was organised into three project components, the SNGS-EP logical framework plan outlines result areas. Three main results were formulated for the SNGS-EP (SNGS-EP 2014a):

- **Result 1:** The basic geographic data covering the whole Lao PDR have been produced and processed by the NGD and the SMC and their capacities have been developed to maintain the data.
- **Result 2:** Easy access to and increased awareness of the NGD / SMC geographic data, mapping products and services among potential users.
- **Result 3:** The regulatory framework of the NGD / SMC has been further developed.

As implementation approach, the SNGS-EP intended to (i) enhance operational sustainability by preparing plans for maintaining data, staff capacity, equipment and software and (ii) further strengthen institutional sustainability of the NGD and SMC by completing the strategic plans and

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<sup>48</sup> In the SNGS-EP project document NSDI is defined as a “combination of technologies, policies and institutional arrangements”.

regulatory guidelines. SNGS-EP also attempted to introduce a pricing policy that allowed free-of-charge access to data for government agencies and their projects.

The technical assistance during the extension phase was again provided by FINNMAP International and SKM-GIS AIR. The composition of the TA expertise and the respective inputs are summarized in Table 11.

*Table 11. Technical Assistance to the SNGS-EP*

No.	Position	Type	Inputs*
1	Chief Technical Adviser	International, long-term	13
2	Regulatory Framework Adviser	International, short-term	10
3	Junior Technical Expert	International, long-term	10
4	Economic Adviser	International, short-term	3
5	Geospatial Data Adviser	International, short-term	6
6	GIS Adviser	Regional, long-term	14
7	Human Resource Adviser	Regional, short-term	0
8	Communication and Public Relations Adviser	Regional, short-term	5
<b>Total:</b>			<b>61</b>

\* person/months (rounded); figures calculated from SNGS-EP Completion Report annex I: “Financial Report”

The originally planned position of a Human Resource Adviser was never filled and its budget was reallocated in September 2014. Similarly, the position of the Communication and Public Relations Adviser, initially planned as long-term for 11 months, was reduced to short-term with 5 person-months of input.

### 4.1.3 Project achievements

The main achievement of the combined SNGS and SNGS-EP was certainly the production of ortho-photos and digital topographic maps (1:50 000) for the entire country. Using Finland financial support, the TA companies produced aerial photos for 2/3 of the country (southern and central part). The remaining 1/3 in the North of the country was carried out by a Vietnamese company with financial support from the Government of Vietnam (GoV). Using the ortho-photos, the NGD produced 1:50 000 scale topographic maps for the southern part of the country still under GoF support, while the remaining 2/3 of the country were later completed with funding from GoV. All topographic maps were produced using the national standards of Lao PDR<sup>49</sup>.

In terms of spatial data production, the combined achievements of the SNGS under GoF and GoV funding amount to a coverage of 222 200 km<sup>2</sup> or 93 % of the entire country with ortho-photos, topographic maps and digital topographic data (SNGS-EP 2015b). Original plans to use of satellite imagery to fill remaining gaps in the ortho-photo mosaic were dropped during the project based on a 2012 mid-term review recommendation and funds reallocated to expand the aerial photo coverage instead (SNGS 2014b). Remaining gaps in the aerial photo coverage were mainly located along the international boundaries, e.g. with the People’s Republic of China, where the aerial survey was not allowed to fly within 30 km of the boundary and along the border with the Social Republic of Vietnam, where frequent cloud cover made the aerial survey impossible.

Updating of digital urban and sub-urban maps at 1:5 000 scale was partially completed by the end of the original SNGS. It was intended to update previous urban maps of Pakse, Savannakhet, Thakhek, as well as Vientiane and Luang Prabang using high resolution small-format camera

<sup>49</sup> Previous topographic map series since 1982, including the 1:100,000 topographic maps, were produced to Russian Cartographic Mapping Standards.



aerial photography. While the small-format camera equipment was provided by the SNGS project, available aircraft turned out not to be suitable for the deployment of the camera system. As a consequence, updating of the urban maps was done using the ortho-photo mosaics, which have a slightly lower spatial resolution<sup>50</sup>. Updating of urban maps for Pakse, Savannakhet, Thakhek and Luang Prabang was completed by the end of SNGS. Updating of the Vientiane urban maps was deemed not possible due to the high degree of change, which would require a completely new mapping of the urban area (SNGS-EP 2015).

Already under the original SNGS, a new geodetic network for Lao PDR has been established using high-precision GPS measurements. This new network replaced an earlier 1st order network established in the late 1990s, of which many station monuments were either not constructed to required standards or were destroyed and lost over time. The SNGS project established a total of 131 permanent station monuments, out of which 103 were built in new locations. (SNGS 2011, 2012, 2013 and 2014b).

The building up of technical capacity and skills can certainly qualify as another major achievement and accomplishment of the combined SNGS and SNGS-EP project. Not only did the SNGS and SNGS-EP provide substantial quantities of then state-of-the-art mapping, surveying and IT-equipment, more importantly the projects managed to build new and upgrade existing technical skills in photogrammetry, topographic mapping, digital spatial data, geodetic surveying and, to some extent, in IT management and maintenance. These skills were enhanced at both, the NGD and the SMC, although the bulk of the technical project-related work appears to have been done with the NGD.

An impressive technical training programme has been delivered from 2010 throughout 2014, completed by some non-technical trainings during the extension phase. Technical trainings mainly covered digital photogrammetry, ortho-rectification, 2D/3D mapping and editing, cartographic production techniques, database and web page development and maintenance, as well as GPS surveying and digital levelling.

During the SNGS, altogether seven international study tours were organised with NGD and SMC participation. The study tours included visits to neighbouring Vietnam, Singapore and the Philippines and also tours to Europe and the United States. Attendance of international surveyor congresses or working weeks in Italy and Malaysia also included representatives from MoHA, MoNRE, MPI, and National University of Laos (NUOL) (SNGS 2014b).

In addition to the trainings, the SNGS provided the NGD and SMC with essential technical equipment for surveying, digital photogrammetry, GIS, and IT network and storage equipment. Aside from the development of technical skills, the provision and installation of mostly digital equipment substantially upgraded the technical capacity of the NGD and the SMC to fulfil their official mandates. All of the technical equipment was already put to use during the SNGS and SNGS-EP. Only the small-format camera that was intended for the detailed urban map updates was apparently only tested but never put to full operation.

In its final stretch, the SNGS-EP also established a website for the NGD in Lao and English language including a web portal for viewing aerial photography (SNGS-EP 2015b). Given the fact that NGD's IT capacity was still very limited at the end of the extension phase, this effort can be considered a demonstration of what could be done rather than a well-established and potentially sustainable solution for providing access to spatial data.

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<sup>50</sup> Ortho-photo mosaics were produced with 50 cm resolution, whereas the small-format camera photography was planned to be produced with a resolution of 25 cm.

A major non-technical achievement during the SNGS and SNGS-EP project period was the establishment of a national GIS committee. The formal creation of the national GIS committee actually dates back to 2004, when it was still called the GIS Coordination Committee. The committee, however, never became active. The SNGS project was instrumental in finally establishing the committee and providing for its annual meetings. The committee's role is to act as an "aide to the Ministry of Home Affairs in researching rules, principles and technical standards of the national geographic information" (GoL 2014). It is composed of high-ranking officials from the MoHA and NGD and representatives from line ministries and organisations that are using geographic information (GoL 2014). A secretariat to the national GIS committee had been established at the NGD. During the SNGS project, the committee met annually and initiated discussions on meta-data standards and rules (SNGS 2014b). Discussions with SNGS/-EP stakeholders during the Synthesis Evaluation mission confirmed that the national GIS committee was well appreciated, when it was still active. Meetings of the GIS committee were discontinued after 2015 once project funding from SNGS ended.

In addition to breathing life into the national GIS committee, the SNGS and in particular the SNGS-EP organised high-level meetings with GoL and key line ministries, but also major donors, to raise awareness of and further promote the services provided by the NGD. This effort was also very actively supported by the Finland Embassy in Bangkok. Two seminars were held in 2015 with participation of Vice Ministers of Home Affairs, Natural Resources and Environment, Education and Sports, Defense, Science and Technology, Planning and Investment. Purpose was to inform other ministries about the cost of producing and updating national-level spatial data, but also about the potential savings to the ministries in making use of the NGD data (SNGS-EP 2015b).

Another achievement at the non-technical level was the preparation of national legislation in form of the updated Decree No. 330/GoL on Surveying, Aerial Photography and Mapping dating 18 September 2014 and the related ministerial instructions on the implementation of the decree (No. 04/MoHA, 19 May 2015). Both were finalised and approved with SNGS/-EP support and can be seen as a major non-technical output of the project, even though they have been only partially implemented.

Finally, at the institutional level, the project left behind a strategy document for the NGD that was elaborated during the final year of the SNGS-EP. With project support, a draft "National Geographic Strategy (NGS)" was prepared, translated, and submitted to the MoHA for approval only in December 2015 at the very end of the project. This strategy document reiterates in various sections the cost-benefit ratio and potential cost savings of harmonised national spatial data and provides potential uses at the national level. It presents a 10-year mapping plan, a discussion of three different funding options, and provides recommendations for the implementation of the strategy and the mapping plan (SNGS-EP 2015b).

While this document has undeniably been prepared as part of the outputs, the project cannot claim to have been instrumental in the NGD having a strategic plan or a mid-term mapping plan in place. TA experts of the SNGS-EP confirmed in interviews that the process of developing the strategy was somehow "rushed" but that NGD was always consulted and involved in meetings. As a matter of fact, the project could not fully accompany the process of approval, adoption and initial implementation of the mapping plan and strategy. Issues of sustainability of this result are discussed under section 3.2.6.

Similarly, the overall objective of a functioning National Spatial Data Infrastructure (NSDI)" for Lao PDR can, at best, be considered partly achieved. In the definition used by the project, a NSDI consists of a "combination of technologies, policies and institutional arrangements that facilitate the access to accurate, up-to-date and harmonised geospatial data" (SNGS-EP 2014a). Not mentioned in this definition, but nevertheless relevant, are the capacity and skills of human resources. When looking at the different elements of a functioning NSDI, the SNGS and SNGS-EP have been successful in achieving three of them; the technology, the accurate data and the

technical skills. Regarding the policies and the institutional arrangements that should facilitate access to the data, the projects were ultimately not successful.

Based on information provided during interviews at the NGD, the project TA tried hard to get the term “mapping” included in national policies but did eventually not succeed. Other than that, Decree no. 330 of 2014 was only an update of an earlier existing one and the national GIS committee only briefly came to life between 2011 and 2014 with direct project support but did no longer convene after the end of the project. As a consequence, the National Spatial Data Infrastructure cannot be rated as functioning at the end of the SNGS-EP. This is supported by the fact that the National Geographic Strategy produced by the SNGS-EP TA at the end of the project describes how the NGD/MoHA should implement a NSDI in the future.

While a functioning NSDI may not have been achieved, the projects still managed to prepare essential elements. Nevertheless, at the end of the SNGS-EP the NSDI clearly remained work in progress. Up to today there is no functioning NSDI in Lao PDR.

## 4.2 Findings and Conclusions

It is important to understand that in the opinion of the evaluation there is a discrepancy between what the SNGS and SNGS-EP logframes expected the projects to achieve at the highest objective level and what the projects were actually able to implement based on their design. Consequently, the evaluation decided to rate the achievements of both projects against what they could possibly achieve and not strictly and blindly against the very ambitious high-level objectives.

### 4.2.1 Relevance

#### Highlights of findings on relevance:

- SNGS and SNGS-EP projects are considered as relevant to the GoL although there is little direct reference to spatial data in government policies.
- Both projects were relevant to the Government of Finland development policies through use of information technology and production of national-level data and information on land and natural resources for sectoral planning and management.
- Both projects had important governance element through sharing of factual geospatial data to counter misinformation that previously fostered corruption and illegal use of land and resources.
- Project stakeholders confirmed high relevance and importance of SNGS data for land management and land tenure security, mine clearance, and clarification of administrative boundaries, among others.

The relevance of the SNGS and SNGS-EP is judged against the project’s consistency with the policies of Lao PDR and of Finland, and against the overall satisfaction of the key stakeholders and beneficiaries with the results produced by the projects. Based on information provided in the SNGS and SNGS-EP project documents (PM, NGD and MFA 2010; SNGS-EP 2014a), the original SNGS project design makes reference to the 6th National Socio-Economic Development Plan (NSED) of 2006-2010. The plan describes rather general development goals such as poverty reduction, sustainable protection and exploitation of natural resources, improving environmental management, intensifying government administration on land, among others. There is no specific reference made to spatial information as a basis for development.

The 7th National Socio-Economic Development Plan of 2011-2015, against which the SNGS-EP was designed and implemented, equally makes no direct mention of the role of spatial data in general, or of the NGD in particular. Still, the SNGS-EP project document attempts to derive the projects rationale and legitimacy from the rather generic assumption that “accurate geospatial data are needed” to achieve the 7th NSED’s development goals. While this assumption was

certainly valid, it cannot serve as a basis to assume or judge the direct relevance of the SNGS and SNGS-EP in relation to existing policies.

It appears fair to assume that at the time of developing and implementing the projects, understanding of the importance and inherent value of national geospatial data was not very well developed within GoL and its line ministries, leading to the omission of any reference to geographic or spatial information from the national development context. This, however, should not minimize the general importance of reliable spatial base data for the development of any sector or nation.

There is little evidence that this had changed much by 2015 as a consequence of implementing the projects. High-level meetings were a good initiative but again, probably too little and too late, as they were only organised in 2015. Despite the absence of clear reference to geospatial data and to the role of the NGD in any official policy document, the evaluation team still considers the projects and their immediate results in form of technical capacity, skills and above all, the nation-wide spatial data, as relevant to the Government on Lao PDR.

The Government of Finland development policies of 2007-2012 and 2012-2015 do not make any direct reference to geospatial data or information as a requirement for or contribution to achieving overarching development goals. Still, the 2007 development policy mentions the need to make use of information technology and innovative solutions to achieve ecologically sustainable development (MFA 2007). While aerial photography can no longer qualify as an innovative technology or solution, the provision of nation-wide, ortho-rectified aerial imagery in digital format to Lao PDR and its ministries and institutions can locally well be considered a novelty, given the fact that previous national map datasets were all analogue and paper-based.

In its 2012 development policy, Finland shifted its focus to the challenges of climate change and to the importance of human rights in any form of development, emphasising openness, transparency and accountability as underlying principles. The policy recognises the role of information and of the use of information systems as a basis for development, in particular in the context of management of natural resources in a sustainable and transparent manner as a basis for a green economy.

The SNGS and SNGS-EP projects were generally supportive to the development policy orientation in producing national-level data and information on land and natural resources as an input to sectoral planning and management processes. This was also reflected in the SNGS overall objective, which asked for a contribution to improved land management and sustainable use and management of natural resources. During its extension phase, the project then shifted its focus from the production of data to the dissemination and sharing of information.

In the view of the then responsible Finland Embassy in Bangkok, the key value of the SNGS and SNGS-EP lay in its governance element, which crystalized in the potential openness and sharing of factual geospatial data, which could potentially remove the grey area of misinformation that previously fostered corruption and allowed illegal use and exploitation of land and natural resources. One weakness here is that the mere existence of data does not immediately lead to any more open or transparent management unless the data are widely distributed and actually used. Unfortunately, the projects started to address the institutional issues of data dissemination and sharing rather late into their lifespan. While today there is no proof that the data produced by the SNGS /-EP had any direct influence on improving the overall governance situation, the importance of these data should not be minimized.

With respect to stakeholders, beneficiaries and users of the project results, a much clearer picture starts to emerge. Opinions expressed during a stakeholder meeting in Vientiane clearly confirmed that the ortho-photos as well as the digital topographic data were considered as valuable, if not essential data to previous and ongoing projects and interventions. For instance, the Department of Lands (DoL) / MoNRE relies on the NGD digital aerial photography, of which

it has a full set, in decentralised land management and in land tenure security, where these are used for micro-level land use plans and for joint village boundary surveys. Orthophotos and the digital topographic vector data are judged as very accurate and still topical enough to justify their use today. The GIZ, which supports DoL in these activities, also emphasised the GIS committee as a very important initiative and appreciated the SNGS support to allow the committee to function. It generally regrets that the national GIS committee meetings were discontinued since 2015.

High importance of the SNGS results was also expressed by UXO Lao, which uses the aerial photography for identification of potential sites of unexploded mines and bombs. Very high success rates due to the high-resolution and spatial accuracy of the aerial photography were confirmed during interviews. Given the particular history and situation of Lao PDR with respect to unexploded wartime devices, the relevance of the SNGS supported aerial photography coverage cannot be rated high enough.

Other users, such as the Lao Statistical Bureau under the Ministry of Planning and Investment, confirmed the relevance of the spatial data and the services of the NGD in administrative boundary mapping in ongoing activities. One particularly outstanding use of SNGS / NGD data was the production of the 2015 Lao Socio-Economic Atlas. This document was supported by the Swiss Development Cooperation and the Centre for Development and Environment (CDE) of the University of Bern, Switzerland. The CDE confirmed a good working relationship with NGD and good experiences made with the SNGS-produced data. Also, the KfW-funded Integrated Conservation of Biodiversity and Forests Project had procured aerial photos and digital terrain models from NGD and found them to be of high quality.

Overall, relevance of the SNGS results to stakeholders and users in Lao PDR can be rated as high. Only points of concern voiced were related to perceived difficulties in accessing the data and to comparatively high data cost.

## **Conclusions**

With respect to their relevance, if projected against the Finland development policies and Lao national policies, a mixed picture emerges. The SNGS and its extension phase appear not to have been primarily designed with the then valid development policies (GoF 2007; GoF 2012) in mind and they do not stand out as keystone projects, on which other projects in Lao PDR would have to depend. Their relevance in relation to the objectives of Finland's development policies can therefore be rated as low or neutral at best. Still, the SNGS and SNGS-EP were generally supportive to the Finland development policy orientation in producing national-level data and information on land and natural resources as an input to sectoral planning and management processes. For the GoL, the SNGS/-EP can still be considered as relevant, even though there is no direct reference in any national policy the projects could be linked to. This situation is more caused by a neglect of the importance of national spatial data for planning, management and monitoring, than it is a lack of relevance on the part of the projects.

To stakeholders and users in Lao PDR, the SNGS results were and are still relevant, in particular for land management, forest cover assessment and mine clearing. Satisfaction with the SNGS products is generally high. Project beneficiaries are the ultimate users of the SNGS-produced ortho-photos and topographic data. These have not been asked to express their particular needs before the project, as topographic map data are standard base data that are not tailored to any particular need. Therefore, it cannot be assessed to what extent needs expressed at the onset of the SNGS have been addressed. Still, potential beneficiaries have been contacted during the project and informed about the SNGS data and NGD services.

## **OECD/DAC rating of SNGS/-EP Relevance**

Based on the findings of all evaluation questions under criterion Relevance, the rating for the combined SNGS/-EP is “3/yellow=good”. While the lack of direct references to spatial data in the respective country policies has been mentioned, the Synthesis Evaluation still sees the production of national geospatial data as relevant to any form of development.

### **4.2.2 Impact**

#### **Highlights of findings on impact:**

- SNGS and SNGS-EP projects have realised substantial quantitative achievements, in particular the almost country-wide coverage with ortho-photos and topographic maps.
- NGD effectively became a provider of reliable geographic data and data services, however, did not reach the level of information service provider.
- Both projects had remarkable positive impact on the technical capacity of the NGD and to some extent the SMC.
- The projects had an impact at national level with the MoNRE adopting a central concept of the SNGS’ “one country, one map” approach in its integrated spatial planning (ISP).

The respective overall objectives of both, the SNGS and the SNGS-EP, were very ambitious. The SNGS was expected to “reduce poverty, improve land management, sustainable natural resource management and good governance through support to development of national spatial information services”. Its 15-month extension phase was supposed to establish a “functioning National Spatial Data Infrastructure (NSDI)” for Lao PDR.

Analysing the SNGS objective against the actual scope of the project makes it clear that production of aerial photos and topographic maps alone cannot possibly contribute to poverty reduction or better natural resource management. Effects of the project can only realistically take the shape of provision of national spatial information services, as mentioned in the objective. Whether or not these services, if effectively provided by the project (or the NGD), are used by those agencies and actors responsible for management of land or natural resources and ultimately contribute to poverty reduction, lies completely outside the control of the project or the NGD. This is very different for the Finland supported forestry projects, which carry out natural resource management activities and direct livelihood activities at village level, where positive effects and impacts on the poverty situation can realistically be expected. Therefore, for the purpose of this evaluation, possible impact of the SNGS/-EP should not be considered or judged beyond the effective provision of information services.

For the extension phase, the objective of setting up a functioning National Spatial Data Infrastructure composed of technologies, policies, and institutional arrangements, as well as data and necessary skills, was generally an achievable one, but not within the short period of merely 15 months. In particular the formulation, approval and adoption of national policies and the negotiation and establishment of required (inter-ministerial) institutional arrangements could not realistically be expected within such a short period of time. This even more so as the previous four years of SNGS implementation almost exclusively focused on data production alone and did not achieve much in terms of institutional arrangements and policy development.

The completion reports of the SNGS and SNGS-EP provide evidence of the substantial quantitative achievements of the combined projects, first and foremost the large area effectively covered with ortho-rectified aerial photography and digital topographic map data. In addition, the development of new and upgrading of existing technical skills at the NGD and the SMC are equally substantial results. In effect, the NGD was and is capable of providing these data to users in the form of digital data or as printed copies of topographic map sheets. There is, however, a distinct difference between providing data and providing information services, which

was required by the project objective. Information is generally derived from data and consists of data presented in a particular context or requires some sort of processing, analysis or interpretation of the underlying data.

In the case of the SNGS and SNGS-EP, the services provided by the NGD were actually data services rather than information services<sup>51</sup>. While the raw data have been processed, e.g. rectified and mosaicked, most of the data shared were simply ortho-photos. It is correct that the production of topographic data from the aerial photos required some level of analysis and interpretation, still for the user topographic maps and map data usually represent fundamental base data, not analysed or thematic information.

It is important to note that while the project objective required NGD to provide national-level information services, the SNGS project did not have any substantial provisions for allowing the NGD to reach the level of information service provider. As a matter of fact, prior to the SNGS, the NGD was not an information provider but rather the surveying authority in charge of regulating, administering and supervising surveying and mapping work in the country and was a client- or service-oriented organization at all. It was known as an institution with a rather technocratic character that was little known at the beginning of the projects (ECONET and MC 2012), and still is so today. Distribution of data services were already perceived as difficult under the previous Finland-funded Vientiane Plains project (PM, NGD and MFA 2010). Still, the design of the SNGS project did not address this issue as it did not provide for any institutional development at all. Capacity building was restricted to purely “technical capacity building” under component 2. There was no review of the institutional set-up and capabilities of the NGD, nor was there any training in non-technical matters such as planning, management, finance and budgeting, or public relations. Moreover, the SNGS project used a parallel project management and financial management instead of using, and thereby strengthening, the NGD Administration and Planning and Finance Divisions.

This omission becomes strikingly evident in the fact that the NGD was expected to provide digital information services but does not have any IT unit or division, leave alone any professional IT personnel. Up to today, anything IT-related is handled by staff from the Science and Technology division with mixed results. IT management is clearly not part of the Science and Technology Division’s duties (MoHA 2012). With its purely technical focus, the SNGS project could not be expected to lift the NGD to the level of an institutional service provider of any sort. This was by design and by no means any shortcoming of project implementation or of the implementing agency.

The extension phase finally saw various efforts to address and possibly correct this shortcoming. There were short-term TA inputs to provide advice on communication and on public relations and there was a combined strategy and planning document compiled and presented to the NGD/MoHA, but there was no attempt to review and adjust the institutional set-up of the NGD. Based on interviews with former TA personnel, views at that time were that the project should focus on data production first and look into institutional development at a later stage, possibly during a proper 2nd phase. This, however, never materialised. Consequently, the NGD is today still at the level of an administration and data provider. As a matter of fact, even if the SNGS-EP had had the intention, 15 months were not enough for any meaningful institutional development.

Furthermore, the SNGS-EP attempted to add upon the results of the SNGS in terms of technology and technical capacity to achieve the establishment of a NSDI. The mid-term mapping plan for NGD drawn up by the TA was not implementable, as it was based on ideas around pricing of data and funding of future activities that were entirely hypothetical. In its strategy and plan

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<sup>51</sup> Contrary to the overall objective, the immediate project purpose only mentions data services.

document the TA developed three funding scenarios, none of which could be initiated or tested given the shortness of the extension phase. In the end, NGD was “left behind” as a technically capable institution with limited prospects of receiving sufficient funding to make use of its newly acquired capacity and skills<sup>52</sup>.

Regarding the service element, a geoportal was set up that allowed online viewing of the aerial photography. This was again an activity very much depending on TA inputs. For lack of real IT capacity at the NGD, the geoportal is no longer operational. Consequently, it cannot be seen as a functioning service option but rather as an example of what NGD services could potentially look like.

Regarding possible impact from the SNGS and SNGS-EP, it can be stated that within the projects’ scope (technology and technical capacity building) and with what the SNGS-EP could possibly achieve in developing a NSDI, impacts have to be rated realistic. The immediate project objective or purpose, which asks for reliable data services by the NGD, can certainly be seen as fulfilled, while the overall objective of information services has not been achieved.

Positive effects of the combined SNGS and SNGS-EP projects on the NGDs capacity are however remarkable. IT management and maintenance aside, the institution still maintains all the technical equipment provided under the projects in good working order. Equally, trained personnel are still with the NGD and ready to apply their skills.

Interestingly, the MoNRE has adopted one of the goals promoted by the SNGS project, which is the “one country, one map” approach. In this, the MONRE intends to combine land use planning into its integrated spatial planning approach (ISP) using spatial data from the NGD at province and district level as a basis and only adds its own information to this to avoid creating a different map or map data<sup>53</sup>. While presumably not a direct effect of any of the SNGS or SNGS-EP activities, a sort of cross-insemination via the Finland technical assistance may not be excluded. As a matter of fact, the MoNRE seems adamant on applying this principle, therefore adopting one of the concepts the SNGS /-EP attempted to implement and disseminate.

There is no indication or evidence that would suggest any unintended impact as a consequence of the production of ortho-photos and topographic maps.

With regard to the respect of human rights and Finland’s cross-cutting development objectives, the SNGS addressed gender equality already at the planning stages of each activity. Training to NGD staff was provided regardless of gender. As a matter of fact, the cartographic and photogrammetric work under SNGS was dominated by female NGD staff (SNGS 2014b). To reduce inequality especially in the provinces, the SNGS made efforts to support local authorities to overcome obstacles in providing equal access to public goods and services. Here, the identification and representation of even very remote villages on the official topographic maps was seen as step towards providing the village population with access to basic rights, including land rights (SNGS 2014b).

The SNGS-EP addressed cross-cutting objectives through collaboration with other donor-supported programmes that promoted human rights, transparency and equal rights. One particular example was the use of orthophotos by the Department of Land, which in the view of

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<sup>52</sup> Since the end of SNGS-EP in 2015 there have been average annual sales revenues of around EUR 7,000 and only one designated implementation budget of EUR 278,000 for district mapping in 2017.

<sup>53</sup> interview with Director General MONRE/DEQP



the SNGS-EP supported human rights by removing inequality from land registration and promoted gender equality by providing women equal rights to the land (SNGS-EP 2015b).

Possible impacts can be identified in the provision of an accurate data basis (ortho-photos) for other government departments, such as the DoL that uses the data in land registration leading to increased transparency, enhanced tenure security, and generally better governance. Potentially, this can also contribute to reduction of inequality. At the DoF the ortho-photos were used to verify satellite imagery analysis and validate forest cover assessments in the context of the national forest monitoring system under the REDD+ initiative, which could qualify as a contribution to addressing the effects of climate change in Lao PDR.

## **Conclusions**

With respect to possible impacts of the SNGS and SNGS-EP projects it appears that the project objectives for both were very ambitious. Therefore, actual impacts have to be rated as rather modest. For the SNGS, the immediate project objective or purpose, which asks for reliable data services by the NGD, can be seen as fulfilled, while the overall objective of information services has not been accomplished and therefore not further impacts on poverty reduction or sustainable natural resource management can be expected. In terms of promotion of the human rights-based approach and cross-cutting objectives, inherent values of Finland's development policy, both projects made limited efforts. In their own understanding, the projects claimed that the production of geospatial data and information is in itself gender-neutral and by its mere existence fosters human rights to transparent and accurate information.

Further, there is no evidence that would suggest any unintended impacts from the SNGS and SNGS-EP projects as a consequence of producing aerial photography and topographic maps. Nevertheless, the project's contribution to capacity building has led to substantially increased capacity at the immediate implementing institution (the NGD), but there has not been any significant and additional increase in capacity at any other government institution.

The NGD has developed substantial increased or additional technical capacity as a result the SNGS and SNGS-EP. There has not been any additional capacity increase at.

## **OECD/DAC rating of SNGS/-EP Impact**

Based on the findings of all evaluation questions under criterion Impact, the rating for the combined SNGS/-EP is "2/orange=problems". When strictly evaluated against the objectives formulated in the respective logical frameworks, both the SNGS and SNGS-EP have not contributed to any major impacts at these levels. This, as argued by the Synthesis Evaluation, is partly to blame on the formulation of overly ambitious objectives.

### **4.2.3 Effectiveness**

#### **Highlights of findings on effectiveness:**

- SNGS and SNGS-EP were highly effective in the production of aerial photography, ortho-photos and topographic map data.
- The re-establishment and densification of the geodetic network was carried out effectively, with high accuracy and to international standards.
- The SNGS/-EP projects were effective in building up the technical capacity of the NGD.
- Skill development under the SNGS was highly effective with a wide array of technical skills trained and ultimately applied by the NGD.
- The projects were less effective in establishing a long-term strategy and in increasing NGD's visibility.

- The SNGS-EP was effective in consolidating the bulk of the technical work commenced under the SNGS.

In terms of quantity and quality of the achieved results, there are clear discrepancies between the different thematic areas of the SNGS and SNGS-EP projects. The SNGS was organised in three thematic components; (1) strategy and service delivery, (2) technical capacity building, and (3) data production. The SNGS-EP was equally organised in three thematic areas, called result areas instead of components; (1) basic geographic data, (2) awareness of NGD services, and (3) regulatory framework.

If assessed and evaluated together, SNGS component 1 could broadly be combined with SNGS-EP result areas 2 and 3 and SNGS component 3 could be aligned to SNGS-EP result area 1. Under SNGS-EP, there was no equivalent to the technical capacity building component of the SNGS, as skill development had been considered successfully completed.

### **Data and map production**

Production of aerial photography, ortho-photos and topographic map data under SNGS component 1 and SNGS-EP result area 3 can be considered as highly effective. The original target of covering 1/3 of the country (Southern Laos) with aerial photography was already achieved in 2011 and this considerably within budget. In 2012, the mid-term review then recommended to increase the area for aerial photography to include another 1/3 of the country (central Laos) using some EUR 700 000 from savings and reallocation of other activity budgets. By 2013, the project had achieved a 2/3 coverage of the country with aerial photography.

Photogrammetric processing and production of topographic map data took considerably longer. At the end of the SNGS in 2014, topographic mapping of the southern 1/3 of the country was not completed, reason why this activity was continued under the SNGS-EP. It appears that in expectation of the extension phase efforts during the second half of the SNGS were directed towards the photogrammetric processing of the aerial photography over central Laos instead.

Re-establishment and densification of the Geodetic network was completed by March 2014 including the construction of new station monuments. Again, this activity can be rated as efficient and, having been carried out to international standards, of high accuracy and quality. Updating of urban area maps from very high-resolution aerial photography using a small-format camera specifically procured for this purpose was completed for four cities but using the "normal" ortho-photos instead, as the small-format camera never got beyond the point of testing due to unsuitable aircraft. Contrary to what was planned, no updating took place for Vientiane, as too much change would have required a completely new mapping, which was not possible with the time and budgets available.

The immediate objective of the SNGS-EP was to have a full coverage of basic geographic data (topographic data) for the whole Lao PDR available (SNGS-EP 2015a). This was not achieved, at least not by the Finland-funded SNGS project. Topographic mapping was completed for only 1/3 of Lao PDR. The remaining 2/3 were completed later on by the GoV funded mapping activity. It is unclear why this ambitious immediate objective was defined for a very short extension phase. If the southern 1/3 was not completed during four years of SNGS, how was the 15-month SNGS-EP expected to complete 2/3 of the country (central and North), of which 1/3 (North) was not yet covered with aerial photography?

While the SNGS-EP did not effectively reach the set target for topographic mapping, what actually had been achieved during the short period of time available is still considerable and has to be rated effective.

## **Technical capacity building**

The building up of technical capacity at the NGD consisted of two elements; (i) the provision of mapping, surveying and IT specific equipment and (ii) the enhancement of existing and the development of new skills. Here, in particular the SNGS provided the bulk of equipment and equally delivered a considerable volume of training courses as well as practical, on-the-job training. Under the SNGS-EP there was no more major skill development, but some additional IT equipment was procured.

Regarding technical equipment, the SNGS completely furnished the NGD with adequate equipment to achieve the project's component results of enlarging and densifying the geodetic network and to carry out all necessary steps of photogrammetric processing and topographic mapping. Necessary procurements were swiftly initiated at the project start and by 2011 all initially required procurements were completed (SNGS 2012a). The quick procurement had two distinct advantages; (i) all technical work could be kick-started and there were no procurement related delays and (ii) the 2012 MTR could propose reallocation of unused funds.

During the SNGS, photogrammetric processing of the aerial photography progressed quickly and although topographic map production proved more cumbersome and took longer than planned, the quantity and quality of the results (ortho-photos and topographic maps) indicate that the equipment served its purpose well. As a matter of fact, the NGD is today still satisfied with the technical equipment and all of it is still relevant to its mandate and work. In this respect, the building up of equipment-related technical capacity has to be rated as highly effective.

With respect to skill development, the project's focus was clearly set on technical skills related to the production tasks it had to complete. The SNGS managed to deliver a wide array of technical trainings related to geodetic surveying, photogrammetry and map production. These were delivered in form of class-room trainings as well as on-the-job trainings guided by the respective TA experts. As an accompanying measure, the project provided a number of opportunities for study tours abroad and for participation in ASEAN surveyor congresses. Judging by the amount of technical work done under the project and by today's still available level of technical skills, the training component has to be rated as very effective.

Building up of IT-related skills has, however, to be seen as less effective. While photogrammetrists, mapping and GIS operators were successfully trained in using their computer equipment and related software, it was the server, network and storage management and maintenance capacity that was not effectively built. The reason for this is not that the project failed to deliver the required trainings. The underlying cause is rather the absence of any professional-level IT staff at the NGD. As a matter of fact, at the time of the SNGS/-EP and even up to today the NGD has no dedicated IT unit or division. In fact, in the description of duties of the different NGD divisions IT does not figure at all. For an institution that is supposed to provide national information service this is an important shortcoming. The projects were aware of this situation but had no means or mandate to change this as institutional development or adjustment was not built into the project's log frames. Consequently, the project tried hard to raise the IT skills of non-IT staff to a level that would allow independent management and maintenance of the server infrastructure. Given the NGD staff situation at that time, all IT-related tasks hinged on one single person, who left the NGD for further studies by the time the SNGS ended.

While the effectiveness of the IT-related capacity build-up has to be rated as low, the project and the TA could not have influenced this any further. The fact that there was no IT role, leave alone capacity, at the NGD that could possibly handle the planned equipment and tasks should have been realised at the design stage of the SNGS. The development of a proper IT unit or section within the NGD should have been part of the project design, alongside general institutional development to prepare NGD for its expected role as a provider of national information services.

Overall, the technical capacity building element of the SNGS has to be rated as very effective. Still today, the NGD highly appreciates the quality of training provided by the Finland TA. The later GoV funded extension to the North of Laos did not include any capacity building at all. Since the end of the Finland cooperation there was only very limited training from other sources, e.g. a brief training under the SDC DECIDE Info project. The skill set available today is therefore still very much the outcome of the Finland cooperation. Only very recently, a new cooperation with the People's Republic of China provided some of the NGD technical staff with an opportunity to upgrade skills during a 6-month training in China.

### **Strategy and service delivery**

The production of aerial photography and topographic maps, as well as the build-up of technical capacity were merely pre-conditions to the ultimate ability of the NGD to deliver information services to the nation as required by the SNGS project objective. To achieve this objective, the SNGS and later the SNGS-EP provided the NGD with support in developing a long-term strategy, a mid-term production and update plan, as well as technical guidelines and proposals for a pricing scheme. In addition, there has been support in marketing and public relations.

In its completion report of 2014, the SNGS project rates its efforts in modernising technical capacity as successful, acknowledging at the same time that it was "less successful" in achieving objectives related to dissemination and sharing of data, including the issue of data pricing and that "results remained rather modest" (SNGS 2014b). One of the expected results was the development of a long-term strategy for the NGD. This was not achieved during the SNGS project and only at the very end of the extension phase a strategy document was presented to the NGD/MoHA but no time remained to accompany NGD in adopting and mainstreaming the strategy into the institution. The former TA team indicated that the split of the original NGD into NGD and SMC, which occurred in 2011-12, was the main reasons behind this delay. In the SNGS completion report, the TA states that resistance to changes in policies and institutional aspects were stronger and firmer than expected<sup>54</sup>, reasoning then that the 15-month extension period is required (SNGS 2014b) to address this. It provides, however, no information as to how this resistance was to be overcome during the rather short extension phase, especially as it proved already impossible to do so during the first 4 years of SNGS implementation.

When looking at the project inputs, it becomes obvious that only a very small proportion of project resources was provided to strategy development and service delivery. Only about 1 % of the implementation budget was used for SNGS component 1. If the relevant TA inputs are counted in, the proportion is still a mere 4 % of the total project cost (see 3.2.5 for more details). Aerial photography and topographic mapping are admittedly costly exercises and necessarily absorb substantial amounts of project funds, still with the rather limited input to component 1 not much can be expected in terms of results. Even more so, as by design the project did not include any meaningful institutional development. Interestingly, the TA team in the SNGS completion report is of the opinion that the strong focus on technical capacity building "was the only correct approach" (SNGS 2014b, p. 56). This view is not shared by the Synthesis Evaluation team. Given the fact that information service delivery, not mere data production, was a key element of the project objective, the only correct approach would have been to develop the NGD into a service-oriented organisation by adjusting the organisational set-up as well as internal processes. This would have to be done early on as any institutional development takes time. Assuming that this could quickly be delivered during a short extension period was rather unrealistic. Again, the TA is not to blame as institutional development was not part of the project and not part of their ToR. This omission clearly took place at the design stage of the projects.

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<sup>54</sup> This view was shared by Finland Embassy Bangkok, which was in charge during the SNGS.

Aside from inputs to strategy and planning, the SNGS and SNGS-EP provided support to the NGD in form of short-term expertise for marketing, communication and public relations. The reasoning behind this was to increase the visibility of NGD via marketing materials and to raise the awareness among potential clients of the NGD and its services. Earlier, it was already acknowledged that potential users of NGD data and maps are not aware of their availability, in some cases not even aware of the existence of the NGD in the first place. As early as 2010 the SNGS project document mentions that distribution by NGD “is not fully efficient” and that many “potential map users are not fully aware on the availability of the various map data products” (PM, NGD and MFA 2010, p. 6). The 2012 MTR report again confirms this by stating that of the interviewed ministries most “were not aware of the National Geographic Department or its products” (ECONET and MC 2012, p. 19). Still, the MTR recognised that NGD’s role in the National GIS Committee helped remedy this situation, while warning that there is a “substantial amount of work to do in improving NGD’s status as a national NSDI coordinator (ECONET and MC 2012, p. 23). During the various interviews carried out by the Synthesis Evaluation team in Lao PDR in August 2019, it turned out that still many organisations, including major donors operating in the natural resource and environment sector and using remote sensing data, were not aware of the NGD and its data or services. Seen from this angle, the efforts of increasing NGD’s visibility through marketing and public relation materials seems not to have been very effective. It certainly does not help that the English version of the NGD website, developed and established under the SNGS-EP, has not been updated since 2015.

NGD users and SNGS/-EP stakeholders interviewed in 2019 stated that access to NGD data is still difficult, which can be considered as a good indicator that effective service delivery has not been very well developed. Data cost is also seen as high<sup>55</sup>. Different views about the pricing of data have prevailed throughout the projects, with the NGD intending to sell data, while the TA favoured free-of-charge access for government agencies and donor projects. During the SNGS/-EP some data were shared with other ministries at no cost based on MoUs, but according to the NGD this approach has been revised after to the end of SNGS-EP to be in line with stipulations of Decree no. 330/MoHA, which demand that NGD generates revenues through collection of fees and from the sale of data and products.

The SNGS extension phase was designed to complete still unfinished work, such as the topographic mapping, but also to improve the service and regulatory aspects around NGD. In terms of results, the SNGS-EP was expected to achieve a complete and functioning NSDI within the remaining 15 months. The starting point was high technical capacity at the NGD and good quality aerial photography to produce data for the NSDI. What was lacking were the required policies and legal framework as well as the necessary institutional arrangements. Given the verdict of SNGS that resistance to change within the NGD was already strong and firm over the first four years, it is difficult to see, how the policy changes and institutional arrangements were to be achieved within the short 15-month extension. It appears that the MFA was well aware of the imbalance between available time under the SNGS extension phase and the number of activities to be completed (MFA 2015a, p. 32).

The SNGS-EP was certainly effective in consolidating the technical work with the completion of topographic mapping for the southern 1/3 of the country (although the target was 2/3). It was not effective in delivering a functioning NSDI. High level meetings with very active support from the Finland Embassy in Bangkok were not sufficient to bringing about the required institutional arrangements or policy adjustments. In hindsight, it probably has to be accepted that the objective and expected results for the SNGS-EP were unachievable in the first place.

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<sup>55</sup> An exception seems to be the SDC/CED under the DECIDE Info project, which did not pay for the data, but rather for processing services (email by Dr. M. Epprecht, Head of CDE Country Office Lao PDR)

## Conclusions

SNGS and SNGS-EP plans and targets were ambitious. In terms of coverage, the targets were not fully achieved under Finland funding, e.g. the target of 2/3 of the country covered with ortho-photography by the end of SNGS was only achieved at the end of the extension phase. Similarly, the target of 2/3 of the country covered with topographic maps by the end of SNGS-EP was not achieved; only 1/3 was effectively covered. The quality of the produced results, however, was confirmed by end users as very satisfactory, and still is so today.

Project stakeholders and beneficiaries equally confirmed that the results are very relevant and effectively used for different purposes. Various governmental users are applying the outputs of the SNGS and SNGS-EP in the context of land management and tenure, forest cover mapping and forest management, detection and removal of unexploded wartime bombs and land mines.

### OECD/DAC rating of SNGS/-EP Effectiveness

Based on the findings of all evaluation questions under criterion Effectiveness, the rating for the combined SNGS/-EP is "3/good=yellow". In two out of their three main intervention areas, the SNGS and subsequently the SNGS-EP, have been effective regarding quality and quantity of the achieved results.

#### 4.2.4 Efficiency

##### Highlights of findings on efficiency:

- Combined expenditure of the SNGS and SNGS-EP remained just within the original budget.
- About 1/3<sup>rd</sup> of the combined budget went into data production, while 60 % were spent on technical assistance.
- Including the service contracts for aerial photo production, the TA companies absorbed 79 % of the combined budget.
- Only 3 % of the combined budget was spent on strategy development and service delivery.
- Overall, cost of the projects is justified in particular against the importance of the significance of the produced data for other sectors.

Original project budgets from the Government of Finland for the combined SNGS and SNGS-EP amounted to almost EUR 7 million, with the SNGS having EUR 6 million as a total GoF budget and the SNGS-EP just under EUR 1 million. For both project phases, original budgets were reallocated, for the SNGS after the 2012 MTR, for the SNGS-EP right after its start. In the case of the SNGS-EP, the budget was actually increased during reallocation from an original EUR 0.98 million to EUR 1.27 million. In the end, SNGS managed to spend all but 4.4 % of its budget, whereas the SNGS-EP after the increase left 12.4 % of the funds unspent. For the combined SNGS and SNGS-EP expenditure, a total of EUR 6.85 million was spent between 2010 and 2015 out of a total revised (and increased) budget of EUR 7.27 million, leaving about 5.8 % or about EUR 421 000 unspent. In fact, the total combined expenditure of EUR 6.85 million remained just within the original combined budget of EUR 6.98 million before the budget increase during the extension phase.

Details of the SNGS budget and expenditure are given in Table 12 below. Analysing the budgets and actual expenditure confirms the strong focus on data production and technology discussed in previous chapters. One particularity of the SNGS project was the fact that the technical assistance companies were also contracted to provide project implementation services, in this particular case, the aerial photo coverage. Consequently, the original project budget foresaw a total of EUR 2.9 million for TA (fees and reimbursable cost) and EUR 0.6 million for service

contracts to the TA companies. This amounts to EUR 3.5 million or more than 59 % of the total project budget. After the MTR, budget reallocation increased this proportion even further to EUR 3.2 million for TA (fees and reimbursables) and EUR 1.4 million for service contracts, or a total of EUR 4.6 million or close to 77 % of the total project budget.

By contrast, a mere EUR 100 000 was originally allocated to the component 1 activities on strategy development and service delivery. Already small, this budget was reduced after the MTR to just EUR 62 500, out of which the project actually only spent EUR 50 095. This was just about half of the originally already very small budget. If, in the words of the SNGS, achievements under component 1 remained “less successful” and “modest”, the actual expenditure figures seem to suggest why. Overall, only 1 % of SNGS the budget was directly spent on strategy and service delivery.

This stands in stark contrast to the combined expenditure on data production and technical capacity<sup>56</sup>, which amounted to close to EUR 2.4 million or 41 % of the total project budget. This imbalance reflects the project and TA approach of seeing the strong focus on technical capacity building as “the only correct approach” (SNGS 2014b, p. 56).

To be fair, not only component 1 budgets were reduced during reallocation. All categories were reduced to increase TA fees and service contracts to the TA companies. In the end, TA fees and service contracts amounted to 79 % of total SNGS project expenditure.

*Table 12. SNGS budget, budget review and actual expenditure by category (source: SNGS Completion Report)*

Expenditure category	Budget		Expenditure	
	original* (EUR)	revised** (EUR)	(EUR)	%
Technical Assistance	2 942 964	3 210 064	3 199 028	56
Service contracts*** (TA)	615 480	1 392 070	1 325 282	23
Strategy and Service delivery	100 000	62 500	50 095	1
Technical capacity building	250 000	150 000	161 749	3
Data and map production	542 000	254 000	295 757	5
Equipment	665 000	588 000	581 858	10
Project management	411 000	155 000	122 480	2
Contingency	473 556	188 366	0	0
<b>Total</b>	<b>6 000 000</b>	<b>6 000 000</b>	<b>5 736 249</b>	<b>100</b>

\* after inception phase

\*\* post MTR

\*\*\* service contracts for aerial photo survey, carried out by TA companies

The picture is slightly better for the SNGS-EP (Table 13). Out of a total original budget of EUR 0.98 million, already EUR 0.7 million or 71 % of the total SNGS-EP budget were earmarked for TA fees. There were no additional service contract fees, as the final expansion in the aerial photo coverage was carried out by a Vietnamese company using GoV finding. It was initially foreseen to provide for another EUR 0.7 million service contract to the TA companies using funds from the Government of Germany.

Immediately during the 1st quarter of the SNGS-EP budgets were revised, reallocated and actually increased. The total budget was increased by EUR 286 699, most of which went into TA fees, which increased by EUR 208 780. The strategy and service delivery activities saw an

<sup>56</sup> Services (TA); Technical capacity building; Data and map production; Equipment

increase of about EUR 14 000 to EUR 185 219 and the map production was equally increase to EUR 146 000 from the original EUR 87 500.

Looking at the actual expenditure under the SNGS-EP, all strategy, marketing and meeting related expenditure amounted to EUR 143 982 or 13 % of the total project expenditure. It remained, however, well below the budget with some EUR 40 000 unspent. Around 7 % of the total expenditure went into map production, where again around EUR 70 000 or just about half of the revised and increased budget remained unspent. Overall, EUR 1.1 million were spent out of a total revised and increased budget of EUR 1.27 million.

*Table 13. SNGS-EP budget, budget review and actual expenditure by category category (source: SNGS-EP Completion Report)*

<b>Expenditure category</b>	<b>Budget original (EUR)</b>	<b>revised (EUR)</b>	<b>Expenditure (EUR)</b>	<b>%</b>
Technical Assistance	699 550	908 330	875 518	79
Service contracts* (TA)	0	0	0	0
Strategy and Service delivery	171 000	185 219	143 982	13
Technical capacity building	2 000	2 400	1 516	0
Data and map production	87 500	146 300	77 584	7
Equipment	0	0	0	0
Project management	20 000	24 500	10 870	1
Contingency	0	0	0	0
<b>Total</b>	<b>980 050</b>	<b>1 266 749</b>	<b>1 109 470</b>	<b>100</b>

\* Service contracts carried out by TA companies

If combined for SNGS and SNGS-EP, budget and expenditure figures reveal just to what extent the projects were geared towards technology and data (Table 14). A total of EUR 2.44 million or about 36 % of the total combined expenditure was used in relation to technical capacity and data production<sup>57</sup>. By contrast, expenditure related to NGD strategy and service delivery accounted for just 3 % of the total combined expenditure. Expenditure for equipment (incl. vehicles) amounted to EUR 0.5 million or 8 % of the total expenditure. Out of a total combined project expenditure of EUR 6.85 million, 79 % or EUR 5.4 million was used for TA and service contracts to the TA companies.

*Table 14. Combined SNGS/-EP budget, budget review and actual expenditure by category*

<b>Expenditure category</b>	<b>Budget original (EUR)</b>	<b>revised (EUR)</b>	<b>Expenditure (EUR)</b>	<b>%</b>
Technical Assistance	3 642 514	4 118 394	4 074 546	60
Service contracts* (TA)	615 480	1 392 070	1 325 282	19
Strategy and Service delivery	104 000	247 719	194 077	3
Technical capacity building	378 500	152 400	163 265	2
Data and map production	629 500	400 300	373 341	5
Equipment	665 000	588 000	581 858	8
Project management	431 000	179 500	133 350	2
Contingency	473 556	188 366	0	0
<b>Total</b>	<b>6 939 550</b>	<b>7 266 749</b>	<b>6 845 720</b>	<b>100</b>

\* Service contracts carried out by TA companies

<sup>57</sup> Services (TA); Technical capacity building; Data and map production; Equipment



In summary, the budget and expenditure figures confirm the technology heavy and TA heavy character of the SNGS and SNGS-EP projects. Given the unilateral focus of projects' logical framework plans, the objectives and results, the reallocated funds were very much used in the way it was planned. Savings in initial procurements and service contract allowed the MTR to suggest reallocation of budgets, generally confirming efficient use of the GOF funds. If the use of resources is compared to the quality of the effectively produced results, the cost of the coverage with ortho-photos and the technical capacity building can be considered as well justified. In terms of quantity and time, two major results were not completed in time: by end of the SNGS-EP the production of topographic maps and data was completed for only 1/3 of the country (southern Laos) instead of the expected 2/3 (southern and central Laos) and the aerial photography coverage was not complete for the entire country, as stipulated in the project's logical framework.

By any measure, producing national-level geographic base data with high-resolution ortho-photo imagery is a major undertaking and, if seen as a package (aerial photography, topographic maps and capacity building), the use of funds can be considered as justified. Leaving TA cost aside, EUR 3.1 million have been spent on data and map production, equipment and capacity building. This, by any standards, is good value for money.

Even though not all quantitative results were achieved under Finland funding (later competed with funds from Vietnam), the projects and their cost are justified against the backdrop of their significance in terms of downstream applications and use, such as land tenure and land management, removal unexploded bombs and land mines, forest cover assessment and mapping, and potentially support to a REDD+ related national forest monitoring system.

## **Conclusions**

The SNGS and SNGS-EP have been successful in generating nation-wide wall-to-wall ortho-photography and topographic maps and lifted the technical capacity of the NGD to new levels. With a direct investment of around EUR 3 million the projects produced high-quality base data, even though some took longer to complete than planned. Production of aerial photography was highly efficient generating initial savings, whereas the map production had to be extended into the extension phase and later completed under GoV funding. Overall, the project cost is justified given the multiple uses and also potential future uses, for instances as an important historical reference data.

### **OECD/DAC rating of SNGS/-EP Efficiency**

Based on the findings of all evaluation questions under criterion Efficiency, the rating for the combined SNGS/-EP is "3/good=yellow". Given the direct investment of EUR 3.1 million, the achieved quantitative and qualitative results have been achieved in an efficient manner.

## **4.2.5 Sustainability**

### **Highlights of findings on sustainability:**

- Technical sustainability of the produced data and developed skills is still good today, but their future is less certain.
- If not updated, NGD data will become outdated and obsolete for any planning process and may only serve as historical reference.
- Technical equipment is overall in good working order and well maintained.
- Institutional sustainability has not been achieved as NGD's role as central mapping authority has not effectively been established.
- Financial sustainability has not been achieved with data sales being weak and GoL budget insufficient for major investments into equipment or data.

Potential sustainability of the achieved results has been assessed in technical, financial and institutional terms.

### **Technical sustainability of project results**

The SNGS and SNGS-EP have achieved substantial results in terms of data production, upgrading of technical equipment, and building of necessary technical skills at the NGD. During the visits to the NGD, it was possible to ascertain that basically all the surveying and mapping equipment provided under the SNGS is still available, operational and generally in good working order. Especially the surveying equipment is very well kept in a safe and clean storage room together with other, sometimes much older equipment, that has equally been well-kept over the years. Here it pays off that the NGD is, in a positive sense, an “old-school” organisation with technocratic personnel taking care of their equipment.

The same applies to the mapping equipment, mostly specific computer hard- and software, e.g. for 3D-viewing and mapping. While the computers dating from before 2015 have generally exceeded their shelf-life, all are still in working order and accessory equipment such as the 3D-goggles are available and functioning. Overall, project investments into technical surveying and mapping equipment stand a good chance of being sustainable for still a few years to come.

The only exception is the server IT equipment, which suffered recently from a storage failure, leaving some of the data corrupted or lost. Attempts by the NGD to recover the data from the tape back-up system only partly succeeded, with some recovery jobs failing for unknown reasons<sup>58</sup>. Here clearly the lack of proper IT skills at the NGD affects sustainability of the investment and also critically affects sustainability of the produced data.

When it comes to the data produced under the SNGS and SNGS-EP, two factors influence their long-term sustainability. First and foremost, there is the ability of the NGD to properly store and maintain the data for years to come. Secondly, if not updated at realistic intervals the data risk becoming outdated and see their value diminish. On long-term storage of the data, the project did all it could possibly do at that time by installing a separate back-up system within the NGD server room and by storing a copy of all data on a separate back-up support in a safe storage room within the Lao National Archives. Staff at the NGD had been trained in backing-up data and also in recovering data in case of loss.

Still, the very limited capacity in advanced IT management is jeopardizing the data sustainability. There has been a disk failure that resulted in data loss, of which the exact extent is not entirely clear. Attempts to restore the data did not fully succeed. NGD Science and Technology Division staff put in charge of the server room does not dare to access and use the safe back-up at the National Archives for risk of corrupting this last intact version. Clearly, this situation is not sustainable and obviously a temporary and recoverable data loss risks becoming a permanent one.

Independent from the data recovery problem, the aerial photography and the topographic maps already date back several years. In the case of the first batch of aerial photography almost 8 years. In 2017, the NGD prepared and submitted a plan to the government for updating the aerial photography for the South of Laos. The plan was approved, but no budget was made available for NGD to carry out the work.

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<sup>58</sup> The NGD Science and Technology Division attempted the data recovery several times and even called in the original provider of the equipment, who assumes a fault in the back-up tape recorder. There is no obviously other tape recorder of this type available in Vientiane to test the recovery of the tapes with another device.

With no prospects of any meaningful update any time soon the data produced under the SNGS project risk becoming outdated and increasingly irrelevant for planning, management or monitoring purposes. If the aerial photography and the topographic data are not updated within the next couple of years, all the NGD then has to offer is a good set of historical data. These might still serve the purpose of historic comparison, but it can no longer be the basis for meaningful “national information services”. As a consequence, the NGD will fall back into the same situation that persisted at the onset of the SNGS project; having outdated maps on offer, only this time it will not be Russian paper maps, but the “digital Finnish maps”. Therefore, it is obvious that under the current circumstances data sustainability is at acute risk.

There is another aspect to data sustainability. The SNGS-EP prepared a 10-year mapping plan that suggests the renewed coverage of the country with aerial photography. In the view of the project TA, the cost of aerial photography is lower than that of satellite imagery. Today, this view may not be shared by many. Lower cost for satellite imagery usually comes with compromises in image resolution. Still, the ultimate choice should be made based on actual needs. In Laos, there is a good chance that many high-resolution aerial photos over remote rural have never been looked at by anyone else than the NGD mapping operator preparing the topographic maps. Suggesting a full new coverage with again very high-resolution photography might not be a very forward-looking approach. The fact that the TA companies’ expertise lay firmly within aerial photography may explain this preference<sup>59</sup>. A more sustainable approach would have been to include satellite imagery into the mapping plan.

The situation with respect to technical skills at the NGD is more favourable. As stated before, the projects were highly effective in building technical skills. These skills are still available today, but they are mostly idle or underused. Staff are clearly proud of their acquired skills and appear ready to engage and use these skills. Unfortunately, since the end of the projects no major budget had been approved to allow the staff to properly apply their skills.

Still, the technical skills developed as a result of the SNGS and SNGS-EP have been sustained up to today and may well remain valid for a couple of years to come. Nevertheless, if constantly unused skills degrade over time and staff might retire, jeopardizing the sustainability of the project investments into upgrading and building technical capacity and skillsets. Exception are the IT skills, which the NGD did not manage to sustain up to today with the key trained staff having left the organisation.

### **Institutional sustainability**

Institutional sustainability of the projects’ results would be achieved if the NGD as an institution was, at the end of the projects, in a position to carry out its expected role as a service provider without having to rely on external expertise. Two aspects need to be considered; (i) internal organisation and (ii) inter-governmental institutional arrangements.

While the NGD may have achieved sustainability of the technical roles within its organisation, the situation is less certain with respect to the managerial and administrative roles. Under the SNGS and SNGS-EP there has been no attempt to review the organisational set-up or to prepare the non-technical divisions for their roles in the expected service provision. Throughout the projects, a separate project management and finance management has been maintained and there has been no capacity building in planning, management, or budgeting and finance. Support through short-term consultancies in marketing, communication and public relations cannot replace an institutional development process. Today, the NGD still is in the first place an administration with an attached sales office, but not a dynamic and service-oriented

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<sup>59</sup> An originally planned activity on satellite imagery was cancelled during the project as not really required.

organisation. In fact, with its strong focus of the SNGS/-EP on data production, the NGD did not reach the stage of developing real services.

Regarding the inter-governmental institutional arrangements, there have been proposals from the project in its National Geographic Strategy document. It appears that the process of developing the strategy was TA-driven and not fully participatory. According to NGD, the geographic strategy was never fully approved. However, elements of the mapping plan have found their way into the 2015-20 NGD plan. With the strategy only presented at the very end of the project, the funding proposals had no chance of being implemented. In 2014 and 2015, high-level meetings were organised by the SNGS-EP with support from the Finland Embassy in Bangkok. These meetings involved a large number of ministries but did not lead to any change in the ministerial mandates or in any change of inter-ministerial division of responsibilities. In its line of argument, the project reiterated that according to Decree no. 330/MoHA, the NGD is the sole authority to carry out surveying and mapping, implying that other ministries and government agencies should not carry out mapping activities but rather use the NGD's capacity and data instead. As correct as this position may be, evaluation interviews revealed that other ministries and projects have not necessarily recognized the NGD as capable of satisfying their specific mapping needs. To accept NGD's role, ministries participating in the high-level meeting in 2015 stressed that the NGD needs to prepare detailed plans and update its data every two years (SNGS-EP 2015b). With future funding for data updates still uncertain, it remained unclear how the NGD would possibly fulfil this requirement. In its completion report and with regard to high-level meetings on inter-ministerial collaboration, the SNGS-EP simply stated that "... this activity has been completed. The idea of continuing is now in the hands of NGD/MoHA" (SNGS-EP 2015b, p. 28).

While generally well-intended, the project inputs to institutional arrangements clearly were too little, too late. Institutional sustainability is therefore judged as weak.

### **Financial sustainability**

The production of ortho-photos and topographic map was a considerable investment. Direct cost of aerial photography coverage and topographic map production during the SNGS and SNGS-EP amounted to EUR 1.7 million, not including cost of NGD staff time. NGDs receives operational funds under MoHA's annual budget from the state budget. In addition, it is expected to generate revenues from sales of data and products. For any specific work it is required to propose a budget to the MoHA. For the updating of aerial photography over the South of Laos, the NGD prepared a budget proposal to the GoL of about EUR 2 million in 2017<sup>60</sup>. Funding, however, never materialised.

In its National Geographic Strategy, the SNGS-EP lays out several conditions to be met for a sustainable funding of its 10-year mapping plan, which included one single update of the aerial photography and topographic maps for the entire country. These are: (i) regular funds for NGD from GoL, (ii) donor project funds for geospatial data to be directed to NGD, (iii) NGD revenue collection from private sector actors (SNGS 2015b, Annex C). In return for directing donor project funds for geospatial data production from the respective projects to the NGD, geospatial data would afterwards be available free-of-charge for GoL administration and donor funded projects.

The strategy then develops two preferred scenarios, one where GoL fully commits funding NGD activities through the Government Investment Fund, and a second that proposes to fund NGD activities through a not yet existing Geographic Data Fund. The first scenario would be the ideal

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<sup>60</sup> The National Geographic Strategy document suggests a cost of around EUR 0.9 million to update aerial photography over the South of Lao PDR (SNGS-EP 2015b, Annex C, p. 58)

situation, where GoL accepts that the production and updating of national geospatial base data is a sovereign task that requires government commitment and recurrent funding from the national budget. The second one appears rather idealistic. It is based on a cost estimate for producing one single aerial photo coverage and topographic map update, again in three batches, until 2024. The total cost would be around EUR 2.5 million over ten years. It then presents potential funding for a yet to be established Geographic Data Fund of exactly EUR 250 000 annually from donor sources. This assumption, if realistic in the first place, totally eclipses the possibility that donor projects or ministerial tasks may have specific requirement, e.g. in monitoring, that cannot be satisfied with a single aerial photo coverage every ten years and therefore donors would not be ready to provide their funds to the NGD. In addition, the funding scenarios did not include any investment in renewing equipment.

The strategy document repeats generalistic statements like “benefits of integrated use of harmonized geospatial data are undeniable” (SNGS 2015b, Annex C, p. 30) or “the benefits of the use of accurate and up-to-date geospatial data produced centrally by the mapping authority (NGD) are notable” (SNGS 2015b, Annex C, p. 32). It reiterates throughout the document potentials for cost savings, cost avoidance, better decision making, without being specific about the magnitude of the savings.

The document repeatedly claims that other ministries can fully save the cost of acquiring satellite imagery if NGD ortho-photos were used, usually referring to the much higher resolution of the aerial photography over the satellite imagery. What the document fails to mention is that specific sectoral uses usually have very specific requirements as to their remote sensing data. For instances, the argument that the use of ortho-photos would save costs for patrolling for illegal logging is a weak one. Even if a complete aerial photo coverage would be repeated every five years<sup>61</sup>, the agency in charge would be “blind” in-between if it only relied on aerial photos. Higher frequency satellite imagery, even with lower resolution, is more suitable to the requirement of continuous surveillance and monitoring. The funding proposal in the National Geographic Strategy is therefore rather hypothetical.

In any event, in the years since the end of the SNGS-EP only one single budget for district mapping has been approved and provided to the NGD. With an average of less than EUR 7 000, NGD’s annual sales revenues are by far not enough to even think making new investments. And this although the NGD has reverted the free-of-charge approach after the project end. Also, there has been no major donor funding to NGD since the end of SNGS-EP. Only recently there has been limited support from the People’s Republic of China with provision of satellite imagery and training.

The current situation of the NGD shows that financial sustainability of the project results has not been achieved.

## **Conclusions**

The evaluation concludes that both SNGS phases have achieved important results. Data, skills and equipment are up to today generally available and still sustainable, with some limitations as for the server storage of data. Institutionally, there is little sign of sufficient capacity to maintain the results in the long term, which is worrying. The same applies, probably even more, to the financial sustainability, which is not at all guaranteed with no recurrent GoL budget to cover the cost of data maintenance and updating, leave alone investment in equipment and tools.

The lack of institutional capacity that would allow the NGD to fulfil its expected role as a provider of national information services is a major weakness. In addition, the absence of professional-

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<sup>61</sup> The SNGS strategy document and mapping plan proposed only one full coverage with aerial photography in 10 years.

level IT capacity at the NGD prevents the institution from “going digital”, which is a threat in the context of global, and local, digitalisation. A clear strength, and at the same time, a considerable opportunity for the GoL is the substantial technical capacity and skills available at the NGD, not the least as a direct outcome of the SNGS and SNGS-EP. This presents the GoL with an important opportunity as the still available technical skills are mainly idle and could be put to good use at the national level.

In terms of maintaining the achieved results, the NGD definitely displays commitment to maintain and use what has been produced under the projects, within the limits of possibilities and mandate. It applied repeatedly for budgets from the GoL to update the aerial photo coverage and to further extend the geodetic network. Despite this clear commitment, the NGD might not be able to maintain these under its current institutional and financial limitations.

The tools and methods provided or developed under the SNGS and SNGS-EP relate to very specific technical work, such as aerial triangulation, ortho-photo production or establishment of a geodetic network. These are not daily routine tasks and their application requires substantial funding. To the extent possible, the NGD is applying the SNGS-developed tools and methods. For instances, it continued enlarging the 2nd order geodetic network when it successfully secured a single GoL funding in 2017. The NGD also applied the SNGS mapping and database standards to the expansion of the topographic mapping in the North under Vietnam funding.

#### **OECD/DAC rating of SNGS/-EP Sustainability**

Based on the findings of all evaluation questions under criterion Sustainability, the rating for the combined SNGS/-EP is “2/problems=orange”. While technology-related results are still sustainable, there are obvious problems with the intutional and, in particular, the financial sustainability.

#### **4.2.6 Added value**

##### **Highlights of findings on added value:**

- SNGS and SNGS-EP have not created added value beyond their immediate results.
- Projects did not engage into training of other ministries’ personnel beyond participation in a few study visits.
- Limited interest in projects and data by other sectors and ministries may have been caused by generally low levels of map reading skills.

There is no evidence that the SNGS and SNGS-EP generated any added value in addition to their immediate project outcomes and results. The projects tried to have key policies and plans recognize the need for accurate, up-to-date geo-spatial data but did not succeed.

While there has been substantial training to the direct counterpart institutions (NGD and SMC) there was no additional capacity building at other government or non-government stakeholders. One former SNGS TA member suggested that the reason why the projects did not succeed in generating more interest in geospatial data was that map reading skills were virtually non-existent outside the specialised institutions. While from the perspective of the NGD and the TA, it naturally made sense for other ministries to use their data, that same view did not necessarily exist within the line ministries. There would have been a potential for added value in addressing this shortcoming and potentially have a much wider reach for the project outcomes.

#### **Conclusions**

There has not been much influence or advocacy at the policy level from the SNGS or SNGS-EP. Influence on capacity building at government institutions other than at the direct implementing

institution cannot be ascertained. There is no direct relationship between the SNGS/-EP and village development.

#### **OECD/DAC rating of SNGS/-EP Added value**

Based on the findings of all evaluation questions under criterion Added value, the rating for the combined SNGS/-EP is “2/orange=problems”. The projects had little effect in terms of added value.

### **4.2.7 Coordination, complementarity, coherence / aid effectiveness**

#### **Highlights of findings on added coordination, complementarity, coherence and aid effectiveness:**

- There is only little evidence of direct coordination between SNGS/-EP and SUFORD-SU projects and less so between SNGS/-EP and EMSP. Most exchange happened informally and at TA-level.
- Projects have been designed as stand-alone projects with very different scopes and duration and were not complementary.
- NGD clearly shows ownership of and confidence in the technical approaches established by the SNGS and SNGS-EP.

#### **Coordination**

According to the SNGS project document, the aerial photography and ortho-photo maps were expected to be used in both the Finland-funded SUFORD-SU and the EMSP projects (PM, NGD and MFA 2010). Similarly, the SNGS-EP project document lists both projects as potential stakeholders and beneficiaries (SNGS-EP 2014a). In the SNGS project completion report, the SUFORD-SU project is only mentioned once as having participated in a workshop (SNGS 2014b). The document does not mention any use of SNGS produced data. The EMSP project is not mentioned at all.

The same applies to the SNGS-EP completion report, where the SUFORD project is only catalogued among future users of the NGD data. Regarding the EMSP, the document mentions some coordination between SNGS-EP and EMSP on the potential funding mechanisms for NGD (SNGS 2015b). The EMSP is further mentioned as having tested the aerial photos and is proposed to use these in the future for Environmental Impact Assessment (SNGS 2015b, p. 32).

This situation seems confirmed by information gathered during evaluation interviews. The TA of SNGS/-EP and SUFORD-SU confirm of having exchanged and used the aerial photography, although it was more characterized as an unofficial use and mainly for verification purposes. The involved institutions (MAF/DoF and MoNRE/DEQP) did not explicitly mention the use of aerial photography. Rather the DoF uses RapidEye satellite imagery that are updated every 5 years in the context of the National Forest Monitoring System for REDD+. Some of the ortho-photos were used by the SUFORD-SU TA to verify work done by DoF staff using the satellite imagery.

Meetings with EMSP implementing agencies and stakeholders revealed that the DEQP received some aerial photos and spatial data for the South of Laos. Contrary to recommendations made in SNGS documents, MoNRE has not made the use of ortho-photos in environmental impact assessments mandatory. The Director of the DEQP does not remember the SNGS actually ever having proposed this to MoNRE and does not recall any joint meeting or workshop with the SNGS project. The Director of the Natural Resources and Environment Research Institute (NRERI) confirmed having own GIS and remote sensing capacity and therefore makes no use of NGD data or services. With regard to the Finland-funded forestry sector project, both cannot recall any real exchange with the SUFORD-SU project.

## **Complementarity**

Both projects, SUFORD-SU and SNGS/-EP, have operated in very different fields so, in principle, there have not been any overlaps. The absence of overlap, however, does not mean the projects have been complementary in the sense of one project complementing the other. Both projects were designed in a way to operate independently, which is in fact what they have done. There is no evidence that would suggest the projects directly collaborated or coordinated activities. It appears the relationship between the two other GoF-funded projects was more of co-existence than complementarity or collaboration.

## **Ownership**

With respect to ownership, the SNGS and SNGS-EP with their prominent role of the TA companies may not qualify as prime example of fostering project ownership at the recipient organisation. Still, during the evaluation interviews the NGD portrayed a strong identity with the technical approaches, the tools and equipment, and the results brought about by the SNGS and SNGS-EP. NGD clearly expressed that the capacity building was a key outcome and staff are very confident in showing or applying these skills.

The interviewed TA suggested that the fact that NGD finally completed the North of Laos with a Vietnamese company and GoV funding instead of continuing with the SNGS TA companies is a strong sign of ownership by the GoL. This may well be the case, but it is equally likely that political or strategic considerations have influenced this decision. Again, that the GoV extension made use of the SNGS standards and methodologies was, in the view of the former TA, a sign of ownership. Changing the methodological approach or the data structure for the final 1/3 of the country and thereby creating incompatible data, would not, by any standard, have made sense. Whether this was a sign of genuine ownership or pure pragmatism on the side of the NGD remains an open question. It may also have been for lack of any alternative approach.

## **Conclusions**

From the perspective of the SNGS, the SUFORD-SU and EMSP projects have not been complementary. The projects operated in completely different sectors and did not build their interventions on each other. There has been some coordination through the technical assistance teams, but only little official coordination or collaboration between the implementing agencies.

The SNGS/-EP have succeeded in to generating ownership at the NGD of the technical approaches, methods and equipment. In providing national-level base data that are of relevance and importance to various sector institutions and interventions supports the alignment of donor inputs. Furthermore, the projects promoted the idea of providing the reference base data to other donor-funded interventions to foster coordinated use of a joint basis for planning, thereby laying the groundwork for increased transparency and efficient use of donor aid funds as it would remove possible duplication of effort.

## **OECD/DAC rating of SNGS/-EP Coordination and complementarity**

Based on the findings of all evaluation questions under criterion Coordination and complementarity, the rating for the combined SNGS/-EP is "2/orange=problems. In contrast to stipulations in the respective project documents, there has been very little official coordination between SNGS/-EP and SUFORD-SU other than the direct exchange between the TA teams.



## 5. BENCHMARKING

In this section the findings and conclusions of benchmarking are presented. **The benchmarking exercise aims at identifying common features or distinct differences in the project's implementation approaches with respect to (i) institutional development, (ii) development of tools, methods, approaches and services, and (iii) capacity building.** It analyses to what extent the differences between the project approaches can explain the levels of achievement or their sustainability. Projects to analyse in the benchmarking exercise are the SUFORD-SU, SNGS and the EMSP. The Environmental Management Support Programme (EMSP) was mainly implemented together with the MoNRE between 2010 and 2015, in parallel to the SNGS and SUFORD-SU.

### 5.1 EMSP project description and achievements

The **Environmental Management Support Programme (EMSP)** was implemented between October 2010 and September 2015 with a total budget of EUR 9.96 million, of which EUR 9.5 million were provided by Government of Finland. The Government of Lao PDR contributed with a total of EUR 0.46 million in form of financial and in-kind contributions.

Main implementing institution was the Water Resources and Environment Administration (WREA) under the Office of the Prime Minister. After the first year of implementation WREA was merged into the new Ministry of Natural Resources and Environment (MoNRE)<sup>62</sup>. The EMSP covered the provinces of Champassak in the South, Luang Prabang in the North, as well as Vientiane Capital in the central region. Key stakeholders of the EMSP were the provincial-level Department of Natural Resources and Environment (DONRE), the Environmental Division of the Ministry of Industry and Commerce (MoIC), the Ministry of Agriculture and Forestry (MAF), and the National Land Management Authority (NLMA). As immediate beneficiaries were considered national and international NGOs, investors, developers and contractors, as well as ultimately the population of the selected project provinces. Indirect beneficiaries were other sectors of society potentially benefitting from integration of environmental aspects into national and sector planning (WREA and MFA 2011).

The overall objective of the EMSP was to “prevent unacceptable damage to the environment, environmental health and livelihoods of people affected by large-scale development projects and strategic plans and to build institutional capacity in adaption to climate change in Lao PDR”. More concretely, the project purpose aimed at “strengthening WREA and provincial environmental authorities to become sustainable in using updated tool sand methods” (WREA and MFA 2011, pp. 28-29).

The EMSP was implemented through six components<sup>63</sup>:

- Component 1: Integrating environmental issues into strategic planning implemented by the Department of Environmental Quality Promotion (DEQP) and the Department of Planning and Cooperation (DPC).

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<sup>62</sup> Ministry of Environment and Natural Resources (MONRE) was created in 2011 by merging the Water Resource and Environment Administration (WREA) with departments of the National Land Management Authority (NLMA) and portfolios of other ministries including the Geology Department, and the Forest Conservation and Divisions within the Ministry of Agriculture and Forestry (MAF). WREA in its original form consisted of the Department of Water Resources, the Department of Environment, the Department of Meteorology and Hydrology, the Water Resources and Environment Research Institute, the Secretariat of Greater Mekong Subregion and the Department of Environmental and Social Impact Assessment.

<sup>63</sup> In 2012, the components were redefined to make the project approach more specific and targeted.

- Component 2: Environmental permitting, monitoring and enforcement implemented by the Department of Environmental and Social Impact Assessment (DESIA) and Ministry of Industry and Commerce, Department of Industry and Handicraft.
- Component 3: Strengthening environmental management at the provincial level implemented by the Department of Environmental Quality Promotion (DEQP), Provincial Departments of Natural Resources and Environment (DONRE) and the Department of Water Resources (DWR).
- Component 4: Communication and information services implemented by the Department of Environmental Quality Promotion (DEQP) and the Natural Resources and Environment Information Centre.
- Component 5: Environmental laboratory services implemented by the Natural Resources and Environment Institute (NREI).
- Component 6: Programme Management undertaken by senior staff from DEQP.

At the policy level, EMSP supported MoNRE with formulation of a series of key pieces of environmental legislation, which form the basis for MoNRE to function as the environmental regulatory authority of Lao PDR. Further, EMSP helped translate the legal mandates into concrete workflows, procedures, guidelines and tools. In parallel, the project trained and worked with the implementing departments to put all of this into practice.

Cross-cutting issues were included in the EMSP programme document. These were (i) gender equality and social equality in organisations involved in the EMSP, (ii) rights to information and participation of e.g. ethnic groups in the project area, (iii) access to environmental information and participation by ethnic minorities and illiterates of all age and gender, and (iv) consideration of potential impacts on the HIV/AIDS situation in the project area following large scale construction and developments.

The EMSP was completed in September 2015 after a one-year non-cost extension. Main achievements by end of the programme were (MoNRE and MFA 2015):

- Development of the first Natural Resources and Environment Strategy 2025 and Five-Year Action Plan 2020.
- Improvement of legal framework through ESIA and IEE Ministerial Instructions, draft SEA Decree, and endorsement of the amended Resettlement and Compensation Decree.
- Development of coordinated plans that integrate management of natural resources and environment with other key sectors at province and district level.
- Development of a Model Environmental Compliance Certificate, Standard Environmental and Social Obligations for hydropower concessions, ESIA guidelines, Monitoring Manual, ESIA administration workflows, and Financial management manual and workflows.
- Implementation of a systematic nationwide program for water quality monitoring.

The final evaluation of the EMSP concluded that the project was (i) highly relevant to Finland and Lao PDR, (ii) produced important achievements in a generally efficient manner, (iii) succeeded in establishing relevant systems for the prevention of damage to the environment, but stated that impact on affected peoples' income, livelihood or health cannot be ascertained due to lack of a baseline (Kofod et al 2015).

Regarding sustainability of results, the final evaluation found that not all aspects of the programme were future-proof by the end of the programme as the termination of Finland support to Laos came unexpected. While local ownership was regarded as high, uncertainties remained with respect to future funding and formal endorsement of the Natural Resource and Environment Strategy 2025 (NRES 2025) (Kofod et al 2015). Overall, the EMSP was positively evaluated and found to support the Finland Development Policy 2012 and cross-cutting objectives, including the protection of human rights (Kofod et al 2015).

The final evaluation formulated long-term recommendations to the Government of Lao PDR, which call for the GoL to (i) assess opportunities for continuing external technical and financial support and (ii) to simplify its approaches regarding human and organisational capacity. This was aiming at staff stability and improvement of inter-department cooperation on data sharing (including SNGS and SUFORD) and dissemination of results (Kofod et al 2015).

According to DEQP, work stalled for about 3 years after the early end of the EMSP. For instance, agreed water quality monitoring with the provinces had to be stopped due to the early Finland pull-out (see Chapter 2.3.2), as GoL budgets were not sufficient to continue upgrading laboratory equipment. By 2019, the DEQP has been able to complement missing equipment with support from the World Bank. This strengthened the national and regional laboratories, which have since been developed to international standards and recently received ISO certification<sup>64</sup>. The EMSP-developed operational procedures and guidelines are still applied, in particular for water quality assessment and monitoring, solid hazardous waste and air pollution from traffic and industry.

DEQP has been able to get the Natural Resource and Environment Strategy 2025 approved after the end of the project, proving the worry of the final evaluation wrong. MoNRE has also developed its Vision 2030, which provided the framework for the NRES 2025. The guidelines and regulations prepared with EMSP support fed into the Environmental Impact Assessment (EIA) Policy and into the Environmental and Social Impact Assessment (ESIA) Decree. At the provincial level, work is being implemented based on 5-year Provincial Environmental Action Plans.

## 5.2 Benchmarking analysis of EMSP, SNGS (-EP) and SUFORD-SU

The comparative analysis of the different implementation approaches of the three Finland-funded projects SUFORD-SU (TA component), SNGS and EMSP aims at drawing **conclusions and lessons as to which approach yielded better or more sustainable results**. As the three projects operated in very different thematic sectors (forestry, environment and surveying / mapping), a direct comparison of implementation work done may not generate any valuable insights.

From the outside, the projects have been very different. While the SNGS was a single-institution project with a strong focus on technology and with a dominant TA component, the EMSP worked with a number of different government institutions and provided both investment and TA, whereas the Finland-funded part of the SUFORD-SU was a TA package added upon a World Bank investment project with the aim of institutionalising sustainable forest management. The SUFORD-SU was also the only project having intervened at the village level.

By reducing the analysis to the implementation approaches and methods, however, the differences and commonalities may be explored and evaluated. Three key implementation elements are subject to the benchmarking analysis. These are (i) institutional development, (ii) development of tools, methods, approaches and services, and (iii) capacity building.

The benchmarking exercise is not an analysis in a very strict sense. It is rather meant to provide the MFA with leads, as to which implementation approach did work well and, possibly, identify the reasons for it.

### **Institutional development and legal framework**

To potentially bring about lasting change in a sector or even a country, **projects need to embed their interventions into the existing institutional and legal context or, alternatively, attempt to bring about positive changes to the institutional and legal framework**. This

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<sup>64</sup> ISO 17205

can be achieved by developing the implementing institutions and by actively supporting the review of existing legislation to include new lines of thinking or new ways of regulating and managing sectors.

In the case of the Finland-funded projects, two of them, the EMSP and the SUFORD-SU, have been successful in addressing and positively influencing the legal context and framework. While being hampered in implementation due to the official logging ban, the SUFORD-SU nevertheless has managed to leave its mark on the Forestry Law, which is currently in very advanced stages of the approval process. The EMSP equally managed to positively influence policies and national-level strategies and plans. The project provided support to the MoNRE in developing its Vision 2030, which led to the Natural Resource and Environment Strategy (NRES) 2025 of MoNRE. Regulations developed and established by the project were promoted by including their principles into the Environmental Impact Assessment (EIA) policy and further into the Environmental and Social Impact Assessment (ESIA) Decree. MoNRE's NRES 2025 is now being included into the 9th National Socio-Economic Development Plan.

The SNGS, by contrast, did have only very limited provisions for bringing about positive institutional or legislative change. Support was provided to a review of the already existing Surveying and Mapping decree, but the revised decree did not include the actual project objectives of positioning the NGD as a national-level service provider. Rather it manifested the regulatory role of the NGD in the surveying and mapping sector.

Looking at the institutional context, dissimilarities start to emerge. First and foremost, **the degree to which the projects were embedded into their counterpart institutions was distinctly different, but also the level of development of institutional capacity varied.** The SUFORD-SU was essentially a World Bank investment project implemented by the DoF/MAF, to which technical assistance package was added with GoF funding. Consequently, the counterpart institution was fully in charge of implementing the project and handling the funds. The TA managed their own funding but did not establish a parallel funding and management system for actual project implementation. By contrast, the SNGS TA not only absorbed considerable proportions of the implementation budget, but also established a separate financial management and did not use the systems of the implementing institution. The EMSP, implemented across several institutions developed a project operations manual that followed the Lao financial regulations. Each implementing agency was represented in a coordination and management council that was to be developed into a permanent committee at the WREA, later MoNRE (WREA and MFA 2011). The EMSP, as well as the SUFORD-SU, provided managerial and administrative trainings, such as budgeting and financial management. On the other hand, the SNGS by its project design had no provisions for non-technical trainings and capacity building.

As a consequence, the EMSP was more successful in leaving behind strengthened partner institutions that successfully continued developing the project initiative further after the end of the Finland support. The case of the SUFORD-SU is very a particular one, as after the Finland pull-out the TA support has continued. A substantial proportion of the TA team were re-hired by the implementing agency and the World Bank investment funds have continued to come forward until the time of the evaluation. This situation effectively veils the institutional capacity of the DoF to continue implementation the project approaches independently. The Synthesis Evaluation is, however, of the opinion that the DoF has been sufficiently capacitated to continue project activities, whereas the future funding for operational expenses remains uncertain.

In summary, it appears that **the implementation approach of (i) fully involving the implementing institutions and using their systems, accompanied by (ii) building managerial and non-technical capacity and (iii) positively influencing the high-level policy and legal framework has been rather successful.**

## **Development of tools, methods, approaches and services**

Projects often develop tools, specific methods and approaches, or potentially also services. While the individual tools or methods may not directly be comparable, their actual level of development and application by stakeholders may yield valuable insight into the reasons for their successful adoption.

The SNGS project did not develop any specific mapping tools, as photogrammetric processing is a well-established technique, but it elaborated and established mapping and database standards that were adopted by the NGD and later continued under an expansion of the project with different funding. The SNGS mapping standards built upon the Lao national standards for topographic mapping. The EMSP developed a set of guidelines and manuals for the measurement, analysis and monitoring of environmental parameters related to water and air pollution or hazardous waste.

One of the EMSP approaches was to consistently apply international standards when developing guidelines, especially for laboratory analyses. Today, the MoNRE laboratories work to internationally recognised standards and have recently obtained ISO certification.

As for the SUFORD-SU, the project established participatory forest management plans at village level using a Village Forest Management Plan (VFMP) model that served as a template. Furthermore, it supported DoF in obtaining FSC certification for a number of forest management units (FMUs). Other systems established under the SUFORD-SU are the STEPP for law enforcement patrolling and the smartphone-based SPIRIT system for collecting and assessing information on forest or wildlife related crime. All forest cover assessment and monitoring has been geared towards REDD+ and thus following international guidelines, for instances on establishment of forest reference emission levels (FREL) or a national forest monitoring system (NFMS).

Overall, the comparison seems to suggest that **the development of project specific systems, approaches or standards stand a higher chance of being maintained and ultimately becoming sustainable, if aligned to international best practices or international standards and regulations.**

## **Capacity building**

With respect to capacity building, **one key commonality exists between the three projects; all have provided substantial amounts of capacity building to the implementation agencies and stakeholders.** The projects also have in common that the recipients are unanimous in confirming the high importance the various trainings had and that they consider the increased capacity and skill levels as one of the most important project outcomes.

There is, however, also a major discrepancy. The SNGS project has been the only one focussing exclusively on technical training, whereas the SUFORD-SU and EMSP also provided substantial training inputs to non-technical roles within the implementing institutions and agencies. As laid out in the findings to the SNGS project, this has not been a shortcoming of project implementation, but rather a deliberate feature of the project design. Still, the general approach to capacity building was different between SNGS in providing only technical trainings, against the SUFORD-SU and EMSP providing complementary training in administration, financial management and project management.

Both, the SUFORD-SU and EMSP had specific project management components anchored at the implementing institution with senior staff being active in project management. This was lacking from the SNGS approach that favoured a separate project and financial management operated by the technical assistance team.

Today, the NGD/MoHA is clearly less prepared than the DoF/MAF or DEQP/MoNRE to continue steering the institution on the course set by the projects. Other factors notwithstanding, the asymmetrical approach to capacity building of the SNGS project may, at least partly, be to blame for today's institutional weakness of the NGD.

One potential lesson to be drawn from the comparison of capacity building approaches is that **projects with a wider capacity building scope may stand a better chance of making their achievements sustainable and streamlined into the recipient institutions.**

## 6. LESSONS LEARNED

**Institutional development is critical to sustainability of achieved results:** If there is a key lesson to be learned from the SNGS and SNGS-EP, it is that technical inputs are important, but alone cannot solve development problems. The neglect of institutional aspects in the design of the SNGS has created a situation where the very good and well appreciated results may not be sustained for much longer. In evaluating the SNGS results it has become evident that institutional aspects are critical to the sustainability of project results. Seen from the door-perspective this signifies that investment in technology-oriented institutions can well pay off in the long term, but only if other aspects such as sustainable funding and institutional arrangements are properly addressed early on. Without sufficient support to and development of the counterpart institutions, the development input remains a one-off contribution with the country not being able to renew or replicate these inputs in the future.

**Capacity building seen as crucial:** Counterparts of both projects, SUFORD-SU and SNGS/-EP, emphasised repeatedly that Finland TA support to building staff capacity and installing systems at all levels was crucial to the achievements of the projects. The same was expressed by EMSP stakeholders at MoNRE. At all involved institutions, DoF, DoFI, DEQP and NGD, Finland is generally held in high regard for the many trainings it provided to GoL staff. The focus on capacity building at GoL institutions was an invaluable support to general development and potentially lets Finland cooperation stand out positively among the donor community.

**Conducive government policies but lack of implementation budget:** Examples from both evaluated projects have shown that projects contributed to the development of good and conducive policies (SUFORD-SU), to the improvement of the legal frameworks (SNGS, surveying decree), and to the development of viable models and systems (SUFORD VLDG or payment for work; SNGS mapping standards). Due to either a lack of Government budget or conflicting priorities, recurrent budgets have not been made available by the Government to support these models and systems in the future, thereby calling the financial sustainability of the achieved results into question. The lesson learned from both SUFORD-SU and SNGS/-EP is that it would be necessary to assess partner government ownership to a project also through the commitment to provide recurrent funding to key activities after project closes down.

**From wasted lessons to lessons used:** The SUFORD projects have generated many relevant lessons, that have been amply reported in the ICRs, BCRs and IEG reviews of ICRs and PPARs. For reasons not fully understood by the Synthesis Evaluation, the lessons have not led into corresponding improvements in the project designs. When a new project is designed, lessons learned from past implementation should be carefully studied and incorporated in the design.

**Risk analysis not for itself:** The Project Appraisal Document of SUFORD-SU has a section on risk rating and analysis in. While the section is there, it has not really touched upon the critical risks regarding counterproductive GoL policies or pressures created by non-forest sectors and actors on sustainable forest management and project outcomes. Project designs will benefit from a risk assessment that is comprehensive and analyses all potential risks. This will contribute to improved risk management and mitigation strategies that obviously would need to be well reflected in the project strategy.

**Longevity is key to success:** SUFORD projects have proven that long-term involvement and commitment are needed to institute a change in a forest management paradigm. The support from the World Bank and Government of Finland that started already in mid-1990s has been instrumental in institutionalizing participatory sustainable forest management policies and practices in the country. The long timeframe of SUFORD projects (ongoing since 2003) has been conducive to obtaining wide-ranging and sustainable impacts, most notably the improved GoL capacities and institutionalization of the PSFM system in Lao PDR.

**No soft landing after withdrawal of Finland support:** The withdrawal of financial support to the SUFORD-SU, EMSP and SNGS/-EP clearly had consequences. With the end of funding support to Lao PDR looming, the extension period of SNGS was designed too short to possibly still achieve its ambitious objectives. The EMSP, in the words of MONRE-DEQP, was stalled until three years after the end of Finland support when incomplete procurements could finally be carried out with World Bank support. The TA to SUFORD-SU is the only exception with members of the TA expert team re-hired through DoF, and merely paid for from other external funds (World Bank investment funds). Without this constellation, SUFORD-SU would have been less successful.



## 7. RECOMMENDATIONS

### Recommendations to MFA

(1) Development support to cross-sectoral institutions or tasks, such as national base maps, is still valid and important. When designing a technology project like the SNGS in the future, the MFA should decide whether to (i) aim for high-level development objectives or (ii) accept that a technology project cannot have much impact beyond its immediate results. In the first case, the MFA should then flank the technology elements with accompanying project components and provide adequate resources that can help bringing about further impact.

(2) To bring about the acceptance of a government and trigger the necessary changes in policies and legislation and their implementation, the buy-in from partner government is required at the highest levels. This often goes beyond what a project can possibly achieve on its own. MFA should provide corresponding high-level support, ideally via an Embassy in the partner country. Alternatively, the MFA can team up like in the case of SUFORD-SU with bigger donors to amplify its influence. Even in the latter case, presence of an Embassy of Finland in the partner country will be useful.

(3) It is recommended that MFA considers parallel financing as an option for its multi-bi partnerships. In traditional multi-bi interventions, all project funds are commonly managed by the project partner or deposited into a trust fund managed by the donor partner, opportunities for MFA/Embassy involvement in, for example, in influencing policy dialogue exist in a limited fashion. In parallel financing MFA manages its own contribution. Therefore, it is an arrangement that requires more MFA and Embassy involvement than a traditional multi-bi intervention. However, the significant benefit of parallel financing is that it provides potential for MFA to add value to the partnership beyond mere financial inputs. This can be achieved, for example, by bringing insights from Finland and Finnish institutions or experiences and lessons learned through other MFA-funded interventions directly into the partnership. MFA could position itself as a valued and trusted partner in providing high-level TA expertise to multilateral projects.

(4) However, it is also recommended for MFA to strengthen its internal capacity on international donor procedures, to ensure that it can comply with its own development policies, when cooperating with other donors. If it is agreed that the donor partner systems will be applied in project management, then the respective MFA/Embassy staff supporting the projects needs to understand what can be expected from the partner procedures and what not. Furthermore, it is of utmost importance for the MFA to have both human and financial resources available to influence project planning/design at an early stage. This would be helpful in ensuring that development policy objectives that are not considered negotiable are adhered by the donor and recipient country partners. There is always a trade-off: The more MFA relies on donor partner procedures, the less opportunity there will be for MFA to implement its own policies.

(5) In the concrete case of the SNGS/-EP, very good technical results have been achieved. Their sustainability is currently being jeopardized by a partial IT hardware failure at the NGD. This is purely a technical problem that should be solvable. Therefore, MFA should consider providing limited support to help NGD overcome the server back-up problem by possibly taking back-up tape to Vietnam for recovery and transfer onto another data support. This could provide a serious boost to sustainability of the achieved SNGS results. For future projects with a similar technological focus, the project design should take necessary institutional and capacity adjustments into account to avoid the strong TA dependency that was created in the SNGS and SNGS-EP, where most of the server maintenance relied on TA experts until the end of the project.

## **Recommendations to NGD / GoL**

(1) If the objective for the NGD is to become a provider of national information services, it has to develop from a mapping and surveying administration into a service-oriented organisation. NGD needs institutional development to generate the required roles in service development and management, as well as the underlying support roles such as communication and IT.

(2) Professional-level capacity IT is indispensable for the NGD. In the future, NGDs products and possibly services will unavoidably become more and more digital. Therefore, the NGD has to become digital and should establish a proper IT Division, staffed with professional IT staff for database, network, server, and web / portal development.

(3) The Government of Laos should start acknowledging the importance of national spatial data for the development and management of its national resource base. Current policies do not yet reflect the fundamental role of spatial data. The GoL should consider spatial data as an essential ingredient to effective sectoral planning and management.

(4) Beyond simply acknowledging the general importance of spatial data, the GoL should recognize that producing, updating and disseminating of national spatial base data are important inputs to the various sectors of the economy and represent a sovereign task, and as such, requires a recurrent budget. The GoL should avoid relying on donor funds (which may or may not come forward) for a sovereign task.

## **Recommendations to WB and DoF/MAF**

(1) It is recommended that in the design of the Additional Financing for SUFORD-SU the partners address the findings, conclusions and recommendations of the Synthesis Evaluation. There is a need to pay proper attention to securing the sustainability of project achievements, particularly at community, district and provincial level. A higher share of project resources should be targeted to the capacities and livelihood benefits at the community level. Lifting of the logging ban would be needed to verify the potential of PSFM system to sustain itself with domestic financing.

## **ANNEX 1 TERMS OF REFERENCE**

31.1.2019 (updated 26.2.2019)

Unit for Eastern Asia and Oceania, Ministry for Foreign Affairs of Finland

### **Terms of Reference for the Synthesis Evaluation of the projects**

#### **Technical Assistance Scaling-up Participatory Sustainable Forest Management Project (SUFORD-SU)**

**And**

#### **Strengthening National Geographic Services in Lao PDR (SNGS) and its extension phase (SNGS-EP)**

### **1. Background to the evaluation**

#### **1.1. Context**

The Lao PDR is a land-locked country with a population of some 7 million people. It has achieved impressive economic growth over the last years much, largely on the back of export-oriented policies based on the exploitation of natural resources such as mining, timber, rubber and hydropower. According to the Asian Development Bank, in 2019 the projected GDP growth is 6.9 percent and GDP per capita reached US\$2,457 in 2017. GNP more than doubled from 2000 to 2008. This growth has resulted in poverty reduction: the official proportion of poor people fell from 46 percent in 1992 to 23.2 percent in 2012 (however, 33,9 % are still estimated to live with less than USD 1,25 per day). Lao PDR has also made steady progress in raising overall human development and achieved the Millennium Development Goal (MDG) of halving extreme poverty by 2015.

In spite of its growth and progress, Lao PDR still faces major vulnerabilities and challenges: more than 70% of the population still lives from subsistence farming. Inequalities are on the rise and there are widening gaps between rich and poor, women and men, ethnic groups, and residents of different regions of the country particularly among ethnic groups living in remote, mountainous and forested areas. Much of the growth is not redistributed or reinvested in the country and currently FDI have limited broad gains in the domestic economy. Furthermore, Lao practices of its natural resource exploitation face a real sustainability challenge, while the economy is exposed to volatile commodity prices.

Laos aspires to graduate from its Least Developed Country (LDC) status by 2020 and to become a 'Rule of Law' state with national legislation and enforcement progressively aligned with international legal obligations, including universal human rights standards. The Government attaches high importance to its membership within ASEAN. Lao PDR boasts good development results, but with no signs of willingness for political reform.

#### **1.2. Finland-Lao PDR development partnership**

The bilateral development cooperation programme between Finland and Laos started in 1994 in the forest sector. In total, Finland has provided bilateral support to the Government of Laos in total volume of 58 MEUR of which 27 MEUR was provided to the forest sector. Due to the austerity measures taken by the Government of Finland to respond to the needs to cut down

public spending in 2016, the Government of Finland made a decision to end its bilateral cooperation with the Government of Lao PDR as part of scaling down of the Mekong Programme. The last bilateral programmes in Lao PDR were the Environmental Management Support Programme EMSP and the Strengthening National Geographic Services in Lao PDR SNGS and its extension phase SNGS-EP. In addition, Finland provided the TA services until mid-2017 to the Scaling-up Participatory Sustainable Forest Management project (SUFORD-SU). The regional Environment and Energy Partnership Programme EEP, Phase II had its project office in Lao PDR until December 2018. EEP II closes in April 2019.

Finland's regional Mekong programme comprised, at its height, 16 ongoing interventions that include regional programmes and bilateral programmes in Laos and Cambodia. The weak governance of natural resources, which is the problem behind unsustainable development in the region, was not easily developed through regional initiatives, but also required bilateral interventions that worked directly on national legislations and capacity to implement regulations. In Laos, the bilateral programmes' focus revolved around natural resources management, spatial planning and good governance tying the EMSP, SUFORD and SNGS together thematically. The programme was managed in the Embassy of Finland in Bangkok until January 2015 when the management was moved to the Embassy of Finland in Hanoi.

As an accountability measure, the Ministry for Foreign Affairs has decided to commission a synthesis evaluation of its support to SUFORD-SU and its predecessors and to SNGS. A final evaluation of the EMSP has already been conducted in 2015 and EEP will be evaluated separately in 2019.

Support to the forestry sector through SUFORD-SU and the preceding programmes in Lao PDR has been one of the major investments of Finnish ODA to the forestry sector. Therefore, beyond evaluating the SUFORD-SU, the evaluation team is also expected to conduct a synthesis based primarily on the existing documentation, reviews and evaluation of not only the SUFORD-SU, but also the programmes preceding it (FOMACOP, SUFORD, SUFORD AF).

### **1.3. Description of the programmes to be evaluated**

#### SUFORD-SU

Lao PDR is a mountainous country, known in the past for its rich forests and biodiversity. In recent decades, however, significant deforestation and forest degradation has occurred. The "Scaling-up Participatory Sustainable Forest Management" (hereafter SUFORD) was the fourth in a series of projects funded by the Government of Finland, the World Bank, and the Government of Lao PDR. The focus of this long running support to the sector has been on developing participatory sustainable forest management in Lao PDR and expanding it nationwide. Participatory sustainable forest management is a concept where communities living in or adjacent to Production Forest Area manage the forest jointly with the forest authorities or on their behalf.

The series of SUFORD projects is an example of an exceptionally long-term commitment by the donors and the partner country to the development of a sector at a scale that matters. The programme is extraordinarily large covering currently most of Lao PDR. The work started in 1995 in 60 villages and on 100.000 ha in two provinces. But by 2016 the scope has become almost nationwide with 2.3 million ha of Production Forests in 13 (out of 17 provinces) covered and with 1,090 villages involved in project activities.

Finnish support to the forest sector in Lao PDR started in 1995 with the Forest Management and Conservation Project (FOMACOP), which piloted an approach to participatory management of production forests called 'Village Forestry'. The FOMACOP was evaluated by several experts

as a very successful project. It was also evaluated by the Evaluation of Finnish Forest Sector Cooperation of 2003. According to the evaluation, FOMACOP represented a piloting of new approaches in Lao PDR. It notes that through FOMACOP, MFA had played a significant role in difficult and politically sensitive “journey” of village involvement in SFM (Sustainable Forest Management). Also, the partnership experiment between World Bank and Government of Finland through FOMACOP had been successful. In addition, an initiative to pilot Criteria and Indicators for SFM and certification was linked to and emerged out of FOMACOP.

From 2004 through 2008 the initial phase of the Sustainable Forestry for Rural Development (SUFORD) Project was implemented in the form of parallel financing with the World Bank, undertaking Participatory Sustainable Forest Management (PSFM) in Production Forest Areas (PFA). The SUFORD project supported PSFM in four provinces (Savannakhet, Khammouane, Saravane, and Champassack). In 2009, SUFORD was expanded as SUFORD Additional Financing (SUFORD AF) into five more provinces (Bolikhamxay, Vientiane, Sayaboury, Attapeu, and Sekong). The forest sector in Laos was also supported by Finland via a regional project managed by RECOFT.

**The SUFORD Project**, through both its original and AF phases, has contributed substantially to the development of a Participatory Sustainable Forest Management system for Lao PDR’s production forests. **SUFORD project's the efforts support work in over 1.2 million hectares, or approximately one-third, of the total national production forest area.** The project clearly demonstrates the added-value of donor support, which enabled this work to be done more quickly, in a far more comprehensive manner, with higher-quality results. The Finnish added-value can be seen in project activities, especially related to commercial (production) forest management, forest inventory, forest information systems, forest certification, and REDD issues.

After the SUFORD-AF, the Government of Finland decided to continue supporting the forestry sector in a new phase, Scaling-up Participatory Sustainable Forest Management project (SUFORD-SU), to be the final phase concluding Finland's support to the forest sector in Lao PDR. The SUFORD-SU project was to be implemented from 2013 to 2018. As in the earlier phases of SUFORD, the project continued the parallel financing set-up where MFA provides technical assistance (TA) and the WB manages IDA/FIP operational funds. The total budget was USD 53.66 million of which USD 19 million was IDA grant and USD 12.83 is FIP/SCF Grant. The MFA contribution was EUR 10.9 million and the contribution from the Government of Lao PDR is USD 7.33 million. Technical assistance was provided by Indufor. However, due to the austerity measures taken by the Government of Finland to respond to the needs to cut down public spending in 2016, the Government of Finland made a decision to end its funding to the SUFORD-SU TA project before the originally planned year 2018. The Finnish Government funding to SUFORD-SU ended in mid-2017. To facilitate and guide the closure of SUFORD-SU TA project, an exit plan was prepared by an external consultant.

The overall objective of the SUFORD-SU TA Project was to institutionalize “improved forest governance and environmentally, socially and economically sustainable forest management practices for the mitigation of climate change, protection of biodiversity and enhancing contribution of forestry sector to national and local economies and poverty reduction”. The Project Development Objective was to contribute to national REDD+ efforts to reduce carbon emissions from forests by expanding the national program of Participatory Sustainable Forest Management (PSFM) in Production Forest Areas (PFAs) and developing and piloting Landscape-PSFM in four provinces.

The following key results were expected:

- Expanded areas brought under PSFM;
- More effective implementation of existing PSFM plans;
- Landscape approach to PSFM in Lao PDR developed and agreed;
- Increased number of people with monetary and non-monetary benefits from forests;
- Decreased rate of forest cover loss in project areas compared to unmanaged areas;
- Enhanced carbon storage from assisted natural regeneration and forest restoration;
- Reduced emissions from deforestation and forest degradation in project areas, and
- Community management of village forest resources strengthened.

The main project beneficiaries were the communities involved in field implementation of project activities, and the Government of Lao PDR through improved quality of forest management, and revenue collection. Other direct beneficiaries included district, province and national forestry, and other government institutions and staff, who received support and training. All villages within project PFAs, those adjacent to them, and those located in Protection and Conservation forest areas from landscape pilot initiatives were to benefit from a diversity of expanded livelihood opportunities.

After the closure of the Finnish support to the project, the World Bank has continued to fund SUFORD- SU and as part of the implementation and closure of the project, a Borrower's Completion Report (BCR) is currently being prepared based on which the World Bank will prepare an Implementation Completion Report (ICR). The BCR/ICR is expected to be available in April/May 2019.

#### SNGS and SNGS-EP

The Government of Finland commenced its support to the Lao National Geographic Department (NGD) in 2010 under a project named "Strengthening National Geographic Services in Lao PDR (SNGS)". With a total budget of the first phase of 6.5 Million Euros, including a 0.5 Million Euro in-kind contribution from the Government of Lao PDR, the project covered an area of 71.000 Square Kilometres in the southern part of the country including the provinces of Savannakhet, Saravan, Champassak, Xekong, Attapu and part of Khammouan province. The extension phase of the project was implemented from October 2014 to December 2015 with Finnish funding of 1,23 MEUR of which 1 MEUR was new funding and the rest transferred from the original phase. The overall (long-term) objective of the SNGS- EP was that Lao PDR will have a functioning National Spatial Data Infrastructure (NSDI). During the extension phase, maps were produced also from the Northern parts of the country.

According to a Prime Ministerial Decree at the start of the project, the responsibility of NGD was "to promote economically and environmentally efficient surveying, aerial photography and topographic mapping activities".

Aligning with this, the overall objective of the project was to reduce poverty and improve land management, sustainable natural resources management and good governance through support to development of national spatial information services. The project purpose was to provide support to the NGD to create, maintain, manage, provide and distribute reliable geographic data services to public and private stakeholders/clients and to plan, budget and manage its information services in the country.

SNGS and SNGS-EP were designed to be highly TA-intensive, in order to address an identified capacity gap within the country's related institutions. NGD was responsible for the project implementation while TA was provided by FinnMap International Oy. The project consisted of three main components: Component 1: Service Policy Development in the National Geographic Department; Component 2: Technical Capacity Building of the National Geographic Department; Component 3: Aerial Photography, survey and Production of Ortho-photo and Topographic Maps and Satellite Image and Establishing a NSDI. The Extension phase had three components:

1. Data Production, Management and Maintenance
2. Data sharing, dissemination, marketing and awareness raising
3. Development of the regulatory framework

With the support of the SNGS project, new digital topographic maps have been produced as well as an open aerial photography database, which covers over 70% of the land. It has substantially increased technical and institutional capacity of the partner organizations (National Geographic Department, NGD, and surveying and Mapping Centre, SMC). High resolution digital orthophoto (1:5,000) and topographic (1:50,000) maps are unique products in Lao PDR.

## EMSP

EMSP, commenced in October 2010, was a continuation of SIDA's two-phased Strengthening Environmental Management (SEM) programme. The total budget of the programme (Oct 2010-Sep 2014) was EUR 9 960 000, of which 460 000 € was contributed by the Government of Laos (GOL) (162 000 € cash, the rest as in kind contribution), and EUR 9 500 000 by the Government of Finland (GOF). Comparative to Finland's other programmes in the region; a special characteristic of EMSP was that in addition to TA (5.2 M EUR), Finland provided on-budget financial assistance for programme management and running cost through the Ministry of Finance (4.3 M EUR). This financial arrangement was adopted from SEM.

The programme started with WREA as the main implementing agency, later merged into the new Ministry of Natural Resources and Environment (MONRE) after only the first year of the programme. This led to serious implementation delays and necessary changes due to the unclarities on mandates and weak capacity of the newly formed ministry. The TA team was given more responsibilities on management as MONRE was still working out its structures, responsibilities of different departments and administrative capacity.

The Overall Objective of EMSP as defined in the Project Document was "*[t]o prevent unacceptable damage to the environment, environmental health and the livelihoods of people affected by large scale development projects and strategic plans implemented in Lao PDR*". The main programme purpose was to strengthen WREA [then MONRE] and the provincial environmental authorities to become more sustainable, qualified, interactive, and capable of using updated tools and methods in ensuring a) that environmental aspects are merged into national strategic plans and that WREA's [currently MONRE's] role in this is recognized by Ministry of Planning and Investment and other concerned line ministries (Component 1), b) that the social and environmental impacts of major mining, hydropower, industrial and infrastructure projects are properly regulated and monitored by WREA and PWREOs [currently MONRE and Provincial Department of Natural Resources and Environment] (Components 2, 3 and 5), c) the delivery of relevant environmental messages and information services to WREA

partners and stakeholders (Component 4), d) the provision of environmental laboratory services (Component 5) and e) the financial sustainability (Component 2 and 5).

With the support of Finnish development cooperation projects, Laos' administration in the environment sector has been strengthened. Development has been made in e.g. environmental permit procedures, regional planning and waste management, and to promote environmental awareness.

As a final evaluation of EMSP has already been carried out, the evaluation team is not expected to evaluate the programme, only to benchmark the programmes being evaluated against the EMSP.

## **2. Rational, purpose and objectives of the evaluation**

The purpose of this synthesis evaluation is to provide independent and objective evidence to the Ministry for Foreign Affairs of Finland on the achieved results in the two projects and their sustainability. In addition, this evaluation is expected to provide recommendations and lessons learnt to guide the planning and implementation of projects in similar contexts funded by the MFA, especially where substantive TA inputs for capacity building to Government institutions are included. In the case of SUFORD, the evaluation is also expected to assess the parallel financing set-up with financing from the Government of Finland, the World Bank and the Government of Lao PDR.

## **3. Scope of the evaluation/synthesis report**

The main focus of the synthesis evaluation is on the SUFORD-SU and the SNGS and SNGS-EP. However, the synthesis report part based on primarily a desk study<sup>65</sup> should also cover the projects FOMACOP, SUFORD and SUFORD AF and give an overall view of the Finnish support to the Lao forest sector in the last two decades. In addition, the two programmes, especially SNGS, should be compared and benchmarked against the Environment Management Support Programme (EMSP). The traffic light system is only required to be used for SUFORD-SU and SNGS(-EP), but can be used for all projects. The team should not duplicate work done by the World Bank or previous evaluations.

The field work will be carried out in Lao PDR both in Vientiane and in the field. In the work plan, the Consultant should indicate the tentative field visits outside of Vientiane, and in the inception report, a more detailed plan for the field mission should be presented. At least two provinces where the programmes have been implemented should be visited.

The stakeholders to be consulted include at least Finnish and Lao Government officials, World Bank staff, TA team members and beneficiaries of the programmes. Other donors active in the sector should also be consulted. A more detailed view of the stakeholders can be discussed in the kick-off phase.

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<sup>65</sup> If needed, the team can fill information gaps related to the earlier phases in the field phase, but this should be limited to the most important issues.



#### **4. Issues to be addressed and evaluation questions**

While the evaluation questions below indicate the priority issues under each criterion, the evaluation team should not limit the evaluation to these questions only. More detailed evaluation questions will be presented in the inception report. Emphasis should be on assessing impact, effectiveness, sustainability and added value of the programmes.

##### **Impact**

- How well have the programmes succeeded to make progress towards achieving their overall objective(s)? The promotion of human rights-based approach and cross-cutting objectives of Finland's development policy should be assessed as well.
- What are the intended and unintended, long term and short term, positive and negative impacts of the two programmes?
- Considering the politico-administrative context in the LAO PDR, has the contribution to capacity building of Government institutions led to increased capacity of those institutions?

##### **Effectiveness**

- To what extent is the quality and quantity of the produced results and outputs in accordance with the plans?
- Are the results/outputs applied by the beneficiaries and other intended stakeholders?

##### **Sustainability**

- To what extent have the programmes achieved sustainable results?
- What are the possible strengths/weaknesses/opportunities/threats that enhance or inhibit sustainability of project achievements including cross-cutting objectives?
- To what extent are the implementing partners committed to maintaining the achieved results?
- Are the government institutions utilizing the tools and methods gained in the programmes in their work?

##### **Added value**

- What is the added value provided by the Finnish support, especially in SUFORD-SU, with reference to advocacy and policy influencing, capacity building to authorities and village development?

##### **Relevance**

- To what degree were the projects consistent with the policies of Lao PDR and Finland? Have some relevant policies or an overall situation in the sector been changed during the implementation of the programmes and if so, have the projects been able to re-orient themselves accordingly?
- To what extent are the various stakeholders and interest groups satisfied (incl. people at the community/village level) with the results of the projects? How well does the project respond to the needs of all beneficiaries identified at the beginning of the projects?

## **Efficiency**

- How well have the various activities transformed the available resources into intended results in terms of quantity, quality and time? Can the costs of the Programme be justified by the results?

## **Coordination, complementarity, coherence/ aid effectiveness**

- How well has the Finnish support and the World Bank financing complemented each other in SUFORD?
- Have SUFORD-SU, SNGS and/or EMSP complemented each other?
- How well have the programmes promoted ownership, alignment, management for development results and mutual accountability?

## **5. Methodology**

The choice of methodology will be left to the evaluation team to propose in the inception report. With the aim of having an objective and independent evaluation, the team is expected to conduct the evaluation according to international criteria, and professional norms and standards adopted by the MFA (see annexes). The methodology defines methods of data collection and analysis. It is expected that multiple methods are used, both qualitative and quantitative. However, for the synthesis part of the report, the team may heavily rely on existing written documentation. Consultations with the relevant partners and stakeholders will be conducted. These include Finnish and Lao government officials, members of the TA team and final beneficiaries of the Programme.

Validation of results must be done through multiple sources. The evaluation shall demonstrate how triangulation of methods and multiple information sources are used to substantiate the findings and the assessment. Data shall be disaggregated by relevant categories. The evaluation must be gender and culturally sensitive and respect the confidentiality, the protection of the sources and dignity of those interviewed.

The evaluation is expected to summarize the evidence-based findings of the overall performance of the project under each OECD evaluation criteria using a four level grading system: (4/green = very good), (3/yellow = good), (2/orange = problems) and (1/red = serious deficiencies). The overall performance grading must reflect the findings of all evaluation questions under each evaluation criteria. The “traffic light system” is not required to be used in the synthesis of the previous phases of SUFORD.

## **6. The evaluation process and time schedule**

The evaluation is expected to be conducted in March/April–September/October 2019. The starting date of the work can be mutually agreed once the release date of the BCR/ICR is known. The evaluation will include inception and desk study phases, limited field work and reporting. Field work will take place in Vientiane and in provinces selected in the inception phase.

The evaluation team will submit a work plan with curricula vitae of the team members for MFA’s approval within two weeks of receiving the ToR. The work plan includes roles and division of working days among experts, and a plan for quality assurance.

The emphasis of the work is on the desk study phase. Beyond evaluating the SUFORD-SU, the evaluation team is also expected to conduct a synthesis based primarily on the existing documentation, reviews and evaluation of not only the SUFORD-SU, but also the programmes preceding it (FOMACOP, SUFORD, SUFORD AF).

The assignment will begin with a kick-off meeting with the MFA. It is preferred that the Team Leader is present in person in Helsinki or Hanoi. Otherwise the Consultant should ensure a good quality video connection between MFA and team members in Helsinki and the rest of the team. It is not mandatory for the national experts to participate in the kick-off.

The MFA will provide background documents for the desk study phase. However, the evaluation team should also search for additional relevant documentation and the team is ultimately responsible that they have the necessary information at hand.

When the evaluation team has submitted an inception report and before the field mission, an inception meeting will be held between the team and the MFA. The Embassy in Hanoi will be connected via video link. The team is expected to present the inception report in the meeting and at least the Team Leader is expected to be in person in Helsinki or in Hanoi. However, if the Team Leader was present in Helsinki or Hanoi in the kick-off, he or she can join via videolink in the inception meeting.

At the end of the field mission, the team should organize a validation or debriefing workshop to stakeholders in Lao PDR. MFA or the Embassy of Finland in Hanoi are not able to assist the practical organization of the workshop.

After the submission of the draft final report, the team is expected to present the evaluation results to the MFA. Team Leader is preferred to be present in Helsinki for the presentation but the presentation can be organized via videoconference as well.

Tentative brief outline/dates, subject to change:

- Kick-off in late March or early April
- Approximately 4 weeks for the desk review inception report to the MFA by 30 April
- Inception report meeting and presentation to the MFA and Embassy on 15 May
- 1,5 weeks in the field mission after the approval of the inception report by the MFA; field work and interviews and drafting, until 14 June
- Debriefing of the field mission in Lao PDR during the field mission by 14 June
- Draft report to the MFA by 31 July
- Presentation of the evaluation report, meeting with the MFA and Embassy in Helsinki (via videoconference) by 30 August
- 2 weeks finalizing the evaluation report after receiving the MFA's comments. The final report is expected to be delivered to the MFA by 15 September 2019
- A public presentation of the results of the evaluation in the fall of 2019 in Helsinki

Alternatively the work can start earlier in the spring and the team will incorporate the latest BRC/IRC in the drafting phase after the field mission.

## **7. Expertise required**

The evaluation team is expected to consist of:

- Two international experts, one of them nominated as a Team Leader with a proven track record of having carried out evaluations successfully as a Team Leader.

- National expert(s) with good skills in Lao.
- The team can also have an emerging evaluator.

The evaluation team shall ensure solid experience and knowledge in the following fields:

- Programme evaluations in the forestry sector. At least one international team member should have strong experience in ex-post evaluations.
- Forestry development
- Land management
- Geographic Information Systems (GIS)
- Legal/policy work related to natural resources management
- Participatory sustainable forest and landscape management
- Village/community forestry
- Forest law enforcement and governance.
- Integrating cross cutting objectives in project planning, implementation, monitoring and evaluation: promotion of human rights and gender equality, reduction of inequalities and climate sustainability

In addition, the Consultant shall appoint a person outside of the evaluation team to be responsible for the quality assurance of the evaluation. That person must have solid experience in quality assurance of evaluations.

The team members and the person responsible for quality assurance must not have been involved in the planning or the implementation of the programmes evaluated or in the implementing organisations. This applies to the sub-projects and other activities financed by the programmes and the organizations implementing these. The team members must not have been involved in the planning, management or monitoring of the Programme in the Ministry for Foreign Affairs of Finland or the Embassy of Finland in Bangkok and/or Hanoi.

## **8. Quality assurance**

The evaluation team is expected to propose and implement a quality assurance system for the evaluation. The proposal must specify the quality assurance process, methodology and tools.

During the evaluation, the MFA may commission an independent peer reviewer who may review the draft inception report and/or the draft final report.

## **9. Reporting**

The evaluation team is requested to submit the following deliverables:

- Work plan
- Inception report (max. 25 pages)
- Draft final report
- Final report (max. 50 pages excl. annexes), including the synthesis of the BRC/IRC findings of earlier phases of SUFORD

Inception report: Before fieldwork and based on the desk study, the evaluation team shall present an inception report including initial findings and conclusions of the desk study, detailed

and updated work methodologies, a work plan with planned field sites, detailed division of labour within the evaluation team, a list of major meetings and interviews planned for the field visits, and detailed evaluation questions linked to the evaluation criteria in an evaluation matrix. The inception report should also include a context analysis.

The outline of an inception report can be found in the MFA Evaluation Manual through the following link: <https://eoppiva.zapter.io/evaluationmanual2018>

Draft final report of the evaluation will be submitted to the MFA s agreed based, preferable within three weeks of the field mission but more time may be allocated due to possible holiday seasons. It will combine the desk study and the field findings. which should incorporate comments received during the wrap-up meeting. Comments may be either accepted or rejected as an independent evaluation mission but the clear explanation by the team needs to be given in case of rejection.

The MFA will submit comments to the report, which will then be revised based on these comments. The outline of the final report is attached to this ToR.

The final report shall be submitted to the MFA in two weeks after receiving the comments on the draft final report. The final report should not exceed 50 pages (plus annexes) and it should present clear findings and conclusions as well as recommendations and any lessons learned following logically the findings and conclusions.

Language of the deliverables is English. In addition, the executive summary of the evaluation should be translated to Lao. The consultant is responsible for good quality translation.

Each deliverable is subjected to specific approval. The evaluation team is able to move to the next phase only after receiving a written statement of acceptance by the MFA.

## **10. Budget**

The Consultant shall be responsible for the hiring of the personnel and financial management. The Consultant shall also take the responsibility of providing adequate backup services to the evaluation team.

The total available budget for this evaluation is [EUR] 101 500 (excluding VAT) as a lump sum budget, which cannot be exceeded. The budget will include the fees of the experts and the reimbursable costs as well as any other costs incurred by the Consultant in relation to the assignment. In addition, an option for [EUR) 13 500 (excl. VAT) additional budget is reserved if additional needs not included in the ToR arise during the implementation of the evaluation.

## **11. Mandate**

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organizations. However, it is not authorized to make any commitments on the behalf of the Government of Finland, those of the partner countries or on behalf of the implementing organisations, or present itself as a representative of the Governments of Finland or Lao PDR or of the implementing organisations.

## 12. Annexes

1. MFA's Evaluation Manual, to be found at <https://eoppiva.zapter.io/evaluationmanual2018>
2. Outline of the evaluation report
3. Checklist for the quality of the evaluation report
4. Tentative list of materials for the desk study

## **Annex 2: Outline of an evaluation report**

The quality criteria of an evaluation report have been defined by the OECD/DAC and the EU (see table 11 of the manual). The main components of an evaluation report are outlined below. The outline is not compulsory, but intended as a guideline in defining the appropriate table of contents for a specific evaluation. It is recommended that based on this general outline, the evaluators propose a report outline e.g. in their Inception Report.

### **EXECUTIVE SUMMARY**

- Providing an overview of the report, highlighting the main findings, conclusions, recommendations and any overall lessons.
- Includes a summary table presenting main findings, conclusions and recommendations and their logical links
  - Relevance: findings – conclusions – recommendations
  - Impact: findings – conclusions – recommendations
  - Effectiveness: findings – conclusions – recommendations
  - Efficiency: findings – conclusions – recommendations
  - Sustainability: findings – conclusions – recommendations
  - Etc.

### **INTRODUCTION**

- Evaluation's rationale, purpose and objectives, scope and main evaluation questions

### **DESCRIPTION OF THE CONTEXT AND THE EVALUATED PROJECT/PROGRAMME**

- Description of the broader context and its influence on the performance of the project/programme.
- Introduction of the intervention being evaluated: objectives including the cross-cutting objectives, implementation strategies, resources for implementation.
- Introduction of the stakeholders and their roles, including both final beneficiaries and involved institutions

### **KEY FINDINGS**

- Empirical data, facts, evidence relevant to the indicators of the evaluation questions.
- Overall progress in the implementation.
- Findings by evaluation criteria / issue (e.g. Relevance, Impact, Effectiveness, Efficiency, Sustainability)

### **CONCLUSIONS**

- The evaluators' assessment of the performance of the project/programme based on the findings in relation to the set evaluation criteria, performance standards or policy issues (e.g. Relevance, Impact, Effectiveness, Efficiency, Sustainability)

### **RECOMMENDATIONS**

- Proposed improvements, changes, action to remedy problems in performance or to capitalise on strengths. Recommendations are based on the findings and conclusions. There should be a clear indication of
  - o to whom is the recommendation directed (MFA, partner institutions, consultant providing support services, etc.)
  - o who is responsible for implementing the recommendation, and
  - o when the recommendation should be implemented.

**NOTE:** Findings, conclusions and recommendations are summarized in a table in the Executive Summary of the evaluation report.

### **LESSONS LEARNED**

- Are there any general conclusions that are likely to have the potential for wider application and use?

### **ANNEXES**

- The ToR
- Description of the evaluation methodology used
- Limitations of the study
- Lists of information sources e.g. people interviewed, documents reviewed, etc.
- Quality assurance statement produced by the quality assurance mechanism used
- 1-2 page evaluation brief for communicating the evaluation results, including
  - o The key message of the evaluation,
  - o Who has benefitted and what are the most important positive results,
  - o Any unexpected impacts,
  - o Key recommendations and lessons learned.



## **Annex 3: Evaluation report quality checklist (OECD/DAC and EU standards)**

### **Executive summary**

- contains a clear and representative executive summary of the report
- summarises the main findings, conclusions, recommendations in a summary table
- presents overall lessons learned

**NOTE:** The executive summary is the part of the evaluation report that will be read most often. That is why its high quality is very important!

### **Context**

- describes the context of the development programme
- assesses the influence of the context on programme performance

### **Intervention logic**

- describes and assesses the intervention logic (e.g. in the form of a logical framework) or theory
- describes and assesses the underlying assumptions and factors affecting the success of the programme
- takes into account the evolution of the programme

### **Sources of information**

- describes the sources of information (documents, interviews, other) used so that the adequacy of the information can be assessed,
- explains the selection of case studies or any samples,
- cross-validates the information sources
- critically assesses the validity and reliability of the data

### **Methodology**

- annexed to the report explains and justifies the evaluation methodology and its application, including techniques used for data collection and analysis
- explains limitations and shortcomings, risks and potential biases associated with the evaluation method

### **Analysis**

- presents clear analysis covering findings, conclusions, recommendations and lessons separately and with a clear logical distinction between them.
- makes explicit the assumptions that underlie the analysis.

### **Answers to ToR evaluation questions**

- answers all the questions detailed in the TOR for the evaluation
- covers the requested period of time, and the target groups and socio-geographical areas linked to the programme
- if not, justifications are given

### **Limitations**

- explains any limitations in process, methodology or data, and discusses validity and reliability
- indicates any obstruction of a free and open evaluation process which may have influenced the findings
- explains any discrepancies between the planned and actual implementation and products of the evaluation

**Differences of opinion**

- acknowledges unresolved differences of opinion within the evaluation team

**Stakeholders' comments**

- reflects stakeholders' comments on the report and acknowledges any substantive disagreements

## **Annex 4: Tentative list of materials for the desk study**

### **SNGS**

Agreement between the Government of the Republic of Finland and the Government of Laos on "Strengthening National Geographic Services in Lao PDR", 3.2.2010, and its amendments  
Project Document for Strengthening National Geographic Services in Lao PDR, 8.1.2010 and logical framework

Inception report, January 2011 Annual Work Plans 2011-2012 Annual Reports 2011-2013

Financial Reports 2011-2013

Completion report 2010-2014, 3.6.2015

Steering Committee meeting minutes and materials Minutes of the kick-off meeting, 21.10.2010

The Geospatial cooperation in Lao PDR Seminar/Workshop, Report and discussion notes 31.1.-1.4.2011

SNGS Client/User Survey, interim report, July 2012

Report on Digital Aerial Photography in the Central Part of Lao PDR, April 2013 Mid-Term Review report 2012

Steering Committee Response for Mid-Term Review Final Report Recommendations, 30.10.2012

Maanmittauslaitoksen matkaraportti väliarvointimission matkalta 31.8.2012

### **SNGS-EP**

Agreement between the Government of the Republic of Finland and the Government of Laos on the Co-operation in the project "Strengthening National Geographic Services in Lao PDR", 1.9.2014

Draft Programme Document, SNGS Programme Extension, February 2014 Appraisal report of SNGS extension, 26.7.2014

SNGS Annual Workplan 2014

Draft Project Completion Report, October 2014 – December 2015, February 2016 and its annexes (13 in total)

MFA comments to Draft Completion Report as the Final Completion Report was never delivered

### **SUFORD-SU**

Agreement between the Government of the Republic of Finland and the Government of the Lao PDR on the Cooperation in the Scaling-Up Participatory Sustainable Forest Management Project, 14.10.2013

Cooperation in Forest Sector in Lao PDR 2013-2016, Project Identification Report, Final Concept Note, October 2011

Sustainable Forest Development - Sustainable Financing Phase Project, SUFORD-SF 2013-2016, Draft Programme Document 12.7.2012

Sustainable Forest Development - Sustainable Financing Phase Project, SUFORD-SF 2013-2016, Draft Programme Budget 12.7.2012

Scaling-Up Participatory Sustainable Forest Management Project, Final Draft Project Document, Technical Assistance, 8.5.2013

SUFORD SU Inception / Quarterly Report no 1, April 2014

MEMORANDUM SUFORD-SU Team Response to World Bank and Ministry for Foreign Affairs Comments on Inception Report 10.10.2014

Annual and semiannual reports

SUFORD Scaling Up Annual Work Plans for FY 2013-2014, 2014-2015, 2015-2016, 2016-2017  
Mid-Term Review Report, 30.10.2015

Report, Inputs to the preparation of an exit plan for Finland's early withdrawal of TA Support to SUFORD-SU Basis for Informed Decision Making Briefing notes prepared by SUFORD-SU team, December 2015 (prepared by Niras Finland)

PROJECT COMPLETION REPORT Scaling Up Participatory Sustainable Forest Management Project (SUFORD-SU), November 2017

### **World Bank documentation on SUFORD-SU:**

Project Appraisal Document on a Proposed IDA Grant in the Amount of SDR 12,7 Million and Strategic Climate Fund-Forest Investment Program Grant in the Amount of USD 12,38 Million to the Lao People's Democratic Republic for a Scaling-Up Participatory Sustainable Forest Management Project 24.2.2013 (World Bank) and Results Framework

Implementation Completion and Results Report: Lao People's Democratic Republic - Sustainable Forestry for Rural Development Project, June 28, 2013, ICR2434

Implementation Completion Report Review: Laos - Sustainable Forestry For Rural Development Project, October 20, 2014, ICRR14456

Project Performance Assessment Report, LAO PEOPLE'S DEMOCRATIC REPUBLIC SUSTAINABLE FORESTRY FOR RURAL DEVELOPMENT PROJECT, May 3, 2018

AIDE MEMOIRE International Development Agency (IDA) and the Forest Investment Program (FIP), Climate Investment Fund (CIF): SCALING -UP PARTICIPATORY SUSTAINABLE FOREST MANAGEMENT PROJECT (SUFORD SU), P130222 and TF015286, 17-26 March 2014

Joint implementation support mission aide memoires, November 2014, May 2015, November 2015, May 2016, November 2016; May 2017

### **FOMACOP, SUFORD and SUFORD AF**

Programme documents

Mid-term reviews and final evaluations Completion reports

Available World Bank documentation, incl. BRCs and IRCs

### **EMSP**

Programme Document Annual reports

MTR report Completion report

ENVIRONMENTAL MANAGEMENT SUPPORT PROGRAMME IN LAO PDR, PHASE I, Final Evaluation Report, 21.5.2015

## **ANNEX 2 EVALUATION PROCESS, METHODOLOGIES AND LIMITATIONS**

In this annex, the evaluation approach, methodologies as well as limitations influencing evaluation activities are discussed.

The evaluation was conducted during **March-December 2019**. The evaluation process began with a methodology-focused inception phase. It was followed up by a desk review phase during which the team also conducted a large number of interviews with current and former staff members of MFA Finland, Embassies of Finland in Thailand and Vietnam, World Bank and TA teams of projects (home-based, work done in and from Finland and from Germany). Two reports were written, submitted and discussed with MFA and Embassy of Finland in Vietnam (an Inception Report and a Desk Review Report). The preparations for the in-country mission were completed in July and the in-country mission took place during 3-21 August 2019. The mission was followed-up by a data analysis and report writing phase (late August-September 2019). The final evaluation report was submitted to MFA in early December 2019.

### **Evaluation Team**

FCG International Ltd provided an **evaluation team of four experts**, namely Ms Kristiina Mikkola, International Team Leader (lead evaluator of the forestry projects), Mr Martin Schweter, International Senior Evaluator (lead evaluator of the mapping projects), Ms Mirka Wendt, International Junior Evaluator (evaluation of Cross-Cutting Objectives and Human Rights Based Approach) and Mr Phouvieng Phonasa, National Evaluator (inputs to entire evaluation process and practical arrangements for the in-country mission). In addition, Mr Sengphachanh Boualaphan provided interpretation services to the evaluation team in some meetings in Vientiane (1.5 days). Mr Vilakone Phongphayosith provided interpretation services to the team in meetings during the visit to Savannakhet province (5 days).

### **Rationale, purpose, scope and main objectives of the evaluation**

The **purpose of the synthesis evaluation** was to provide independent and objective evidence to the Ministry for Foreign Affairs of Finland (MFA) on the achieved results of two projects (SUFORD-SU and the SNGS and its Extension Phase) and their sustainability (TOR). The evaluation was also expected to provide recommendations and lessons learned related to the planning and implementation of projects in similar contexts funded by MFA, especially where substantive Technical Assistance (TA) inputs for capacity building to government institutions are included. In the case of SUFORD, the evaluation was also expected to assess the parallel financing set-up with financing from the Government of Finland (GoF), the World Bank (WB) and the Government of Lao PDR (GoL).

The **main focus** of the synthesis evaluation was on the SUFORD-SU and the SNGS and SNGS-EP. The synthesis part of the evaluation gives also an overall view of the Finnish support to the forestry sector in the Lao PDR in the past two decades. Therefore, the report also discusses the Forest Management and Conservation Project (FOMACOP), Sustainable Forestry and Rural Development Project (SUFORD) and Sustainable Forestry for Rural Development Project Additional Financing (SUFORD-AF). The TOR also emphasised that the team should not duplicate work done by the World Bank or previous evaluations.

The TOR expected that the two projects would be compared and **benchmarked** against the Environment Management Support Programme. During the inception phase of the evaluation, the evaluation team, together with MFA, revised the scope of benchmarking. The benchmarking task was refocused to consist of comparison of the approaches of three projects (SUFORD-SU, SNGS and SNGS-EP and EMSP) and lessons learned from them, particularly in institutional capacity development.

The **emphasis of the evaluation was on assessing impact, effectiveness, sustainability and added value of the projects**. The evaluation was also expected to assess and give recommendations for:

- Synthesizing the results of the two decades long Finnish support to the forestry sector in Lao PDR and those of the SNGS and its extension phase. The evaluation of SUFORD, SUFORD-AF, and FOMACOP, however, is expected to be based primarily on written information sources and material from the World Bank that would be supplemented during the interviews and in the field for the most critical issues.
- Assessing the collaboration and coordination between MFA and WB in FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU and the institutional arrangements between them, and giving recommendations to the MFA with respect to similar arrangements in the future.
- Assessing the collaboration and synergies between SUFORD (-AF/-SU), SNGS (-EP) and EMSP and assessing the impact and effectiveness of providing capacity building support. MFA also expected recommendations regarding institutional capacity building in the light of the Institutional Cooperation Instrument of MFA.

Also, the following **issues were of specific interest** to the MFA:

- The impact of the 2015 decision to withdraw from Lao PDR to the results of the projects. This issue is especially relevant to SUFORD-SU because the TA support funded by MFA ended before the project itself ended due to the aid budget cuts.
- The implications of running the programmes in a country where the MFA is not present through an Embassy (vs. running them in a country with an Embassy)
- The assessment of the efforts and capability of the projects to support new partnerships with e.g. the private sector and NGOs.
- Recommendations for Finnish bilateral support to forest sector globally.

## Approach

The evaluation approach that was proposed in the Inception Report (IR) in May 2019 was followed throughout the evaluation process. Thus, the synthesis evaluation has analysed three projects – SUFORD-SU, SNGS (-EP) and EMSP - that together represent the end of Finnish grant-based bilateral support to Lao PDR. It has also drawn a synthesis of the lessons learned and main achievements of the more than 20 years long cooperation in the forestry sector between Government of Finland, the World Bank and Government of Laos.

The evaluation was **'ex-post'**, which allowed assessing impact and sustainability of project results and analysing the factors explaining success and failure. The ex-post character of the evaluation also meant that the evaluation was **complex**, in as far as it covered several programmes and phases of programmes and instruments over a significant period of time. The evaluation was generally **forward-looking**, aimed at guiding possible future Finnish cooperation in the forest and spatial information sectors globally. It was expected to provide recommendations to decision-makers for future programming and implementation of bilateral projects.

**Cross-cutting objectives and approaches in addressing and incorporating human rights** in the projects were assessed against the objectives of Finnish Government Development policies of 2007 and 2012. Additionally, with SUFORD-SU, the compliance with the World Bank Safeguard policies was of primary importance. The evaluation team built its assessment on the inclusion of the Human Rights Based Approach (HRBA) in Finland's Development Cooperation – Guidance Note 2015 (MFA, 2015). With respect to gender and social inclusion, the tool developed

by GEF was used. It is based on a rating system and criteria that lead into rating projects as gender-blind, gender-aware, gender-sensitive, gender-mainstreamed, or gender-transformative.<sup>66</sup> Key evidence for the evaluation of SUFORD-SU was provided by the Environmental and Social Impact Assessment (ESIA) reports of the World Bank produced as part of project preparation, and subsequently in the Draft Borrowers’ Completion Report (BCR, June 2019). The ESIA report for SUFORD-SU (April 2013) brought up lessons learned from previous SUFORD and SUFORD-AF projects in terms of involvement of participation of ethnic groups and women.

In SNGS and SNGS-EP, attention was paid to the availability and accessibility of the national geographic data to CSOs, ethnic groups and women and men in all provinces. In SUFORD-SU, views and specific issues of **women and ethnic groups** were included particularly through meetings with the Lao Front for National Development (LFND), Lao Women’s Union (LWU) at national, provincial and district level and by ensuring that women and different groups participated in Focus Group Discussions (FGDs) held with the project beneficiaries at village level (four villages in two provinces).

The focus was on analysing all information collected to obtain **evidence-based conclusions** by combining primary data (interviews) with secondary information (documents). The validity of the evaluation findings was strengthened by counter-checking information gathered and statements of stakeholders with other sources (triangulation).

The **respondents** were informed about the purpose of the evaluation, and that opinions expressed will be treated confidentially and anonymously in the report. The potential for learning and improvement was emphasised by the evaluators. The evaluation was conducted in a participatory manner through an inclusive process involving many stakeholders and partners. The team also paid attention to availability of disaggregated data (gender, ethnicity, social groups), particularly with respect to beneficiaries of the projects.

## Evaluation matrix

To keep the data collection and analysis, as well as formulation of conclusions and recommendations manageable, **the number of evaluation questions** was kept to a minimum. For each of the evaluation questions of the TOR, a number of sub-questions were formulated, defining the scope of the questions and creating a common reference framework. For each sub-question, at least one indicator was defined, and methods and sources of data collection specified.

Thus, the **evaluation matrix**<sup>67</sup> (Table 1) was designed to maintain its validity for both SUFORD-SU and SNGS (-EP) evaluation. The matrix was used by all experts during data collection and data analysis in order to ensure a consistent approach to answering the evaluation questions.

**Table 1. Evaluation matrix (Evaluation Questions and Detailed Questions only)**

Evaluation Criteria	Evaluation Questions (EQ) in the TOR	Detailed Questions
Impact	EQ1. How well have the programmes succeeded to make progress towards achieving their overall objective(s)? The	To what extent have the projects achieved their expected impacts in relation to their logical framework / result framework and Theories of

<sup>66</sup> <http://www.gefio.org/evaluations/gender-mainstreaming-gef>

<sup>67</sup> The full evaluation matrix also contains Indicators and Methods and Source of Data. It is available in the Inception Report of the Synthesis Evaluation, dated 7 May 2019.

Evaluation Criteria	Evaluation Questions (EQ) in the TOR	Detailed Questions
	promotion of human rights-based approach and cross-cutting objectives of Finland's development policy should be assessed as well.	Change? What are the main positive impacts of the projects (short-term and long-term)? Are there negative impacts; if yes, what? Were there unintended impacts, if yes, what?
	EQ2. What are the intended and unintended, long term and short term, positive and negative impacts of the two programmes?	<p>How have the cross-cutting objectives and the HRBA been articulated in the Finnish development policy in the period under review?</p> <p>What were the cross-cutting objectives during the evaluation period and how are they reflected in the projects, at the time of the design and during implementation, and what have the eventual obstacles to integration been (of gender equality and other objectives)? What have the projects done to address / overcome these obstacles?</p> <p>What are the key lessons learnt for integrating and implementing cross-cutting objectives and HRBA in the sectors supported by SUFORD-SU and SNGS (-EP)?</p>
	EQ3. Considering the politico-administrative context in the Lao PDR, has the contribution to capacity building of government institutions led to increased capacity of those institutions?	What were the capacities of the government institutions before the projects (2012 for SUFORD-SU) and 2009 for SNGS (baseline)? What were the capacities in 2015 /2017(end of SNGS-EP /Finnish TA for SUFORD-SU); what are the capacities in 2019?
Effectiveness	EQ4. To what extent is the quality and quantity of the produced results and outputs in accordance with the plans?	<p>What are key results of SUFORD-SU and SNGS (-EP) vis-à-vis result areas (component)? To what extent the achievements are in accordance with the plans (or below the planned targets / exceeding the planned targets). What are the main reasons for the deviations?</p> <p>To what extent has integration of cross-cutting objectives and HRBA, led into improved quality and/quantity of results? Have there been obstacles to integration; if yes, how have the obstacles influenced the integration?</p> <p>SUFORD-SU: what are the precise contributions of the project to REDD+ in Lao PDR?</p>
	EQ5. Are the results/outputs applied by the beneficiaries and other intended stakeholders?	What results / outputs of the projects are applied by the beneficiaries and stakeholders? What results / outputs are not applied – why?
Sustainability	EQ 6. To what extent have the programmes achieved sustainable results?	What are the results that stakeholders consider sustainable? What are the justifications provided by the stakeholders? Are there results which may not be sustainable – what, why?



Evaluation Criteria	Evaluation Questions (EQ) in the TOR	Detailed Questions
	EQ7. What are the possible strengths/weaknesses/opportunities/threats that enhance or inhibit sustainability of project achievements including cross-cutting objectives?	<p>What good practices have been identified that have contributed to sustainability of results? Were there weaknesses in the design of projects that have inhibited sustainability of results? Were there external factors (opportunities or threats) that have enhanced or inhibited sustainability of results?</p> <p>Especially with respect to forestry sector cooperation (FOMACOP, SUFORD (-AF, -SU), how have the approaches evolved from project and project phase to another?</p>
	EQ8. To what extent are the implementing partners committed to maintaining the achieved results?	Have the implementing partners made explicit commitments to maintaining the results? If yes, what are the commitments and how are they demonstrated in practice?
	EQ9. Are the government institutions utilizing the tools and methods gained in the programmes in their work?	<p>Do the GoL institutions have the resources (human, financial) to utilize the tools and methods in their work? Which tools and methods the institutions are utilizing at present?</p> <p>Are technology and policy choices made by the projects still relevant in today's context (future-proof)?</p>
Added value	EQ10. What is the added value provided by the Finnish support, especially in SUFORD-SU, with reference to advocacy and policy influencing, capacity building to authorities and village development?	<p>Is there an explicit Finnish value added? Has the Finnish TA been able to influence the overall design of SUFORD-SU beyond the TA component, particularly with reference to advocacy and policy influencing, capacity building to authorities and village development? Has Finnish added value influenced implementation of projects? How?</p> <p>Have opportunities for Finnish business or research institutes been created and, if so, maintained?</p>
Relevance	EQ 11. To what degree were the projects consistent with the policies of Lao PDR and Finland? Have some relevant policies or an overall situation in the sector been changed during the implementation of the programmes and if so, have the projects been able to re-orient themselves accordingly?	<p>How have the development and sector policies of Lao PDR and Finland changed? What are the main global forest and development policy changes (from early 1990s until 2019)? How well did projects match GoL policies in the first place and how have the project priorities and main approaches changed from project to project (FOMACOP, SUFORD (-AF, SU)? What are the main policies influencing generation and sharing of spatial data in Lao PDR (from 2010 onwards)?</p> <p>Has the focus and scope of the projects changed as a result of new policies?</p>
	EQ 12. To what extent are the various stakeholders and interest groups satisfied	Were needs of the beneficiaries (national, provincial / district and local level) adequately

Evaluation Criteria	Evaluation Questions (EQ) in the TOR	Detailed Questions
	(incl. people at the community/village level) with the results of the projects? How well does the project respond to the needs of all beneficiaries identified at the beginning of the projects?	defined during project formulation? Has the project responded to the needs of beneficiaries during project implementation, if so, how?
Efficiency	EQ 13. How well have the various activities transformed the available resources into intended results in terms of quantity, quality and time? Can the costs of the projects be justified by the results?	<p>What are the core expenditure categories and expenditures (in terms of GoF funding)? Could the projects have achieved the same (or better) results in a more cost-effective manner? If yes, how? Has there been any inefficiencies in the implementation of projects (e.g. because of the reorganization of government institutions or the logging ban)? Were the projects managed efficiently?</p> <p>SUFORD-SU: Was the TA from Finland available in a timely manner? Were the funds from WB/IDA available in timely manner?</p> <p>SNGS/ -EP: Were technology choices adequate and reasonable at the time of implementation?</p>
Coordination, complementarity, coherence / aid effectiveness	EQ 14. How well has the Finnish support and the World Bank financing complemented each other in SUFORD?	What are the complementarities of the Finnish and World Bank financing in terms of project components and activities? What were the coordination mechanisms in place to ensure complementarity between GoF and WB? Have there been any overlaps in terms of funding or activities?
	Q 15. Have SUFORD-SU, SNGS and/or EMSP complemented each other?	Have the project documents of SUFORD-SU, SNGS (-EP) and EMSP included measures to ensure mutual complementarity with each other? Has there been joint planning or coordination of work plans? Did complementary activities take place? E.g. have SUFORD-SU and/or EMSP benefited from the SNGS / -EP map products?
	EQ 16. How well have the programmes promoted ownership, alignment, management for development results and mutual accountability?	What good practices (with regard to ownership, alignment, management for development results and mutual accountability) have been identified by implementing partners and stakeholders of projects? Are there differences between the projects (SUFORD-SU and SNGS(-EP))?
Additional:	<p>Benchmarking of EMSP, SUFORD-SU and SNGS (-EP) common approaches</p> <p>What are the differences and commonalities in the approaches of the projects in institutional capacity development (national / provincial level) and in development of new tools, methods, approaches, and services?</p>	Are there common features in the approaches applied by the projects? What is common and what is different? Can differences in approaches explain differences in achieved results and their sustainability? What has worked well, and why? What has not worked well, and why? What are the main lessons learned?

## Evaluation methodologies

The main methods and sources used in the evaluation included:

- Document review and analysis (both project-related and external documents)
- Key informant interviews (KII), both in Lao PDR and in/from Finland & Germany;
- Participatory workshops with key stakeholders, both in Lao PDR and in Finland;
- Focus group discussions (FGD) with project beneficiaries in Lao PDR

A significant part of the analysis has been based on review and analysis of the vast body of project documentation and other secondary sources. The evaluation team has studied approximately **230 documents** covering the different phases of SUFORD (-AF, -SU), FOMACOP, SNGS (-EP) and EMSP. The main body of evidence consists of project documents, Project Appraisal Documents (PAD), Borrower's Completion Reports (of GoL), Implementation Completion Reports (of WB), completion reports and evaluation reports (e.g. Project Performance Appraisal Reports of FOMACOP, SUFORD and SUFORD-AF) and internal documents related to project approval processes at MFA. These were the primary object of study. Also, other documents, such as aide memoires of project planning missions or supervision missions, presentations provided to the missions, annual reports, technical reports and mid-term review reports were studied.

Both in the case of SUFORD-SU (and other SUFORD projects) and the SNGS/SNGS-EP, a number of **quantitative targets and results** were formulated, such as area covered by various data or map products or number and area of Production Forest Areas covered by the project, that allowed for some quantitative analysis. This analysis was mainly based on the information provided in the annual reports and in the completion reports and were verified during the field mission, where possible. The team has also reviewed and used documentation provided by e.g. research teams and organizations and by other development partners active in Laos and in the Mekong Region.

The team engaged in **a broad stakeholder consultation process**. The team interacted with over 200 individuals representing 47 organizations, actors or groups working at national, provincial, district and community level that were either directly involved with the projects or otherwise working in the same sectors in Laos. The team conducted key informant interviews with MFA and Embassy of Finland staff, World Bank staff and previous Technical Assistance staff of the projects. Interviews with staff from partner organisations and beneficiaries were mostly carried out through Focus Group Discussions. Also, perspectives of other organisations (private sector, civil society, donor organizations and donor-funded projects) active in the forestry and mapping sector were included via a stakeholder workshop and key informant interviews during the mission to Lao PDR.

## Data analysis

**Preliminary Analysis:** The findings of the initial desk review in May were presented in the Desk Review report. This allowed for identifying key evaluation issues and areas of particular attention that were focused on both during the pre-mission interviews and during the in-country mission.

**Analysis of information obtained through meetings with partners, stakeholders and beneficiaries:** The data collected during interviews with stakeholders and from the focus group discussions was analysed through a content analysis based on the evaluation matrix. Triangulation of data and results presented in this report is, thus, a combination of views and experiences of persons and organizations involved in the implementation of the projects and information and data available in the documents.

**Synthesis:** Before the reporting phase, all team members participated in a joint analysis session in Vientiane. Initial answers to evaluation questions were discussed together, in order to arrive at joint findings, conclusions and recommendations for the overall evaluation.

**Feedback:** The evaluation process gave the opportunity for key stakeholders to provide feedback and input on the findings, conclusions and recommendations. Before departing from Lao PDR, two debriefing workshops for presentation and discussion of findings and preliminary conclusions were organized in Vientiane. A separate debriefing meeting took place with MFA in Helsinki. The Draft report was submitted for review and comments in September 2019. After receiving the comments, the team reviewed all of them and has subsequently made a number of revisions and changes to the report.

**Benchmarking:** In the benchmarking the effectiveness of shared approaches within each project were compared. The team initially identified some main commonalities that seemed to be shared by all three programmes. During the in-country mission, the team learned that there was comparable data available only on two key issues, namely institutional capacity development and building of staff capacities. These became the focus of the benchmarking activity. In the benchmarking analysis the team focused on the following questions:

- Are there common features in the approaches applied by the projects? What is common and what is different?
- Can differences in approaches explain differences in achieved results and their sustainability? What has worked well, and why? What has not worked well, and why?
- What are the main lessons learned?

**Scoring (traffic lights):** The traffic light analysis was conducted of the achievements and performance of SUFORD-SU and of the combined achievements of SNGS and SNGS-EP. Based on the analysis of the EMSP final evaluation report from May 2015, EMSP was not included in the traffic light analysis. The report, although well written, did not allow a fair scoring of evaluation issues by another team.

The team scored each OECD/DAC evaluation criterion (Relevance, Impact, Effectiveness, Efficiency and Sustainability) using a grading system with four levels as provided in the TOR. The levels were very good (4/green), good (3/yellow), problematic (2/orange) and serious deficiencies (1/red). The basis of scoring was the actual achievements and results of the programme compared (as evidenced in the completion and evaluation reports and verified by the team during the mission) to the planned achievements or approaches as available in the project documents or other design documents. Scoring was initially conducted at the main Evaluation Question level in order to arrive at a combined score at the Evaluation Issue level. The justification of grades is clearly deduced from the analysis and is, therefore, coherent with the findings provided in the report in relation to each of the respective evaluation questions of TOR and with the conclusions provided at the level of each project. It is depicted in the table below.

**Table 1. Grading reference table for criteria and monitoring questions**

Colour	Qualitative	Grading reference table for criteria and monitoring questions
	Very good (4)	The situation is considered satisfactory, with only a little room for improvement. Recommendations are useful, but not vital to the project or programme.
	Good (3)	The situation is considered satisfactory, but there may be room for improvement. Recommendations are useful, but not vital to the project or programme.
	Problematic (2)	There are issues which need to be addressed; otherwise the global performance of the project or programme may be negatively

Colour	Qualitative	Grading reference table for criteria and monitoring questions
		affected. Necessary improvements do not however require a major revision of the intervention logic and implementation arrangements.
	Serious deficiencies (1)	There are deficiencies which are so serious that, if not addressed, they may lead to failure of the project or programme. Major adjustments and revision of the intervention logic and/or implementation arrangements are necessary.

## Evaluation process

**Kick-off and inception:** The initial kick-off meeting of the evaluation took place with MFA and Embassy of Finland in Vietnam on 15<sup>th</sup> of March, 2019. It was decided to structure the evaluation process in such a manner that first a methodology-focused inception report would be produced which would be followed up by the full desk review phase. The inception phase took place in late April-early May and culminated in the submission of the Inception Report on 7<sup>th</sup> of May 2019. The report was discussed with MFA and Embassy of Finland in Vietnam on 16<sup>th</sup> of May 2019. The meeting resulted in approval of the revised evaluation work plan and clarifications on the evaluation scope.

**Desk review and pre-mission interviews:** The desk review of the documents started already with the drafting of the Inception Report. In May the team was able to review the most essential reports of the projects. However, it was also learned that material that the team needs to internalize was so voluminous that the desk review has continued through the entire evaluation process. The team wrote a Desk Review Report that was submitted to MFA on 1<sup>st</sup> of June, 2019.

In late May the team started interviewing key experts that had been involved with the projects, either as staff members of MFA, Embassies of Finland in Thailand or in Vietnam, World Bank or as Technical Assistance team members. More than 30 pre-mission interviews (phone or Skype) were conducted by the end of July 2019.

The Desk Review Report and initial findings from the pre-mission interviews were discussed with MFA and Embassy of Finland in Vietnam on 18<sup>th</sup> of June, 2019. In the meeting the proposed in-country mission schedule and provinces to visit were approved.

**Mission preparations:** The arrangements for the in-country mission took place during July 2019. The National Consultant, with support from the Team Leader, was responsible for making the arrangements for meetings with project partners and other stakeholders in Vientiane and in the provinces.

**Mission to Laos:** The in-country mission was conducted by the evaluation team during 3-21 September, 2019. The evaluators met with key the partners of the projects (SUFORD-SU, SNGS (-E) and EMSP) as well as with many other development partners representing donor organizations, donor-assisted projects, private sector organizations and INGOs in Vientiane during the first week of the mission. During the second week the evaluation team worked in pairs and visited two provinces (Oudomxai and Savannakhet) and one district each in these provinces (Xai in Oudomxai and Phalanxai in Savannakhet) and a total of four villages. After the field visits, the evaluators held some more meetings with stakeholders in Vientiane. The team also conducted joint analysis of the key findings, tentative conclusions and recommendations and developed presentations for the evaluation debriefing meetings.

On 20<sup>th</sup> of August, 2019 two debriefing sessions were organized. The first debriefing session took place with the Department of Forestry and other stakeholders and dealt with SUFORD-SU and other forestry project. The second debriefing session took place with the National Geographic Department and discussed SNGS and SNGS Extension Phase. Representative from the Embassy of Finland in Vietnam attended both debriefing sessions.

The evaluators shared the mission findings with the MFA team on a separate debriefing session that was organized in Helsinki on 23<sup>rd</sup> of August, 2019.

**Data analysis and reporting:** The final phase of the evaluation ran from late August to December 2019. It initially culminated in the draft evaluation report that was submitted to MFA for comments on 19<sup>th</sup> of September, 2019. The evaluation matrix provided a structured and systematic framework for analysis and presentation of evaluation findings, conclusions and recommendations

The evaluation team received comments from MFA and project partners in late November. Subsequently, the comments were analysed and the evaluation report was finalized. The Final Evaluation Report was submitted to MFA as the final output of the Synthesis Evaluation in early December 2019.

The in-country mission schedule in Laos is attached as Annex 3, list of people interviewed as Annex 4, and references as Annex 5 and the list of documents reviewed as Annex 6.

## Limitations

The evaluation team experienced the following limitations during the assignment:

- A significant challenge lay in contacting some of the key resource persons, particularly in Lao PDR but also amongst the former TA team members, due to the fact that the projects were closed several years ago, between 2015 and mid of 2017. Staff had moved on to different positions or had left organisations altogether or where not in Vientiane at the time of the evaluation mission.
- The time gap caused other challenges as well, particularly with SUFORD-SU. Although the emphasis of the evaluation was on the years when Finland TA was working (2013-June 2017), in general, the people discussed the achievements and situation of the project in August 2019.
- With respect to SUFORD-SU, a particular challenge lies with attribution of results: a lot had been achieved already during SUFORD and SUFORD-AF. The interviewees found it difficult to distinguish the results of SUFORD-SU from the results of previous SUFORD projects. This means that the evaluation team has needed to rely on documents and report in the analysis at effectiveness and impact level.
- With relation to SUFORD-SU, all the interviewed forestry sector stakeholders at the national, provincial and district level knew that the donor funding was not ending (ref. the World Bank plans extend the project and to provide Additional Financing). This limited the scope of discussions in terms of financial and operational sustainability of the results. In the sustainability analysis the team has needed to extensively build on documented sources rather than interview outcomes alone.
- Also, with respect to policy related outcomes another attribution challenge was identified. Many other actors besides World Bank and Government of Finland have provided policy-related outputs. The team focused on this aspect in the interviews with decision-makers and other stakeholders but with limited results.
- Department of Forestry took responsibility for facilitating the visits of the evaluation team to Oudomxai and Savannakhet. The team appreciates the logistical support (vehicles, meeting and accommodation bookings) without which the visits would have not been possible to conduct. However, all the meetings that the evaluation team had with the

provincial, district and village level beneficiaries were held in the presence of high-ranking government officials. This restricted the scope of discussion and free information flow with beneficiaries.

- Overall, the evaluators were only able to conduct brief field visits. The team visited two provinces, two districts and four communities. Such a small sample cannot serve as a basis for overarching conclusions. However, the discussions with provincial, district and community level beneficiaries were useful to the evaluation in the sense that they confirmed the validity of many issues already discussed in the reports of SUFORD-SU.
- The wide scope of the evaluation TOR, in comparison to the available resources, meant that the time evaluators were able to assign to implementing partners of SUFORD-SU and SNGS (-EP) was short. With SNGS (-EP) and its core stakeholders a bit more than one day was allocated. With SUFORD-SU, only about two and half working days were available for meetings at the national level. This has had implications on the depth of analysis in the report.
- Also access to primary sources of information proved challenging, particularly with respect to Government of Laos policies and documents. This was the case with both old and more current GoL policies. This has meant that particularly in the policy analysis section, the evaluators have needed to utilize information in secondary sources that were considered credible (such as the World Bank reports).

## ANNEX 3 ITINERARY OF THE IN-COUNTRY MISSION

Date	Activities	
Sat 3 Aug 2019	Departure of Kristiina Mikkola, Martin Schweter and Mirka Wendt from Finland and Germany	
Sun 4 Aug 2019	Arrival of international team members to Vientiane Team meeting	
Mon 5 Aug 2019	Meetings (Vientiane): <ul style="list-style-type: none"> <li>• Department of Forestry</li> <li>• National Geographic Department</li> <li>• Ministry of Natural Resources and Environment</li> <li>• European Union Delegation to Lao PDR</li> </ul>	
Tue 6 Aug 2019	Meetings: <ul style="list-style-type: none"> <li>• Department of Forestry and divisions involved with SUFORD-SU</li> <li>• Australian Centre for International Agricultural Research (ACIAR)</li> <li>• World Bank</li> </ul>	
Wed 7 Aug 2019	Meetings: <ul style="list-style-type: none"> <li>• Department of Forest Inspection</li> <li>• Department of Ethnic and Religious Affairs, Lao Front for National Development</li> <li>• Lao Women's Union</li> <li>• National Committee for Advancement of Women</li> <li>• National Geography Department and divisions involved with SNGS and SNGS-EP</li> <li>• NGD stakeholders: UXO Lao PDR, National Statistics Bureau and GIZ</li> </ul>	
Thu 8 Aug 2019	Meetings: <ul style="list-style-type: none"> <li>• Burapha Agro-Forestry Co. Ltd</li> <li>• RECOFTC</li> <li>• FLEGT project (GIZ)</li> <li>• KfW</li> </ul>	
Fri 9 Aug 2019	Meetings: <ul style="list-style-type: none"> <li>• F-REDD/REDD+ (JICA)</li> <li>• Integrated Conservation of Biodiversity and Forests Project, ICBF (KfW)</li> <li>• JICA country office</li> <li>• WWF Laos</li> <li>• Ministry of the Natural Resources and Environment and divisions involved with EMSP</li> </ul>	
Sat 10 Aug 2019	Team meeting (Briefing interpreter, Mr Vilakone, on arrangements and programme in Savannakhet) Free	
Sun 11 Aug 2019	<u>Oudomxai field team Ms Kristiina Mikkola and Mr Phouvieng Phonasa</u> Flight Vientiane-Oudomxai	<u>Savannakhet field team Mr Martin Schweter and Ms Mirka Wendt (supported by interpreter, Mr Vilakone)</u> Free
Mon 12 Aug 2019	Meetings with provincial level actors, Xai, Oudomxai Province: <ul style="list-style-type: none"> <li>• Provincial Agriculture and Forestry Office</li> <li>• Provincial Forest Inspection Office</li> <li>• Lao Women's Union</li> <li>• Lao Front for National Development</li> </ul>	Flight Vientiane-Savannakhet Meetings in Savannakhet <ul style="list-style-type: none"> <li>• Provincial Agriculture and Forestry Office</li> <li>• Lao Front for National Development</li> <li>• Provincial Natural Resources and Environment Office</li> <li>• Lao Women's Union</li> </ul>



Date	Activities	
Tue 13 Aug 2019	Meetings with district level actors working in Namnga PFA, Xai District, Xai <ul style="list-style-type: none"> <li>• District Agriculture and Forestry Office</li> <li>• Lao Women’s Union</li> <li>• Lao Front for National Development</li> </ul>	Drive to and meetings in Pharlaxai District: <ul style="list-style-type: none"> <li>• District Agriculture and Forestry Office</li> </ul>
Wed 14 Aug 2019	Village visits, Namnga PFA <ul style="list-style-type: none"> <li>• Houayheaiy village</li> <li>• Paungwieng village</li> </ul>	Meetings with district level actors working in Pharlaxai District: <ul style="list-style-type: none"> <li>• District Natural Resources and Environment Office</li> <li>• District Lao Women’s Union</li> <li>• District Lao Front for National Development</li> </ul>
Thu 15 Aug 2019	Wrap-up meeting with PAFO, DAFO, SUFORD-TA and DOF representatives, Xai Flight Oudomxai-Vientiane	Village Visits, Dong Kaphou PFA <ul style="list-style-type: none"> <li>• Sanoun Village</li> <li>• Dongbang Village</li> </ul>
Fri 16 Aug 2019	Meetings in Vientiane <ul style="list-style-type: none"> <li>• SUFORD-SU former Village Forest Development Specialist</li> <li>• SUFORD-SU Team Leader</li> <li>• Department of Technical Extension and Agroprocessing (DTEAP, formerly DAEC)</li> </ul>	Meetings in Savannakhet: <ul style="list-style-type: none"> <li>• Wrap-up meeting at PAFO, Savannakhet Flight Savannakhet-Vientiane</li> </ul>
Sat 17 Aug	Internal team work - data analysis, main findings, conclusions and recommendations	
Sun 18 Aug 20+19	Internal team work – data analysis, main findings, conclusions and recommendations	
Mon 19 Aug 2019	Internal team work – preparing the debriefing presentations (two) Meeting with SDC	
Tue 20 Aug 2019	Debriefing presentations with <ul style="list-style-type: none"> <li>• Department of Forestry and other stakeholders on SUFORD-SU</li> <li>• National Geography and other stakeholders on SNGS and SNGS-EP</li> </ul> Departure of international team members from Vientiane	
Wed 21 Aug 2019	Arrival of international team members in Finland and Germany	

## **ANNEX 4 PERSONS INTERVIEWED**

### **PROJECT PARTNERS**

#### **GOVERNMENT OF FINLAND**

##### **Ministry for Foreign Affairs, Finland (MFA)**

1. Ms Venla Voutilainen, Desk Officer
2. Mr Vesa Kaarakka, Forestry Adviser
3. Ms Outi Myatt-Hirvonen, Environmental Adviser
4. Ms Sanna Takala, Senior Adviser
5. Ms Marita Meranto, Desk Officer
6. Mr Olli Ruohomäki, Adviser
7. Mr Ossi Malmberg, former Adviser
8. Mr Johan Schalin, former Director, Unit for East Asia and Oceania
9. Ms Minna Hares, Desk Officer
10. Mr Sami Leino, Director, Unit for East Asia and Oceania
11. Ms Eeva Lehtinen, Desk Officer
12. Ms Sanna Pulkkinen, Desk Officer
13. Mr Matti Junnila, former Desk Officer
14. Mr Tuukka Castrén, former Adviser

##### **Embassies of Finland (Thailand and Vietnam)**

15. Ms Annika Kaipola, Senior Specialist, Embassy of Finland, Vietnam
16. Ms Le Thi Thu Huong, Special Adviser, Embassy of Finland, Vietnam
17. Mr Antti Inkinen, former Counsellor, Embassy of Finland, Thailand
18. Ms Helena Ahola, former Counsellor, Embassy of Finland, Thailand
19. Mr Somsack Chandara, former Programme Coordinator, Lao PDR

##### **World Bank**

20. Ms Susan Shen, former Task Team Leader (FOMACOP)
21. Mr Stephen Danyo, Senior Environmental Specialist, Task Team Leader (SUFORD-SU)
22. Mr Arturo Bolondi, Natural Resources Management Specialist
23. Mr Peter Jipp, former Task Team Leader (SUFORD, SUFORD-AF)
24. Mr Bill Magrath, former Task Team Leader (SUFORD)
25. Mr Robert Davis, former Task Team Leader (SUFORD-SU)
26. Mr Ulrich Schmitt, Task Team Leader (SUFORD-AF formulation)
27. Mr Jim Carle, Forestry Expert, World Bank Supervisory Missions (SUFORD)

#### **GOVERNMENT OF LAOS**

##### **Ministry of Agriculture and Forestry, Department of Forestry**

28. Mr Sousath Sayakoummame, Director General
29. Mr Bounpone Sengthong, Deputy Director General, SUFORD-SU Project Coordinator
30. Mr Lattana Thammavonga, Director, Production Forestry Division
31. Mr Sengdenan Phowangphidok, Head of Division (PFA)
32. Mr Simon Vongkhamho, Research Institute
33. Mr Somvang Sihalath
34. Mr Bounpheng Vichit, Survey and Planning section
35. Mr Somsanouk
36. Mr Phetsavanh Phaengphachanh
37. Mr Khamkhoun Phinsavanh, PFA Division
38. Mr Bounthai Phongsisout, Deputy Director, PFA Division
39. Mr Khamdee Jaxongtom, Survey and Planning
40. Mr Siphoum Keooudon, PFA Division
41. Mr Souksakan Ohpasit, PFA Division
42. Mr Vongvilay Vongkhamsao, Research Institute
43. Mr Chantha Phetphommi, Funding Office
44. Mr Somsamout, Administration
45. Ms Yommala, PFA Division

**Ministry of Agriculture and Forestry, Department of Forest Inspection**

46. Mr Thongphanh Ratanalangsy, Deputy Director General

**Ministry of Agriculture and Forestry, Department of Technical Extension and Agro-processing (DTEAP)**

47. Mr Khanxay Xayavong, Project Coordinator from DTEAP

**Ministry of Agriculture and Forestry, National Committee for Advancement of Women**

48. Ms Sisomphet Souvanthalisith, Head of Division

**Ministry of Home Affairs, National Geography Department**

49. Mr Bouasoth Souvannakoumane, Director General

50. Ms Khamvanh Lorkhamyong, Head of Administration Department/Coordinator for SNGS

51. Ms Sikhay Sosiribounma, Director for SNGS project

52. Mr Ammalaphone Doungpasueth, Deputy Director

53. Mr Sisombath Chanthaphim, Deputy Director

54. Ms Noun Phommixay, Mapping

55. Ms Sisomphone Insisiengmai, Administration

56. Ms Soutchay Sitthivong, Planning – Finance

57. Mr Saykham Sihanath, Survey

58. Mr Deng Phanpheng, Science and Technology

59. Mr Vannasone Chathabouathong, Photogrammetry

60. Ms Sengdavong, Science and Technology

**Ministry of Natural Resources and Environment**

61. Mr Lonkham Atsanavong, Director General of DEQP

62. Mr Singsavanh Singkavongsay, Deputy of department

63. Mr Vonephasao Orlaseng, Deputy of Administration division

64. Ms Malaykham Viphongsay

65. Ms Sipaphai Chanthanasin

66. Mr Lamphukeo Kettavong, Head of Administration division

67. Ms Dalouny Vilaythong, Institute, MONRE

68. Ms Keodokmai Phouipaseut, Department of water resources

69. Mr Phoutsavanh Ngaophasy

70. Ms Anousa Bouaphakeo, MONRE

71. Mr Virasack Chindara, NRERI

**Lao Front for National Development, Department of Ethnic and Religious Affairs**

72. Ms Simeuang Niamnanith, Director

73. Mr Pasthao Chapear, Deputy Director

74. Ms Viengsam Chanthahisay

**Lao Women's Union**

75. Ms Bouathip Mamivong, Deputy Director

76. Ms Neeom Xayachack, Head of Division

77. Ms Khanthauong Phothisane, Monitoring Officer for SUFORD

**National Statistics Bureau**

78. Mr Ketsada Phommachan, Technical Staff

**TECHNICAL ASSISTANCE EXPERTS**

**FOMACOP, SUFORD, SUFORD-AF and SUFORD-SU TA**

79. Mr Marko Katila, former CTA (FOMACOP), BCR consultant (SUFORD-SU)

80. Mr Harri Seppänen, former CTA (SUFORD)

81. Ms Paula Williams, former M&E Advisor (SUFORD-SU), short-term expert in assignments related to FOMACOP, SUFORD and SUFORD-AF

82. Mr Esa Puustjärvi, Chief Technical Advisor (SUFORD-SU)

83. Mr Manuel Bonita, Forest Management Adviser (FOMACOP, SUFORD, SUFORD-SU)

84. Mr Edwin Payuan, Village Forestry Advisor (FOMACOP, SUFORD, SUFORD-AF, SUFORD-SU)

85. Mr Bouaphet Philaket, National Forestry Advisor (FOMACOP, SUFORD, SUFORD-AF, SUFORD-SU)

86. Mr Arnousack Inthajack, National Forestry Advisor (SUFORD-SU)

**SNGS and SNGS-EP TA**

- 87. Mr Aapo Kuusela, former IT Adviser (SNGS-EP)
- 88. Mr Kari Suominen, former CTA (SNGS)
- 89. Mr Sami Jänne, former GIS Adviser (SNGS) and CTA (SNGS-EP)
- 90. Mr Jukka-Pekka Tolvanen, Legal Adviser
- 91. Ms. Ildiko Hamos-Sohlo, former Communication Adviser SNGS-EP

**Indufor (Finland)**

- 92. Mr Thomas Selänniemi, Senior Forestry Expert and Home Office Coordinator

**Niras Finland**

- 93. Ms Mikaela Kruskopf, TA expert interviewed regarding the WB-GoF collaboration in Ethiopia and South Sudan

**OTHER STAKEHOLDERS (DONORS, DONOR-FUNDED PROJECTS, INGOS AND PRIVATE SECTOR ORGANIZATIONS)**

**Australian Centre for International Agricultural Research (ACIAR)**

- 94. Ms Dulce Carandang Simmanivong, Regional Manager, East Asia
- 95. Mr Khampheng Mounmeuangxam, Assistant Regional Manager, East Asia

**Burapha Agro-Forestry Co. Ltd**

- 96. Mr Luke McWhirter, Chief Forester

**Delegation of the European Union to Lao PDR**

- 97. Mr Ignacio Oliver-Cruz, Attaché (Cooperation)
- 98. Ms Marie Levy, Attaché (Cooperation)

**GIZ**

- 99. Mr Siegmar Schoenherr, Technical advisor FLEGT
- 100. Mr Christian Metzger, Land Registration Advisor, CIM-IE/GIZ

**Integrated Conservation of Biodiversity and Forests Project (ICBF)**

- 101. Mr Dietmar Braeutigam, Chief Technical Advisor / Team Leader

**JICA**

- 102. Mr Machida Yutaka, Agriculture and Rural development
- 103. Mr Viengsavanh Sisombath, Programme officer

**KfW**

- 104. Mr Jan Wiegmann, Office Director
- 105. Ms Thavivanh Phanakhone, Project Coordinator

**RECOFTC**

- 106. Mr Bounyadeth Phouangmala, Country Director, Laos Country Programme

**Swiss Agency for Development and Cooperation, SDC**

- 107. Mr Christian Engler, Deputy Director for the Mekong Region
- 108. Ms Michal Harari, Head of Governance Programme

**Sustainable Forest Management and REDD+ Support Project (JICA)**

- 109. Mr Noriyoshi Kitamura, Chief Technical Adviser

**Universität Bern, Centre for Development and Environment (CDE)**

- 110. Dr Michael Epprech, Head of Country Office

**UXO Lao PDR**

- 111. Mr Kitsana Inthavong, Chief of Unit

**WWF Laos**

- 112. Mr Bounvhanh Sakounnavong, Forest Programme Officer

113. Ms Bouavanh Phachomphonh, Rattan & Bamboo Project Manager

**OUDOMXAI**

**PAFO**

- 114. Mr Bounkeurt Sanongsay, Deputy of PAFO
- 115. Mr Bountharn Phonesavat. Chief of Forestry sector
- 116. Mr Bouakhong Sisamout
- 117. Mr Khamman Kanyavong
- 118. Mr Sisavat Toulakoun
- 119. Ms Khemmanit
- 120. Mr Phaivanh Lathsythong
- 121. Mr Bouathong Sisamout
- 122. Mr Somchaleun Keopasith
- 123. Mr Khamnoy Bouchampa
- 124. Ms Chankeaphon Silavong
- 125. Mr Onsy Intasak
- 126. Mr Khamphanh Kanyavong

**POFI**

- 127. Mr Kaensy Philavong

**LFND (province and Xai district)**

- 128. Mr Khamyot Soulideth
- 129. Mr Ovat Chanthalong
- 130. Ms Phimpha Innalong
- 131. Mr Sombut Khamphida

**LWU (province and Xai district)**

- 132. Ms Pakaiphone Phanyavong
- 133. Ms Bouavanh Mekaloun
- 134. Ms Hongphakham Intavong
- 135. Ms Amphai Thetlath
- 136. Ms Bounmy Souliya
- 137. Ms Khampheng Phothivanh
- 138. Ms Vanthong Nitsady

**DAFO, Xai district**

- 139. Mr Khamla Lovanhti
- 140. Mr Sisavath
- 141. Mr Khamla Lophanxai
- 142. Ms Bouavone Sinlaxai
- 143. Mr Sivisai Bounsavath
- 144. Mr Bounthavy Keopanya
- 145. Mr Soulivat Lattanasitthi

**Houayhia Village in Xai district**

- 146. Mr Somchit Souvanhphone, Village Chief
- 147. Mr Houmpheng, staff of Village group
- 148. Mr Vilay, Land/Tax village
- 149. Ms Sengphet, LFND of Village
- 150. Ms Phone, VLD grant beneficiary
- 151. Mr Khamaone, VLD grant beneficiary
- 152. Mr Khamphone, VLD grant beneficiary
- 153. Ms Pheng
- 154. 54 other participants (36 women, 18 men)

**Paungving Village in Xai district**

- 155. Mr Maiyphone, Village Chief (and VLD grant beneficiary)
- 156. Mr Sengaot, LFND of Village
- 157. Ms Sonehongkham, VLD grant beneficiary
- 158. Ms Arling, VLD grant beneficiary
- 159. Ms Bounchan, VLD grant beneficiary

160. Ms Sengaoun, VLD grant beneficiary
161. Mr Aoun, VLD grant beneficiary
162. Mr Aiy, VLD grant beneficiary
163. 59 other participants (23 women and 36 men)

#### **SAVANNAKHET**

##### **PAFO**

164. Mr Buaphnh Bounvilay, Forestry Division
165. Ms Malaichit Khinsava, Project Finance Officer (SUFORD-SU)
166. Ms Siphandone Phewon, Forestry Officer
167. Ms Souban Sengnavong, Assistant Accountant
168. Mr Sinouan Sihavong
169. Mr Soukdala Panyavong
170. Mr Lammon Phaewsavanh
171. Mr Viloun Phosalath
172. Mr Chanthavy Khamkhong
173. Mr Vongkeo Louangphusay
174. Mr Savay Siththinalongsy

##### **PONRE**

175. Mr Nonkan Inthapanya, Deputy Director

##### **LFND (province and Phalanxai district)**

176. Mr Tri Thammavongsa, Deputy Director (District)
177. Mr Sinxai Vonglakhone, Provincial LFND
178. Mr Souksavanh Yattivong, Provincial LFND

##### **LWU (province and Phalanxai district)**

179. Ms Thepanong Sengsavang, Vice President, Provincial LWU
180. Ms Phetoudone, Chief of Cabinet, Provincial LWU
181. Ms Keophone Kettavong, Vice President, Provincial LWU
182. Ms Latsamee, President of District LWU
183. Ms Chansoulai, Vice President of District LWU

##### **DAFO, Phalanxai district**

184. Mr Bounlae Kennavong, Head of DAFO (Phalanxay)
185. Mr Bounyod Xaypanya, Forestry Officer
186. Mr Kingkao Vonkhanfong, Head of Village Forestry Unit

##### **DONRE, Phalanxai district**

187. Mr Souphaphone Hang Sombath, Director

##### **Sanoun village in Phalanxai district**

188. Mr Thongdum
189. Mr Khiem, LFND Village
190. Mr Bounlerd, Village Deputy
191. Mr Oudom, village security
192. Mr Bounlieng, village security
193. 15 other participants (1 woman, 14 men)

##### **Dongbang village in Phalanxai district**

194. Mr Onsa Xaiyalath, LFND Village
195. Mr Sakhone, Village chief
196. Mr Vongsa, Village Deputy
197. Mr Kanya, Village Deputy
198. Ms Osa, LWU of village
199. Ms Kommaly, Lao youth of village
200. 28 other participants (9 women, 19 men)

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## ANNEX 7 GOVERNMENT OF FINLAND DEVELOPMENT POLICIES

The table below provides a summary of the goals and objectives of Government of Finland development policies, development policy guidelines for Forestry Sector, and other relevant guidelines from 1990s to 2019.

Policy	Key contents
<b>Development Policies</b>	
Decision-in-Principle on Finland's Development Cooperation (MFA 1996)	<p><b>Goals</b> of Finnish development cooperation: <b>reduction of widespread poverty</b> in developing countries, <b>combatting global environmental threats</b> by assisting developing countries in solving environmental problems, and promotion of <b>social equality, democracy and human rights</b>.</p> <p>The policy also put emphasis on several themes, i.e. sustainable development, human rights, equality, democracy and good government, and effectiveness and quality.</p>
Finland's Policy on Relations with Developing Countries (MFA 1998 as cited in MFA 2001)	Draws attention to the objectives between Finland and developing countries to increase global security and increase economic interaction; aims to reconcile the objectives of Finland's foreign and security policy, trade policy and international development cooperation.
Operationalization of Development Policy Objectives in Finland's International Development Cooperation (MFA 2001)	<p><b>Development policy objectives</b> (based on MFA 1996 and MFA 1998): reduction of poverty, prevention and mitigation of environmental problems, and promotion of equality, democracy and human rights constitute the basic elements for promotion of global peace and security. Provides the for criteria for partner countries and includes a selection of partner countries; Lao PDR not among the long-term partner countries. With other countries ('other partnerships') thematically targeted cooperation possible, normally through a multilateral or EU organization, etc. Finland supports regional cooperation in four areas, one of which is the Mekong area.</p>
Development Policy 2004-2007 (MFA 2004)	<p>Main goal: to contribute to the <b>eradication of extreme poverty</b> from the world. Finland is committed to a <b>rights based approach</b> and to the principles of <b>sustainable development</b>. Commitment to <b>MDGs</b> and their achievement by 2015 is explicitly stated.</p> <p><b>Cross-cutting themes:</b> (i) promotion of the rights and the status of women and girls, and promotion of gender and social equality; (ii) promotion of the rights of groups that are easily marginalized, particularly those of children, the disabled, indigenous peoples and ethnic minorities, and promotion of equal participation opportunities for them; and (iv) consideration of environmental issues.</p>
Development Policy 2007-2012 – Towards a Sustainable and Just World Community (MFA 2007)	<p>Main goal: to <b>eradicate poverty and to promote sustainable development</b> in accordance with the UN Millennium Development Goals. The development policy is founded on the <b>respect for and promotion of human rights</b>.</p> <p>Most important objectives: eradication of poverty and ecologically sustainable development.</p> <p><b>Cross-cutting themes</b> supported throughout all Finnish development policy and development cooperation: (i) promotion of the rights and the status of women and girls, and promotion of gender and social equality, (ii) promotion of the rights of groups that are easily excluded, particularly children, people with disabilities, indigenous people and ethnic minorities, and the promotion of equal opportunities for participation, and (iii) combating HIV/AIDS (as a health problem and as a social problem).</p>

Policy	Key contents
Development Policy 2012-2015 (MFA 2012)	<p>Main goal: to <b>eradicate extreme poverty</b> and secure a life of human dignity for all people in accordance with the <b>UN Millennium Development Goals</b>.</p> <p>The development policy and development cooperation are <b>based on human rights</b>. The <b>priority areas</b> are: (i) a democratic and accountable society that promotes human rights, (ii) an inclusive green economy that promotes employment, (iii) sustainable management of natural resources and environmental protection, and (iv) human development.</p> <p><b>Cross-cutting objectives:</b> gender equality, reduction of inequality and climate sustainability. They promotion was expected in all development policy and development cooperation through mainstreaming, targeted actions and policy dialogue as well as communication in bilateral, multilateral and EU cooperation.</p> <p>The idea that <b>all human beings are born free and equal in dignity and in rights</b> provides the basis for Finland’s human rights policy. <b>Development policy promotes the core human rights principles</b> such as universality, self-determination, non-discrimination and equality. The human rights-based approach to development includes civil and political rights and freedoms as well as economic, social and cultural rights. Finland emphasizes the rights of women, children, ethnic, linguistic and religious minorities and indigenous peoples, the rights of persons with disability, people living with HIV and AIDS, and the rights of sexual and gender minorities. Finland is committed to fight against human trafficking and child labour.</p>
Development Policy 2016-2019, One world, common future – towards sustainable development (MFA 2016)	<p>The <b>core goal:</b> to <b>eradicate extreme poverty and to reduce poverty and inequality</b>. Emphasis on SDGs; policies aligned with the <b>2030 Agenda</b> and development policy adapted to support the capacity of developing countries to achieve the sustainable development goals and targets.</p> <p>The development policy will have a special focus on the following <b>priority areas:</b> enhancing the rights and status of women and girls; improving the economies of developing countries to ensure more jobs, livelihood opportunities and well-being; democratic and better-functioning societies; increased food security and better access to water and energy; and the sustainability of natural resources.</p> <p><b>Finland’s values and principles</b> and international commitments will be taken account of in the planning and implementation of all actions regardless of where, how or by whom development policy and development cooperation is implemented. The values and principles include <b>democracy and the rule of law; gender equality and human rights; freedom of speech; a sustainable market economy and sustainable use of natural resources; and the Nordic welfare state, including a high level of education.</b></p> <p>The <b>realisation of human rights</b> is a key goal in Finland’s development policy. <b>The rights of children and the most vulnerable</b>, notably persons with disabilities, are taken account of in all our activities. The development policy also takes account of <b>climate change</b> with activities being geared to climate change mitigation and giving support for climate change adaptation and preparedness.</p>
<b>Sector policies and other guidelines</b>	
Development Policy Guidelines for Forestry Sector (MFA 2009)	<p><b>Objective:</b> to strengthen the conditions for Sustainable Forest Management, and thus achieve fair economic growth, reduce poverty and prevent environmental hazards.</p>

Policy	Key contents
	Focus: <b>producing Finnish added value</b> in international development processes relating to forest and environmental policies and the forest sector.
Development Policy Guidelines for Forestry Sector (MFA 2013)	<p>Finland’s development policy and co-operation <b>adhere to international agreements</b>. In forestry co-operation the UN Environmental Agreements (incl. climate change, desertification and biological diversity) are central. These are connected to the principles of sustainable development. The UN forestry process, which started at the Rio Conference on Environment and Development in 1992, guides the international co-operation.</p> <p><b>Objectives:</b> comprehensive governance of the forests of developing countries; contribution to international forest policy processes, an inclusive green economy that promotes employment. Legal solutions to land tenure issues are important.</p> <p>Finland promotes the EU’s objective of sustainable and just use of forest resources to alleviate poverty. The EU’s specific goals are reduction of the illegal timber trade, and elimination of deforestation in developing countries. During the years 2014-2020 the key tools of the EU in forest related co-operation are: Forest Law Enforcement, Governance and Trade, Promotion of sustainable forestry to support climate policy (support work on REDD+) and Reduction of the risk of natural disasters in connection with climate adaptation. The EU emphasises the integrated governance of natural resources and participatory sustainable development.</p>
Human Rights Based Approach in Finland’s Development Cooperation. Guidance Note, 2015 (MFA 2015)	<p>Objective: Finland’s development cooperation is rights based and its adaptations in programming and different interventions are made according to informed choices. The <b>minimum level is that all Finnish development interventions are human rights sensitive</b>.</p> <p>The Guidance Note introduces the Finnish perspective on the human rights based approach and provides guidance on how the approach is operationalized in Finnish development cooperation. The Human Rights Based Approach (HRBA) means that human rights are used as a basis for setting the objectives for development policy and development cooperation, and that the processes of development cooperation are guided by human rights principles.</p>

## ANNEX 8 WORKING MONTHS OF FINLAND TA, 2013-2017

**Table 1. Finland TA Technical Assistance working months of SUFORD-SU, 2013-June 2017 (MAF/DoF/SUFORD-SU 2017)**

Category / post	Working months
<b>Home-Office Coordination</b>	<b>2</b>
<b>Long-Term TA, International Experts</b>	<b>373.8</b>
1. Chief Technical Adviser	38.8
2. Forest Remote Sensing Adviser	27.9
3. Forest Management Adviser	29.7
4. Village Forestry Adviser	35.1
5. PES Development Adviser	9.8
6. REDD Adviser	9.6
7. Law Enforcement Adviser	36.0
8. Gender and Ethnic Participation Adviser	30.9
9. Livelihoods / Agroforestry Adviser	33.3
10. PLUP-LA & Land Policy Adviser	11.6
11. M&E Adviser	29.2
12. Financial Adviser	32.1
13. ICT Adviser	24.7
14. Junior Professional Officer (M&E)	25.1
<b>Short-term TA, International Experts</b>	<b>23.4</b>
15. Communications Adviser	9.2
16. ICT Consultant	1.2
17. REDD+ Adviser	2.9
18. Legal Adviser	2.6
19. Salvage Logging Adviser	1.1
20. Financial Adviser	1.1
21. FLM Adviser	2.8
22. ST-consultant	1.2
23. Social Safeguards (SS) Consultant	1.2
<b>Long-term TA, National Experts</b>	<b>264.5</b>
24. VD Consultant 1	34.7
25. VD Consultant 2	35.9
26. VD Consultant 3	34.3
27. Forestry Consultant 1	36.4
28. Forestry Consultant 2	34.1
29. Forestry Consultant 3	34.1

<b>Category / post</b>	<b>Working months</b>
30. GIS Consultant	32.5
31. Translator	22.4
<b>Short-term TA, National Experts</b>	<b>10.9</b>
32. Illustrator	0.7
33. Workshop Assistant 1	0.6
34. Workshop Assistant 2	0.5
35. Workshop Assistant 3	0.6
36. Workshop Assistant 4	1.2
37. Financial Consultant	2.4
38. Unspecified post	0.3
39. Procurement Consultant	0.5
40. SS Assessment – Gender Consultant	1.2
41. Legal Consultant	1.0
42. Environmental safeguards Consultant	0.8
43. SS Assessment Consultant	1.2

## ANNEX 9 EVALUATION BRIEF

This report, *the Final Report of Synthesis Evaluation of the projects Technical Assistance Scaling-up Participatory Sustainable Forest Management Project (SUFORD-SU) and Strengthening National Geographic Services in Lao PDR (SNGS) and its extension phase (SNGS-EP)*, has been commissioned by the Ministry for Foreign Affairs (MFA) of Finland. The evaluation was conducted during March – December 2019.

The Synthesis Evaluation has conducted a final evaluation of the Technical Assistance Scaling-Up Participatory Sustainable Forest Management Project (SUFORD-SU, 2013-2019; the Government of Finland financed TA component ongoing until June 2017) and the Strengthening National Geographic Services and its Extension Phase in Lao PDR (2010-2015). Four other projects were included in the ToR for the purposes of drawing a synthesis of the long-term Government of Finland support to Lao PDR, particularly in the forestry sector, and learning lessons from all projects. The projects were: Forest Management and Conservation Project, FOMACOP (1995-2000), Sustainable Forestry and Rural Development Project, SUFORD (2003-2008), Sustainable Forestry for Rural Development Project Additional Financing, SUFORD-AF (2009-2012), and Environmental Management Support Programme, EMSP (2010-2015).

The partnership with Government of Finland, the downstream countries and regional actors in the Mekong region started in 1987. The first forestry sector project in Lao PDR, FOMACOP, was initiated in the first half of 1990s. From 2010 onwards, SUFORD-SU, SNGS/-EP and EMSP were the main bilateral projects supported in Lao PDR. EMSP and SNGS-EP closed down in 2015. Support to the Technical Assistance component of the SUFORD-SU continued until the end of June 2017. This then became the closing date of Government of Finland support to SUFORD-SU. It also marked the closing down of the bilateral project partnership between the two governments.

In the forestry projects a parallel financing arrangement was practiced. WB financing was allocated to operational activities and GoF financing managed by MFA was targeted to Technical Assistance and has been complementary to WB funding. Respectively, two separate agreements were made with the Government of Laos for each project. WB (for IDA and other funds) and GoL made agreements for the management of the operational funds. GoF and GoL entered into intergovernmental agreements to finance the Technical Assistance (TA) component of the projects. The main GoL implementing partner was responsible for managing the WB funds. The GoF funds were managed by the company that had the contract with MFA for providing the TA services.

With respect to the forestry projects, the findings and conclusions of the Synthesis evaluation present a mixed package. SUFORD-SU as well as the projects preceding it have been relevant to the policy objectives of Governments of Lao PDR and of Finland. The projects demonstrate a long-term sustained commitment to improving the management of production forests in Lao PDR. However, the Production Forest Areas are still not managed sustainably because timber harvesting and sales has not been possible during SUFORD-SU. The original vision of SUFORD (shared by SUFORD-AF and SUFORD-SU) of village-based forest management benefiting both rural communities, and the Government, through more efficient collection of royalties and taxes, improved forest protection and sustainable management, and enhanced economic development has not been realized as expected. The introduction of the national logging ban (2013) erodes the Government's support to PSFM.

Harvesting of timber from the PFAs and consequently raising income from sustainable forest management has not been available to the Government or to the communities after 2011. Therefore, the economic benefits that the communities have received have all been provided by



IDA and FIP financing and are thus entirely dependent on external donor resources. While the benefits are positive this constitutes a problem for long-term sustainability.

The main added value of SUFORD projects is the innovative model of parallel financing and the WB-GoF partnership that sustained itself through several projects. Compared with a situation where either partner would have worked in the forestry sector in Lao PDR alone, the merits of the parallel financing are many: a coalition of like-minded donors carries more weight than any donor alone, the World Bank grants for operational resources have made it possible to expand the project activities to a national scale, and the flexible availability of MFA funds has allowed the SUFORD projects to stay operational even at times when the WB funds were either not yet available or not anymore available. For small donor, there is also merit in increased visibility: through provision of a parallel TA package, inputs from MFA and GoF have been independently recognized.

With respect to the mapping projects, the SNGS project was very effective in producing aerial photography, ortho-photomaps and topographic data and put a strong emphasis on training all required technical tasks. It was instrumental in providing the NGD with necessary equipment and skills to expand and densify the national geodetic network. The project managed to activate a National GIS Committee to promote national mapping and database standards, data exchange, and to influence policy making. High levels of technical expertise are still available today at the NGD. During the extension phase (SNGS-EP) focus shifted to institutional aspects, including high-level meetings with GoL to promote NGD as a coordinator of geospatial data. The project was less effective in establishing all elements of the planned NSDI. Possible impacts are restricted to immediate purpose-level impacts, e.g. increased technical capacity of NGD. There are no direct impacts on poverty reduction.

Achieved results are still sustainable with technical skills available at the NGD, geospatial data still accessible, and technical equipment in good working order. Institutionally and financially the results are not sustainable. NGD strategic plan was not institutionalized. The SNGS project has provided the GoL with highly relevant and important base data, which form the basis for informed and evidence-based decisions for national or sectoral development. Main limitation of the SNGS was its technology-oriented project design.

The comparative analysis of the different implementation approaches of the three Finland-funded projects aims at drawing conclusions and lessons as to which approach yielded better or more sustainable results. The implementation approach of (i) fully involving the implementing institutions and using their systems, accompanied by (ii) building managerial and non-technical capacity and (iii) positively influencing the high-level policy and legal framework has been rather successful. The development of project specific systems, approaches or standards stand a higher chance of being maintained and ultimately becoming sustainable, if aligned to international best practices or international standards and regulations. One potential lesson to be drawn from the comparison of capacity building approaches is that projects with a wider capacity building scope, i.e. addressing also institutional capacity issues, not merely technical training, may stand a better chance of making their achievements sustainable and streamlined into the recipient institutions.

The Synthesis Evaluation has several recommendations to MFA. For example, development support to cross-sectoral institutions or tasks, such as national base maps, is still valid and important. When designing a technology project like the SNGS in the future, the MFA should decide whether to (i) aim for high-level development objectives or (ii) accept that a technology project cannot have much impact beyond its immediate results. The evaluation also recommends that MFA considers parallel financing as an option for its multi-bi partnerships. Parallel financing is an arrangement that requires more MFA and Embassy involvement than a traditional multi-bi intervention. MFA needs to strengthen its internal capacity on international donor procedures, to ensure that it can comply with its own development policies, when cooperating with other donors.