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**SYNTHESIS REPORT ON  
THE EX-POST EVALUATION OF THREE ITTO COMPLETED PROJECTS ON  
CRITERIA AND INDICATORS  
OF SUSTAINABLE FOREST MANAGEMENT**

**PROJECTS**

**PD 389/05 Rev. 2 (F)**

**Application of the Internal Monitoring of SFM Performance at Forest Management  
Unit Level (Indonesia)**

**PD 225/03 Rev.1 (F)**

**Adoption and Implementation of an Appropriate System of Criteria and Indicators  
for the Philippines**

**PD 195/03 Rev.2 (F)**

**To Establish a National Monitoring Information System for the Effective  
Conservation and Sustainable Management of Thailand's Forest Resources**

**Prepared for ITTO**

**by**

**Don Wijewardana and B C Y Freezailah**



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## ABBREVIATIONS

APHI	Association of Forest Concession Holders in Indonesia
C&I	Criteria and Indicators (for Sustainable Forest Management)
DENR	Department of Environment and Natural Resources, Philippines
EU	European Union
FAO	Food and Agricultural Association of the United Nations
FMU	Forest Management Unit
GIS	Geographic Information System
IMPG	Internal Monitoring of Performance Guidelines (Indonesia)
ITTA	International Tropical Timber Agreement
ITTO	International Tropical Timber Organization
LEI	Indonesian Ecolabel Institute
NGOs	Non-government Organisations
NTFPs	Non-timber Forest Products
PD	Project Document
PFE	Permanent Forest Estate
PPD	Pre-project Document
PSC	Project Steering Committee
PWPA	Philippine Wood Producers Association
REDD	Reducing Emissions from Deforestation and Forest Degradation
SFM	Sustainable Forest Management
ToR	Terms of Reference

## 1. INTRODUCTION

Key objectives of the International Tropical Timber Organization (ITTO) include the promotion of international trade in tropical timber, the sustainable management of tropical forests and the development of tropical forest industries through international cooperation, policy work and project activities. There is a global consensus on criteria and indicators (C&I) as the principal tool in implementing and documenting progress towards SFM at both the national and the forest management unit levels. ITTO has been a pioneer in developing C&I, which are being used by its members to report progress in SFM in their own countries.

In pursuit of the ITTO objectives, the Committee on Reforestation and Forest Management, at its Forty-third Session, decided to conduct an ex-post evaluation of the following completed projects relating to Criteria and Indicators of Sustainable Forest Management:

1. PD 389/05 Rev.2 (F) Application of the internal monitoring of SFM performance at forest management unit level (**Indonesia**)
2. PD 225/03 Rev.1 (F) Adoption and implementation of an appropriate system of criteria and indicators for the **Philippines**
3. PD 195/03 Rev.2 (F) To establish a national monitoring information system for the effective conservation and sustainable management of **Thailand's** forest resources

The evaluation mission included Don Wijewardana from New Zealand and B.C.Y. Freezailah from Malaysia. Following a study of project documents, and visits to the three countries and holding discussions with officials and a range of other stakeholders, the mission produced ex-post evaluation reports on each of the three projects. The purpose of these assessments was to provide a concise diagnosis of the three undertakings so as to point out the successful and unsuccessful outcomes, the reasons for successes and failures, and the contribution of the projects towards ITTO's Objective 2000 and the ITTO Yokohama Action Plan.

### 1.1 Terms of Reference

The terms of reference for the consultants for the conduct of the ex-post evaluation included the following:

1. Assess the overall role and meaningful contribution of the three projects in improving Criteria and Indicators of Sustainable Forest Management in ITTO Producing Member countries taking into account ITTO's objectives, Yokohama Action Plan, and Objective 2000.
2. Assess the potential and actual contribution of the three projects to ITTO's SFM work.
3. Evaluate the overall impact on and relevance of the three projects for the forestry, the forest industry and conservation sector in the countries concerned.
4. Evaluate the overall attainment of the objectives and assess the overall effectiveness of the three projects.
5. Evaluate the overall appropriateness of the costs and cost structure and use of resources within the three projects.

And make recommendations on:

1. The needs for similar projects in the future.
2. The objectives of such future projects.
3. Innovative approaches/designs for projects aiming at improving Criteria and Indicators of Sustainable Forest Management.
4. Appropriate target groups, e.g. countries, governments, organizations, forestry sector, local communities, etc.
5. The organizational arrangements of the projects.
6. Follow-up and evaluation practices.
7. Supplemental, alternative activities, processes, procedures, and/or follow-up programmers in the field of Criteria and Indicators of Sustainable Forest Management, if appropriate.

In keeping with these ToR this synthesis report aims to draw lessons from the three ex-post evaluations that can be used to improve the conceptualisation, formulation and implementation of similar projects in the future.

## 2. SUMMARY OF EVALUATION RESULTS

### 2.1 The overall role and contribution of the three projects in improving the development and implementation of Criteria and Indicators of Sustainable Forest Management in ITTO Producing Member countries taking into account ITTO's objectives, Yokohama Action Plan, and Objective 2000.

The three projects, each focusing on different elements of C&I, were in conformity with key ITTO objectives and action plans as well as Objective 2000 aimed at moving as rapidly as possible towards achieving exports of tropical timber and timber products from sustainably managed sources. Each project also made a significant contribution to the development and implementation of C&I.

The **Indonesian project PD 389/05 Rev.2 (F)** complied with the following objectives of the International Tropical Timber Agreement of 1994:

- a. To contribute to the process of sustainable development.
- b. To enhance the capacity of members to implement a strategy for achieving objective 2000.
- c. To promote the expansion and diversification of internal trade in tropical timber from sustainable sources
- d. To promote increased and further processing of tropical timber from sustainable sources
- e. To improve marketing and distribution of tropical timber exports from sustainable managed sources.

**Philippines project PD 225/03 Rev.1 (F)** also complies with ITTO Yokohama Action Plan 2002-2006 in the field of Reforestation and Forest Management with particular references to Goals 1 and 2:

- Goal 1. : Support activities to secure the tropical timber resources base,  
Goal 2. : Promote sustainable management of tropical forest resources.

The project complies with Article 1 of ITTA 1994, in particular, the following:

- (c) To contribute to the process of SFM;
- (d) To enhance the capacity of members to implement a strategy achieve Objective 2000;
- (f) To promote and support research and development to improve forest management and efficiency of wood utilisation;
- (l) To encourage the development of national policies for sustainable utilisation of forest resources.

The project is also consistent with the ITTO Libreville Action Plan, in particular goals:

- (1) Support activities to secure the tropical timber resource base;
- (2) Improve the tropical timber resource base; and
- (3) Enhance technical, financial and human opacities to manage eh tropical timber resource base.

**Thailand's Project PD 195/3 Rev.2 (F)** met the objectives of the ITTA, 1994 and conformed to the Yokohama Action Plan [cross cutting Actions (a) and (b)]. In addition, it was also in line with ITTO's Goal 2, Actions 1 and 10 of Reforestation and Forest Management, which is aimed at promoting C&I for SFM. The project was also in compliance with the ITTA, 2006, as it related to 'poverty alleviation' (objective c); 'rehabilitation and restoration of degraded forest land' (objective j); 'forest law enforcement and governance and address illegal logging' (objective n); 'promoting better understanding of the contribution of non-timber forest products' (objective q) and 'recognize the role of forest-dependent indigenous and local communities' (objective r).

The success of any measure towards sustainable forest management depends almost entirely on its impact on the forest management unit (FMU). But due to various reasons FMU is often the weakest link in applying C&I in many countries. The aim of the Indonesian project was to accelerate the implementation of SFM practices of the FMUs by improving the capability for the application of Internal Performance Monitoring Guidelines (IMPG) and promoting government policy on regulating the application of IMPG as a compulsory task among forest management units.

There were some issues in implementing the project. More important among them were the apparent lack of involvement of all primary stakeholders in the planning and to some extent in the implementation of the project and the inability to get a large number of forest concessionaires involved in the training. Apart from these the project has been largely successful. Nevertheless, the momentum created by the project has continued since its official completion and many of these deficiencies were being addressed.

There were three key ingredients the project has added to the C&I process. The first was a well-designed training package, which encompassed ITTO C&I, specific features of the FMUs in Indonesia, and verification of legality of the source of timber. Since the three elements were interrelated addressing them together had made the training efficient. In addition, the package has been tested prior to use and retested following the training to ensure its robustness and relevance and adjustments made accordingly.

The second noteworthy component was the combination of a regulatory approach to implementing IMPG with a market orientation, which rewarded well-performing FMUs with the ability to self-assess the issuing of annual logging licences. Another significant aspect was that an independent auditor, approved by an accreditation authority, determined whether a FMU was performing well. Both these elements have added greater transparency and credibility to the system. The approach had captured the imagination of the forest concessionaires who have sought outside funding to continue the training after the project concluded.

The third contribution of the project to improving ITTO C&I was to make proposals for change based on the experience gained in implementing the project. There were three suggestions for improvement of C&I:

- a) Need for different indicators to assess progress in SFM relating to mangroves;
- b) Excluding the FMUs from collecting data on macro level indicators such as assurance of boundaries and social issues (e.g. illegal logging and other illegal activities), which were seen as beyond the ability of FMUs to compile; and
- c) Reducing the number of indicators applicable to FMUs by almost a third to 43. This was based on removing 'redundant' indicators used more than once and excluding from FMU responsibility to address macro level indicators<sup>1</sup>.

Some of these can be controversial and if implemented could impact on achieving the objectives of C&I. But they are based on the experience implementing the project and ITTO may need to collectively address them for the benefit of member countries.

In the Philippines the main issue that project PD 225/03 Rev. 1 (F) sought to address was how to develop institutional mechanisms to determine progress towards SFM. This, it hoped to achieve, by a) adopting and institutionalizing an appropriate system of criteria and indicators for SFM, at the national and forest management unit levels and by b) adopting and implementing an audit system for Criteria and Indicators.

There were some areas where the expected situation on completion of the project had not materialized. For instance the dedicated unit within DENR to implement C&I reporting and auditing had not been established. The main reason for this has been a [government instruction to rationalize the bureaucracy](#). [Nonetheless, C and I had been mainstreamed in the existing Division, programs and projects under FMB- DENR. Also, the evaluation team was unable to gain evidence of the involvement of community based forest organisations or NGOs in any significant manner in the planning and implementation of the project or in the workshops and meetings. Also the expected national and FMU level database was being developed but it was not operational. Some of these expectations were excessive since the project was intended to develop the systems only. Despite that the project has been successful in the development of C&I and audit systems.](#)

The project had made significant contributions to the development of C&I. The more important of them were the development and adoption of a comprehensive and well tested system of C&I applicable at both national and the FMU levels along with a relevant audit system, the completion of a baseline report and later the first progress report on the Philippines application of C&I. The baseline report is critically important in implementing SFM. Once done, subsequent reports can build on it to show the progress in achieving sustainable management. As in the case of Indonesia the system is based on independent auditors approved by the accreditation authority.

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<sup>1</sup> For more details read technical report: Reviewing the existing monitoring system and improving internal monitoring performance guidelines at forest management unit level, ITTO PD 389/05 Rev.2 (F).

Another important outcome of the project was the recognition at the industry level, by the relevant government agencies as well as the political leadership, of the need for SFM and the role C&I can play in achieving it. This is noteworthy since the most formidable obstacle countries often encounter to implementing SFM is the lack of political commitment.

The project has also contributed to C&I development in two further ways. One of these was the use of new technology in promoting the use of C&I. It included a relational GIS-compatible database system for C&I, which allowed for easy management of data, reporting, updating, retrieval and analysis to determine progress towards SFM. It also developed a computer-based C&I Audit System to be linked to the Philippine C&I Database which has created an auto-generated system showing a yearly trajectory curve criterion for both national and FMU databases. That was aimed to help determine performance of FMUs towards Sustainable Forest Management. A user's manual has also been prepared for use of the databases for forest auditing of FMUs.

The other means by which it contributed to the development of C&I was the insistence that FMUs do report on macro level indicators such as water and soil protection, biodiversity, carbon absorption etc. The project strongly argued that these were critical elements of SFM and their exclusion could negate the utility of C&I. This is contrary to the view held by some other countries. This issue needs to be addressed by ITTO to reach a common position for its members.

In Thailand the project PD 195/03 Rev.2 (F) was aimed at establishing a national monitoring information system to provide regular data on timber and non-timber forest resources. Its objective was to develop a system for collection and analyses of both biophysical and socio-economic data and included the preparation of a baseline report on C&I for Thailand. These were expected to provide the basis for policy development and decision-making relating to SFM.

With the dedication of the project staff and the assistance of the international consultant all activities within output 1 - the establishment of a national network of monitoring plots, training and mentoring field crews in inventory work and the production of thematic maps and overlays indicating location of plots - have been completed successfully. A considerable volume of information has also been collected and analysed. Setting up sample plots within 20X20 km grid covering the whole country was a major task and the achievement is commendable.

However, there were two key areas where the project had not fully accomplished its aims. The first of these was marrying the biophysical data gathered with socioeconomic information. The other was using the data to produce a baseline report on C&I. These were critically important aspects of the project. Also, data gathered on soil, human impact and wildlife have not been analysed.

As in the case of the other two projects analysed in this synthesis report, a notable drawback has been the conspicuous lack of involvement by key stakeholders from the designing and management of the project, in particular the local communities, NGOs and forest industry. It is estimated there are over five million forest dependent people with many more relying on the forest for timber and non-timber forest products that use the forest extensively. Another failure has been the non-involvement of academic institutions, which were in a position to assist with the failed linking of physical data with socioeconomic information.

In spite of these limitations the project has made a major contribution to ITTO C&I by establishing a network of monitoring plots throughout the county to provide ongoing data on the state of the forest resource. This is a very useful move that will continue to provide Thailand with ongoing supply of resource data for regular updating of the database. As in the case of other two projects considered, this one also has made use of modern technology effectively in implementing the project. These are important lessons countries can draw from Thailand's experience.



## 2.2 The potential and actual contribution of the three projects to ITTO's SFM work.

The objectives of the International Tropical Timber Agreement include the promotion of the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of tropical timber producing forests. Its Action Plan is the principal vehicle for translating these aims into action. The guiding principle that underpins the action plan is sustainable forest management, which in turn is implemented on the ground using criteria and indicators.

The three projects under review were all aimed at promoting the development, implementation and monitoring of criteria and indicators for SFM. But the potential has not been fully translated into action in some of them.

The development objective of the **Indonesian** project PD 389/05 Rev.2 (F) was to accelerate the implementation of sustainable forest management practices of the FMUs and the two specific objectives included:

- i) Improving the capability of human resources on the application of Performance Monitoring System, and
- ii) Promoting the government policy on regulating the application of Internal Monitoring Performance Guidelines (IMPG) as a compulsory task among forest management units.

Each specific objective also had two outputs. The two outputs relating to Objective 1 had been successfully achieved with the development of appropriate training material and the number of the trained exceeding the target 200. The amalgamation of C&I for sustainable forest management with timber legality verification in the training has been a useful move since they complemented each other and helped reduce cost of implementing separate training programmes.

With regard to the outputs relating to Objective 2, the distribution of IMPG documents to FMUs, it had not been completed at the end of the project in keeping with the undertaking. However, this is not a cause for major concern since the documentation had been given to all trainees and had also been posted on the MoF website.

Also in relation to specific objective 2 although there was interest from the industry in applying the new criteria, there was no evidence that "the number of FMUs which had defined effective strategy for SFM improvement increase by 20 per cent".

In relation to output 2.2 -"Government Policy on IMPG formulated", a part of this output had been achieved with the workshop held on government policy, which made a number of recommendations. But this was one step short of formulating government policy. At the time of project completion no other action had been taken on this score. However, the issuing since completion of the project, of Ministerial decree 38/2009 consolidating Standards and Guidelines on Assessment of Performance In Sustainable Production Forest Management And Timber Legality Verification covering all types of forests was a landmark development in formulating government policy.

The expectation on the completion of the project was that 'the system database has been implemented and designed to accommodate the report from forest management units'. Nevertheless, this had not been achieved as planned. However, progress was being made as evident from the training that was still going on to implement this when the consultant visited the country in July 2010 for the ex-post evaluation.

Although the full potential was not realized the project has contributed to the ITTO SFM work in the following ways:

- Incorporating within one training package ITTO C&I, specific conditions relating to the forestry situation of FMUs in the country as well as timber legality verification.
- Ensuring the effectiveness of the training package by testing prior to the training, verifying effectiveness by visiting alumni in the field for post training evaluation and modifying the training package on the basis of the findings.
- Suggesting modifications to indicators on the basis of experience gained. This included new indicators for mangroves, reducing the number of effective indicators for FMUs by about a third to 43 and suggestions for the removal of macro level indicators from the responsibility of FMUs since they had little control over the relevant indicators. They included water and soil protection, biodiversity, and climate related measures.

The first specific objective of project PD 225/03 rev.1 (F) in the Philippines was to adopt and institutionalize an appropriate system of criteria and indicators for SFM, at the national and forest management unit levels, using the results of the ITTO pre-project on the development of criteria and indicators. The second specific objective was to pilot-test and adopt an audit system for criteria and indicators for SFM including institutional arrangements and future linkage with timber certification. The project has been very successful in the development of the C&I and audit systems. It had made a major contribution by the completion of a baseline C&I report which had been followed up two years later with the first progress report.

The broad fulfilment of the two specific objectives has also contributed to the achievement of the project's Development Objective: to promote and enhance the sustainable management of tropical forests of the Philippines.

An area where the project has not reached expectations relates to one element of Objective 1: 'institutionalizing' the C&I through an Executive Order. As an executive order could not be obtained the project concluded with a Memorandum of Instruction. The difference between the two is the latter can be annulled at a subsequent date by a simple instruction by the Secretary of DENR. Apart from that possibility it does not seem to have caused any practical difficulties in recognizing the results of the project. Nevertheless, action is currently underway to remedy the anomaly.

On its completion the Project proposal envisaged a situation where, among other things:

- a) A dedicated unit within DENR shall be created to implement C&I reporting and auditing.
- b) The various stakeholders including private forest concessionaires, community based forest management holders, concerned NGOs, private investors, donor communities, local governments, and other national agencies are fully aware and accepts the implementation of C&I and its audit requirements through IEC, and various consultations and workshops/meetings.
- c) A national and FMU levels database for C&I and audit parameters are operational with adequate qualified staff.
- d) Government implementers, forest managers, and third party qualified NGOs/private sector professionals can undertake audit and evaluation of SFM progress at national and FMU levels through training using C&I manuals in the project.
- e) The government will update its baseline national report based on C&I format and compile and evaluate all reports prescribed for FMU.

However, it was not evident that many of these outcomes expected at project completion had been fully realized. For instance, at the time of the visit of the evaluation mission in July 2010 the dedicated unit at a) had not been established, following a government instruction to rationalize the bureaucracy. Also, the evaluation team was unable to meet with many of the stakeholder groups identified in b) to establish whether they were 'fully aware and accepted' the two systems developed. The evaluation team was also unable to gain any insights on the involvement of community based forest organisations or NGOs in any significant manner in the planning and implementation of the project or in the workshops and meetings. However, the project coordinator assured the team that they were. Regarding c) a national and FMU level database had been developed but it was not operational.

This situation is understandable since the project aims were only to develop the C&I and audit systems. The undertakings relating to the post project situation seem somewhat extravagant given that funding was not provided to train the necessary staff in the government and the sector to make it operational.

The project has contributed to ITTO's SFM work in the following ways:

- Producing the benchmark report on C&I which was followed up two years later by producing the first progress report;
- Developing technology based tools to implement C&I at the national and FMU levels. They included a relational GIS-compatible database system for C&I. This contains the baseline and other data gathered on national- and FMU-level criteria and indicators for easy management of data, reporting, updating, retrieval and analysis to determine progress towards SFM. It also developed a computer-based C&I Audit System to be linked to the Philippine C&I Database which has created an auto-generated system showing a yearly trajectory curve criterion for both national and FMU databases. That was intended to help determine performance of FMUs towards Sustainable Forest Management. A user's manual has also been prepared for use of the databases for forest auditing of FMUs.

- The most challenging obstacle faced by any country embarking on SFM is gaining political commitment. Fortunately the Philippines has overcome this as evident from the Presidential Order 318 of 9 June 2004 expressing in no uncertain terms the endorsement of SFM. That provides a sound basis for implementing the research gained through the project to implement C&I on the ground.

The development objective of project PD 195/03 Rev.2 (F) in **Thailand** was 'to contribute to the effective conservation and management of forest resources and the environment' whilst the specific objective was 'to establish a national forest resources monitoring information system to provide trend data on timber and non-timber forest resources'.

The project outcomes and achievements relating to the specific objectives may best be assessed based on the anticipated project outputs under each activity. There were altogether three major outputs with several activities within them.

Output 1: National baseline forest resources monitoring system established.

Activities:

- 1 - Establish a national network of monitoring points
- 2 - Train and mentor field crews
- 3 - Collect baseline forest resources monitoring data, edit and analyse data and prepare thematic maps and overlays.

Output 2: Use of forest resources monitoring information promoted.

Activities:

- 1 – Upgrade existing database and GIS system
- 2 – Establish linkage with Institutions that collect socio-economic data
- 3 – Link forest resources monitoring data with socio-economic data
- 4 – Workshop to promote use of the monitoring information.

Output 3: National Baseline C&I report prepared.

Activities:

- 1 – Develop template for C & I reports.
- 2 – Prepare baseline C & I report based on template developed under 3.1
- 3 – A workshop to publicize use of C & I report among policy makers, NGOs, universities. This workshop would be combined with workshop under Activity 2.4.

All activities within output 1 have been completed successfully. They include the establishment of a national network of monitoring plots, training and mentoring field crews in inventory work and the production of thematic maps and overlays indicating location of plots.

Activity 2.1 has been completed to a large extent with the data and information compiled and analysed. However, data on soil, human impact and wildlife had been partly collected and not been analysed.

Activities 2.2 and 2.3 related to linking forest resource monitoring data with socio-economic information and were a crucial part of the project. But these activities have not been performed successfully. The Technical Report No. 3 on 'Conceptual Methods for Linking Biophysical Forest Monitoring Data with Socio-Economic Data' prepared on project completion, was somewhat vague. Besides, at that stage it was too late to be discussing concepts as the report has done: it should have been reporting on results of implementation.

Activity 2.4 was to convene 'A Workshop to promote use of the monitoring information'. This was held in May 2007 but there was no participation by key stakeholders such as the Ministry of Natural Resources and the Environment, community representatives, NGOs, or the industry.

Activity 3.1 was to 'Develop template for C & I Reporting which has been achieved with the development of such a template based on the ITTO guidelines.

Activity 3.2 was to 'Prepare baseline C & I Report' based on the template. This has not been prepared for the reason that the 'current national C & I were under review'. This is somewhat surprising in that the commitment in the project document was to prepare such a report. It is accepted that C & I is an evolving

process and thus under constant review. However, it would have been most useful for the report to be prepared as planned to provide a baseline for reference, to be reviewed and improved with time.

Overall, the project achievements have been mixed. It has produced some useful basic information but has not been able to follow it up with amalgamating the biophysical data with socio-economic information as planned to facilitate policy decisions. Another important output expected was to produce the baseline C&I report. That too has not been achieved.

The major contribution of the project to ITTO SFM efforts was the establishment of the national network of monitoring plots. This is a robust basis for developing a C&I baseline, which will continue to provide comparable data for years to come.

### **2.3 The overall impact on and relevance of the three projects for the forestry, the forest industry and conservation sector in the countries concerned**

All three projects were highly relevant to the ground situation and had different degrees of influence on the forestry sector, forest industry and on conservation in the three countries concerned. But the impact was not evenly spread. The various project activities had generated greater awareness of the importance of sustainable management of forests for which Criteria and Indicators is an important tool. The projects had contributed to strengthen the momentum towards this goal. This was evident at the highest political level in the three countries. Commitment by industry was clearly evident in Indonesia, and to some extent in the Philippines. The rapid growth of certification of FMUs managed by local communities, compared with those managed by concession holders in Indonesia, was indicative of the commitment by these groups. The pilot-testing of Criteria and Indicators of FMUs managed by Indigenous People in the Philippines under the project, has also generated awareness and support among them. Such trends were not clearly evident in Thailand.

#### **2.3.1 Impact on the forestry sector**

##### **Indonesia**

The impact of Project PD 389/05 Rev.2 (F) on the Indonesian forestry sector took different forms. Perhaps the most important and pervasive of them was the enthusiasm generated on using the new approach to implement SFM. For the forest industry the fervor was inspired by the objective means adopted to assess performance of FMUs using independent assessors coupled with the incentive offered to well-performing FMUs to self-assess the issuing of annual going licenses. For the government the impact was in the effective realization of its aim of SFM, which prompted it to offer additional incentives, such as meeting the assessment costs for a second year.

The new interest for SFM was also evident among community managed forests although they were not closely involved in the implementation of the project. For instance during the year 2009 the Indonesian certification body LEI certified nine new community forests. This compares with only three industry-based FMUs certified in the same year. The additional advantage of community interest in SFM is that they also cover the harvesting of non-timber forest products.

Although a direct correlation could not be drawn, some observers credit the perceived decline in illegal logging in recent years on the success of the new measures including certifying legality of sources of timber supply, adopted through the project and implemented by the government with new legislation. This has contributed to the progress in the current negotiations with the EU to conclude a Voluntary Partnership Agreement to ensure the export of legal timber and timber products by Indonesia. This will enable continued market access and entry of Indonesian timber exports into the EU through a "green lane".

##### **The Philippines**

Project PD 225/03 Rev.1 (F) impacted on the Philippine forestry sector in different ways. One of the more significant of them was that it engendered consensus within government on C&I as the basis for promoting SFM in the country. Prior to the project there was agreement on the need for SFM but there was no consensus on the means to achieve it.

The project had played an important role in gaining political commitment to SFM too. A formidable barrier to countries implementing programmes towards SFM has been found to be lack of political commitment. The Philippines has successfully overcome this obstacle through Presidential Order 318 of 9 June 2004 expressed in no uncertain terms the endorsement of SFM. That alone will obviously not lead to SFM but it empowers officials to work towards it.

The project had also contributed in a number of ways to the forestry sector's progress towards SFM by contributing to the implementation and development of C&I. In 2005 the project was able to produce the first progress report for the country. This was a milestone in progress since only two years earlier it had produced the baseline report.

In terms of contributing to the development of C&I, contrary to the position of some other countries, the Philippines insisted that its FMUs take responsibility for collecting data for macro level indicators such as soils and water protection and biodiversity. It argued that this was essential for the integrity of C&I to promote SFM.

Another area in which it helped the sector towards SFM was in promoting efficiency by adopting modern technology. It has linked C&I with GIS data, setting up a database with DENR with the facility for FMUs to input data directly on progress made in implementing C&I. It has developed a computer-based C&I Audit System, which is to be linked to the C&I Database including an auto-generated system to determine performance of FMUs towards SFM. All these bode well for the efficiency of future such projects. Benefits of such developments are both in ensuring accuracy of data as well as allowing open access to the information.

### **Thailand**

The contribution of Project PD 195/03 Rev.2 (F) to the forestry sector in Thailand was also important although it was not as extensive as in the other two countries. This was largely because it had not been able to fully implement all elements of the project.

The most important contribution was in establishing the national network of monitoring plots on the basis of a 20kmX20km grid to provide ongoing data on the forest resource. This is a firm basis for reliable data to assist with the development of C&I. This is a major lasting contribution to the forestry sector not only for its efforts towards progressing SFM but also for ensuring accurate resource data for all other purposes.

### **2.3.2 Impact on the forest industry**

Perhaps the most diverse impact of the three projects is seen in their effect on the forest industry.

### **Indonesia**

Out of the three projects under review the greatest impact on the industry was generated in Indonesia under project PD 389/05 Rev. 2 (F). This was for two reasons. First the industry was a partner with the government in implementing the project. This gave them a stake in the project and its outcomes. Secondly compared with the regulatory approach that is often applied, in this case the government offered an incentive by allowing the well-performing FMUs to self-assess the issuing of annual logging licenses.

Another important element of the package was that the assessment of the performance of FMUs was made not by an official but by an independent assessor approved by the accreditation body. All these elements had a major appeal to the forest industry, which led to the number of sector employees seeking the training exceeding the numbers planned for. And when the project ended the industry sought outside help to continue with the training.

Government endorsement of the approach into law through the issue of ministerial regulation 38/2009 confirmed the approval of the system. These factors have contributed to the endorsement of IMPG as the vehicle to promote SFM by the forest industry.

Indonesia is a major exporter of timber and timber products. More and more, markets are demanding at least legal, if not sustainable, timber verified through a credible legality assurance of certification system. The various activities undertaken under this project have addressed the needs of the industry to meet these emerging market requirements.

## **The Philippines**

There were positive impacts on the industry in the implementation of project PD 225/03 Rev. 1 (F) although not as extensive as in the Indonesian project. The Philippine Wood Processors Association was involved in the project as a member of the project steering committee. The project received an unexpected boost in endorsement by the forest industry when the devastating landslides triggered by the successive typhoons wrought havoc and killed thousands in 2004 - the same year the project implementation commenced. The blame for the catastrophe was laid on rampant illegal logging in Regions 3 and 4. As a consequence, all logging and cutting permits throughout the country were suspended. This blanket enforcement brought consternation and dismay to conscientious FMUs.

The project, through the C&I it developed, provided a monitoring and assessment tool that could clearly and immediately determine, whether an FMU is engaged in destructive/illegal or sound/sustainable forest management practices, based on assessment of solid data, information and empirical evidence. In view of this facility there was a growing clamour for the immediate enforcement of the C&I system by the Philippine Wood Producers Association (PWPA), which had been aired often during Project Steering Committee (PSC) meetings.

The industry was also keenly interested in the outcome of the project to link C&I with voluntary certification. Although it had not achieved it by the time the project concluded it reflects the commitment of the government and the industry for certification.

## **Thailand**

Out of the three projects related to C&I reviewed here the least impact on the industry was in the Thailand project PD 195/03 Rev.2 (F). This was largely because the industry was not involved in the project either in the steering committee or as a group that was consulted.

Nevertheless, the project had immense potential to be of considerable value to the industry if the C&I baseline report was prepared as planned. Yet in what it had achieved the project has provided a vital ingredient to the industry for its planning purposes. That is the establishment of the national network of monitoring plots on the basis of a 20kmx20km grid to provide ongoing data on the forest resource. This is a firm basis for reliable data to assist with the development of C&I. It is an important contribution to the forest industry not only for its efforts towards progressing SFM but also for ensuring accurate resource data for planning purposes.

According to statistics for 2006, Thailand exported more than 1.3 million cubic meters of sawn timber. Exports to the EU in 2007 had amounted to US\$ 44 million. With the adoption recently of new legislation expected to enter into force by the end of 2012, this Due Diligence Regulation will demand credible evidence of legality for timber and timber products to enter into the EU markets. The creation of awareness and development of Criteria and Indicators initiated in this project are therefore important for the timber industry in order to ensure access into major timber markets including the EU.

### **2.3.3 Impact on conservation**

Forest conservation is a key component of sustainable forest management promoted through C&I. By developing measures to implement C&I the three projects were to have a major impact on conservation. This section does not deal with that broad underlying impact but focuses only on specific areas of the three projects that had a significant influence on conservation.

## **Indonesia**

Indonesia is one of the highly forested countries in Asia. But with heavy exploitation during the latter part of the last century, and plagued by problems such as shifting cultivation, unauthorized occupation, illegal logging and government acquisitions for other uses, the country was facing a difficult task to stem the continuing deforestation and forest degradation. Several measures taken, such as a logging ban have not been able to stop the decline in the area of forest.

In more recent times the government has adopted sustainable forest management as the main tool to address the problems. For this purpose Indonesia has adopted the ITTO criteria and indicators.

The project PD 389/05 Rev. 2 (F) was an initiative to implement C&I. The criterion 3 of IMPG, comprising eight indicators, was entirely focused on ecological aspects of forest management. The Ministerial regulation P.38/Menhut-II/2009 reinforced IMPG, including the ecological aspects, by setting standards of performance for FMUs.

IMPG also included verification of legality of timber. This was intended to meet market demands for legally felled timber as a means of addressing the problem of illegal logging. This too was enacted into law in the same ministerial regulation. Although it is not possible to draw a direct link some observers credit this measure for the apparent decline in illegal logging in recent years. The wide-ranging measures surrounding the project have contributed to an air of confidence within the forestry sector of the success of SFM and conservation in the country.

## **The Philippines**

Project PD 225/03 Rev.1 (F) in the Philippines was even more focused on promoting SFM through C&I. It had earlier, in 2003, produced the first baseline report on C&I and was able to complete the first progress report in 2005 when the project was being implemented. This represented good progress as a number of producer countries were still working towards doing their baseline reports.

Another favourable impact of the project on conservation was the consensus within government in utilising C&I as the basis for promoting sustainable forest management in the Philippines. Previously, there was agreement that SFM was the basis for management of forests but there had been no agreement on how SFM was to be implemented. This consensus will have a major impact on conservation since all government agencies would be using the same tools to promote conservation and sustainable management of the forests.

The project also addressed another vexing problem for countries implementing C&I. Unlike most other indicators which can be assessed at the FMU level those relating to forest conservation (such as water and soil protection, biodiversity) need to be assessed at a macro level since they are not amenable to measurement at the FMU level. For that reason some countries exclude them from the responsibility of FMUs to assess. But the Philippine project persisted with ensuring FMUs meet these criteria. The basis of the inclusion was that C&I reporting which excludes critical criteria relating to ecological aspects does not represent sustainability.

## **Thailand**

Project PD 195/03 Rev.2 (F) had considerable potential to promote forest conservation in Thailand. The establishment of the countrywide network of monitoring plots and using the data obtained to amalgamate with socioeconomic information as the basis for producing the baseline report on C&I would have been a major contribution to conservation. However, with some key elements of the project not being implemented as planned, its contribution was less than in the other two projects.

What the project had achieved was the establishment of the monitoring plots, which is a very valuable input to gain ongoing data on the forest resource. This will provide the officials, policy makers and researchers with valuable information on the state of the forest in relation to both conservation and production.

Through this project a countrywide resources map of Thailand had been prepared for the first time. This gave a good overall picture of the vegetation and tree cover in Thailand including areas totally protected for biodiversity conservation. Such information is of value in preparing management plans for these protected

areas including the need to undertake reforestation and forest restoration with appropriate tree species for wildlife protection and habitats.

According to the project plan resource monitoring was also to include collection of data on wildlife. However, due to various constraints, this had not been accomplished. This is unfortunate as such data, when analysed, could establish a baseline on wildlife population apart from yielding valuable information on protection, the need for enforcement, and other measures for conservation.

## 2.4 The overall attainment of the objectives and the effectiveness of the three projects

In Indonesia project PD 389/05 Rev.2 (F) was aimed at achieving two specific objectives. They were to improve the capability of human resources on the application of Internal Monitoring Performance Guidelines (IMPG) and to promote the government policy on regulating the application of IMPG as a compulsory task among forest management units. The outputs relating to Objective 1 had been successfully achieved with the development of appropriate training material and the number of the trained exceeding the target 200. The amalgamation of C&I for sustainable management with timber legality verification in the training has been a useful move since they complemented each other and helped reduce cost of undertaking separate training courses. Outputs relating to objective 2 had been achieved to a large extent but some parts not being fully realized. These included the timely distribution of IMPG documents to FMUs, and formulating government policy on IMPG. However progress on these had been made since the completion of the project.

An independent assessor authorized by the accreditation body now performs the assessment of FMUs for issue of annual logging licenses. This was previously done by officials. This is a major move that has contributed to enhanced credibility of compulsory certification. There is great enthusiasm among the FMUs for the MoF certification scheme because of the incentive it offers them for self-assessment of the annual logging plan. It saves the FMUs both time and money.

The project has been of great significance for providing appropriate tools to implement SFM at the national and the FMU levels. It has also played a catalytic role in generating enthusiasm within the forest industry, and keen interest from the government to use it to ensure legality and sustainability of the forest resource. The move has also received the endorsement of the international community, which has come forward to provide support.

In the Philippines The first specific objective of the project PD 225/03 Rev 1 (F) was to adopt and institutionalize an appropriate system of criteria and indicators for SFM, at the national and forest management unit levels, and the second was to pilot-test and adopt an audit system for C&I, including institutional arrangements and future linkage with timber certification. These had been broadly achieved except one element of Objective 1: 'institutionalizing' the C&I through an Executive Order'. As an executive order could not be obtained the project concluded with a Memorandum of Instruction. The difference between the two is the latter can be annulled at a subsequent date by a simple instruction by the Secretary of DENR. Apart from that possibility it does not seem to have caused any practical difficulties in recognizing the results of the project. Nevertheless, action is currently underway to remedy the anomaly.

Tests on C&I and the auditing tools developed under the project have proven their relevance and robustness. Furthermore, the stakeholders and the government have endorsed them as suitable for application at all levels to implement and monitor progress of SFM. However, three major obstacles remain to their nation-wide implementation:

- Some of the indicators are complex and technical and the responsible government agencies or the stakeholders currently do not have the capacity to implement them without intensive training.
- Training in the use of the C&I and the audit system will require a major effort in terms of funding to adequately cover the very large number that needs the guidance.
- Need to ensure two other stakeholder groups – community organisations and NGOs, are closely involved in training and follow up.

In **Thailand** a previous project funded by ITTO had enabled the country to develop a system for collecting, processing and displaying forest resource data. However, it had not addressed issues of setting up a baseline monitoring system, linking up biophysical data with socioeconomic information and linking the information gained in the process with national C&I. The main aim of the current project PD 195/03 Rev. 2 (F) was to fill these gaps.



It has come a long way in meeting this need by generating valuable information through a network of monitoring plots established throughout the county to provide on-going data on the state of the forest resource. However, the expected project outputs to link this biophysical data with socioeconomic information, and to produce a baseline report, have not been realized. As a result the project's realization of its objectives was diminished.

## **2.5 The overall appropriateness of the costs and cost structure and use of resources within the three projects**

The consultants perused the audited accounts and minutes of steering committee meetings and other relevant reports. Every indication was that the three projects had been executed in efficient and appropriate manner in keeping within the parameters set for them.

### **Indonesia**

The project PD 389/05 Rev.2 (F) has been well managed and commitments delivered within budget. One change from the original plan was the reduction in the number of training centres from ten to eight. This was due to the late recognition that two of the selected sites were unsuitable for fieldwork. But the change has not added to additional costs to the budget or caused any delays to implementation of the planned training.

The four-month delay in completing the project has been caused by the inability to complete the training due to intervention of end of year holidays and the higher than expected demand for training. The change has been accommodated within budget.

Overall the project was cost effective and generated a valuable resource base especially in the training modules prepared incorporating ITTO C&I, domestic circumstances and requirements for timber legality verification.

### **The Philippines**

The project PD 225/03 Rev.1 (F) was cost effective and produced useful outputs including the first progress report on C&I. In terms of use of resources efficiently it also set an example in the use of technology.

They are:

- a) A GIS-compatible database system for C&I, which carries the baseline and other data, gathered on national- and FMU-level criteria and indicators. This will allow for the easy management of data, reporting, updating, retrieval and analysis to determine progress towards SFM. And
- b) The computer-based C&I Audit System, which is to be linked to the C&I Database. It has created an auto-generated system showing a yearly trajectory curve criterion for both national and FMU databases. That helps to determine performance of FMUs towards SFM. A user's manual has also been prepared for use of the databases for forest auditing of FMUs.

### **Thailand**

The project PD 195/03 Rev.2 (F) has been managed with cost efficiency and to meet the expected technical, financial and managerial standards. It has been completed within three years after commencement on 8 June 2007 as scheduled and under budget. A surplus of \$ 13,595 had been reimbursed to the ITTO.

However, it has not been able to deliver on two segments – amalgamating the resource data with socioeconomic, and producing a baseline C&I report. These were important elements of the project. For that reason the project could not be considered cost efficient.

### **3. RECOMMENDATIONS**

#### **3.1 The needs for similar projects in the future**

There is a global consensus on the need for SFM as well as on the use of C&I as the principal vehicle to deliver sustainability and ITTO has been at the forefront of promoting the application of C&I for forest management among its member countries. However, applying C&I, particularly at the FMU level is not an easy task. The level of understanding, capacity and commitment are all factors, which are not always present at the FMU plane. At the same time some countries are yet to implement C&I or present a baseline report at the national level.

The ITTO, in keeping with its objectives, has already invested a great deal of effort in promoting and training in the use of C&I. Given this background there is a continuing need for more similar projects in the future. The advantages of such projects include addressing a particular problem in a member country, which at the same time allows other countries to learn from the experience. This is evident from the three projects that have produced very useful outputs that could benefit all members. These include, in brief:

- The training package developed under project PD 389/05 Rev.2 (F) incorporating ITTO C&I and modified with specific FMU conditions in the country as well as incorporating verification of legality of timber. The module had then been pretested and followed up with an ex-post assessment to ensure validity. It also raised issues such as adopting new indicators relating to mangroves, reducing the number of indicators especially relating to those at a macro level that FMUs are required to monitor.
- The first progress report on C&I produced under Project PD 225/03 Rev.1 (F) as well as the efficiency promoted through its widespread use of modern technology.
- The establishment of a countrywide network of sample plots to provide reliable ongoing data on the forest resource as part of the project PD 195/03 Rev.2 (F).

However, the ex-post evaluation of the three projects also revealed a number of areas for improvement in formulating proposals.

#### **Stakeholder involvement**

Foremost among these is to ensure that project proposal formulation had the involvement of at least all the primary stakeholders. A good project proposal is the end-result of a process that involved discussions, meetings and workshops with key stakeholders. It should cover the identification of needs, interests, conflicts, and responsibilities and a review of all issues that might influence project implementation. Such commitments are sometimes mentioned in project proposals but may not be translated often into action in the implementation process. As a result even projects that had realized all the outputs may sometimes fail to achieve the outcomes envisaged. Inclusion of a stakeholder analysis with the project proposal is one way to ensure adequate involvement of stakeholders. It is also essential to make sure stakeholder involvement in the implementation at least through participation in the steering committee process.

#### **Development objective**

The problem area a project intends to address is often reflected in the development objective, and the project preparatory process should lead to identifying this for the proposal. It is the broader or higher-level objective to which the project will contribute and which is in line with the objectives of ITTO and national sector programs. It should be possible to prove the project's contribution to the development objective by means of verifiable indicators, which could be social, economic, and environmental contexts against which the changes induced by the project can be measured. But sometimes, the development objective presented is far removed from the specific objectives and esoteric in nature. It is important to ensure the validity of the development objective identifying the links to the specific objectives, when project proposals are made.

#### **Effectiveness of Project Steering Committees**

Projects sometimes fail to deliver the outputs expected. It is understandable if this happens through unforeseen circumstances; but it has sometimes happened due to reasons which could have easily been

recognised in advance. Every effort needs to be made to ensure this does not happen. One forum where looming problems may come to light is the project steering committee. Steering committee's role is central to the success of a project. The committee monitors the overall strategic management of the project including overseeing project implementation, approving expenditures within the budget, reviewing the activities that have been carried out, and reviewing and proposing changes in budgets and activities etc. In this regard membership of the committee is very important. Every effort should be made to strengthen the effectiveness of the steering committee to prevent failures. If any signs of possible failure become evident they should be brought to the attention of the ITTO.

### **Priorities for funding**

Some project proposals are being supported to develop systems that help promote SFM. This is a legitimate use of resources to assist countries with the provision of tools for implementing SFM. However, unless a further step is taken to implement the outputs of such projects they may end up as fruitless exercises. To prevent this happening, when such proposals are approved, it may be worth considering whether there is a strong possibility of gaining internal or external funding to continue the process started by the project. It may not often be possible to offer an assurance of continuing external funding but seeking a guarantee of domestic or alternative other support in the event such external resources are not available, may be worth considering. To reduce the financial burden of such moves even staggered approaches for follow up spread over a number of years may be worth considering.

### **3.2 The objectives of such future projects**

With ever growing focus on C&I as the principal means of promoting SFM future efforts may need to be focused on three main areas. They are:

- Promoting continuous improvement of C&I as a tool for promoting SFM among member countries;
- Addressing conceptual issues that hinder progress; and
- Promoting application of C&I at the FMU level since it is on this plane that SFM can make its impact.

Promoting continuous improvement of C&I is necessary to ensure new knowledge gained, modern techniques developed, as well as experience acquired by countries in applying C&I are all used to update and improve effectiveness of C&I everywhere. Even if these elements may appear on their own in electronic media and similar means it is unlikely that countries assimilate them. This is because some may not have access to such media or may be preoccupied. Addressing issues in an organized manner will help overcome such obstacles.

There is also the need to address emerging issues to ensure the relevance of C&I. There are a number of areas currently in this category:

- Many markets are increasingly demanding sustainably managed or legally harvested timber. This is evident in the public procurement policies in a number of countries. The United States is now implementing the Lacey Act and in the European Union the Due Diligence Regulations are expected to enter into force at the end of 2012. Both these set similar requirements. These laws compel exporters to provide credible assurance of timber legality. While a few member countries have adopted measures for verification of legality along with implementation of C&I others have not. Projects to address these issues are therefore important if exporters of timber and timber products are to benefit from the lucrative market opportunities.
- Although some C&I indicators are intended to capture data on non-timber forest products the greater emphasis in C&I has been timber production apart from conservation. But this overlooks the fact that in many producer countries by far the larger share of products extracted from the forest is fuelwood. For instance in the three countries where the current ex-post evaluation was undertaken, in 2006, the volumes of fuelwood as a share of total wood production amounted to 72 per cent in Indonesia, 81 per cent in the Philippines and 69 per cent in Thailand<sup>2</sup>. These figures show that the overwhelming pressure on SFM arises not from extracting industrial wood but from the fuelwood extracted by people living in or adjacent to forests. As such it is an issue that deserves to be focused

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<sup>2</sup> See Annex table 2 for details.

on when promoting SFM through C&I. Failure to deal with it will result in forest encroachment and degradation and eventually undoing efforts to promote SFM.

- Though not as widespread as fuelwood, the gathering of non-timber forest products (NTFs) is a progressively expanding activity especially in community-managed forests. The Indonesian certification body LEI has brought within its assessment process forests used for this purpose to encourage the sustainable use of resources. It is important that the C&I process too pays greater emphasis to bring NTFs into the mainstream of assessment since the extraction of these products has a major impact on sustainability.

Addressing conceptual issues that hinder progress is also important to ensure effective use of C&I. The ex-post evaluation of the current three projects has raised a number of such issues that need to be dealt with to help ensure progress and consistent reporting by members. They include whether new indicators are needed to assess sustainability of mangroves, whether macro level indicators (e.g. biodiversity, water and soil protection, social aspects, climate related issues) should be excluded from the responsibility of FMUs to report on and whether the number of indicators should be cut down to levels manageable to FMUs.

But many of the issues that need addressing will be related to application of C&I at the FMU level. They will include areas that have relevance to several countries or specific to a particular country. Obvious priority in funding such projects will be to the former category. There were a number of issues that emerged in the ex-post evaluation of the current three projects that belong to this group.

- Effective stakeholder involvement – success of a project achieving its outcomes depend on how effectively the stakeholders have been involved in the design and implementation of a project. But this is an area where most of the projects were lacking.
- Assessment of critical indicators (mainly related to macro level indicators) when data capture is cumbersome for FMUs.
- Dealing with situations when basic conditions for C&I cannot be met (e.g. when there is no defined permanent forest estate).
- Some of the projects failed to deliver on commitments due to inadequate analysis of the problem or poor strategy and project design or due to deficient monitoring of progress. While specific attention to these elements need to be paid in project assessment it may also be necessary to incorporate tools for monitoring and evaluation in the work plan and the budgetary elements. It is also necessary for the implementing agency to ensure it has capacity in the various fields of expertise necessary for project implementation.

### **3.3 Innovative approaches/designs for projects aiming at improving Criteria and Indicators of Sustainable Forest Management**

In recent years a large number of high quality project proposals that could have contributed significantly to promote SFM in member countries had been abandoned due to the inability to securing funding. It is unlikely that the funding situation will change significantly in the future. It is therefore important to focus on ways to overcome the problem.

One such means would be to breakdown large projects into smaller, self-contained units that do not require large funding. Chances of obtaining funds for smaller projects would be better externally or domestically. The ITTO could assist with necessary technical support for design and implementation and if possible provide some seed funding.

Projects could also be geared to develop capacity. But international consultants are often necessary to assist with technical aspects of projects. Nevertheless, over-reliance on them needs to be avoided to prevent a vacuum in that area of expertise when the project ends. Planning is therefore necessary from the very beginning so that an expert will have a local counterpart who will be able to undertake follow-up actions when the project is completed. Such an arrangement will be necessary to provide opportunities for the development of skills through on the job training and to ensure project sustainability.

A recurrent problem, to which attention has been drawn in previous ex-post evaluations, is the poor involvement of stakeholders. As a result projects had been implemented inadequately and their sustainability remained in doubt. Project design and project assessment need to pay specific attention to this matter,

including seeking a stakeholder analysis prior to approval and their involvement, if appropriate, in the steering committee.

### **3.4 Appropriate target groups, e.g. countries, governments, organizations, forestry sector, local communities, etc**

The executive agency for the three projects was the government alone in two of the projects and in the other government jointly with the industry. But the success of projects needs the cooperation of all primary stakeholders. This often includes the government, industry, local communities and NGOs. They all should be target groups for every project.

### **3.5 Organizational arrangements of the projects**

The need for improvement of the present system is evident in the failure of some projects to deliver all their committed outputs. There are three critical points at which additional interventions could be introduced to help avoid this situation. The first is at the Expert Panel and the project Technical Committee where the involvement of all primary stakeholders from design to implantation could be assessed. Also it is necessary to ensure that the executive agency has the skills to deal with technical and managerial issues that arise.

In the case of project PD 195/03 Rev.2 (F) it could have been expected that the ominous signs of the inability to deliver on two of the key outputs should have surfaced at Steering Committee meetings. But for some reason no preventive action had been taken. It is necessary to ensure mechanisms are in place to trigger warning signs if problems are looming ahead.

Another specific areas to focus on include assurance of funding after project completion if its outcomes can be realized only through further action to implement. If not the resources spent on developing systems/techniques could go to waste.

### **3.6 Follow-up and evaluation practices**

Monitoring and evaluation are critical elements of successful project implementation. When they fail projects become incapable of delivering the expected results. Out of the three projects examined this is evident from the failure of project PD 195/03 Rev.2 (F) to deliver on some of its outputs. But it should have been detected if the monitoring process had worked effectively. For this to happen it is important that monitoring mechanisms in place should alert the executing agency about the potential failure. For this to happen it is also necessary to ensure the steering committee has people adequately qualified to read the signals and understand all the elements of the project.

Another effective way to overcome the problem is to have a compulsory midterm evaluation for all major projects. By mid term in implementation it is likely the effectiveness of the project management team to successfully complete the project would become fairly clear. A thorough assessment at that stage is also more likely to indicate any worrying developments, which could adversely impact on the final outcome. The important thing is at that stage there is still time to effect changes to the management of the project to enhance achievements, or even save a project from ending in failure.

Another problem experienced by the consultants with regard to the three projects was that when the ex-post evaluation is undertaken a few years after the completion of the project it becomes difficult to get the Executive Agency staff back for detailed discussion since they had moved on to other jobs. In this regard the timing of the ex-post evaluation becomes important.

Another need for the consultants involved in ex-post evaluations is to ensure they receive a complete set of all project documents well ahead of the visit to the country. This will enable them to study the documents to get a good picture of the project, its implementation, progress, constraints faced etc well in advance. Such background information will enable them to seek more pointed information and assist with undertaking an effective enquiry into issues.

It is also suggested that it would be useful to have separate technical reports prepared for each of the major project activities by the responsible staff member of the implementing agency.

### **3.7 Supplemental, alternative activities, processes, procedures, and/or follow-up programmers in the field of Criteria and Indicators of Sustainable Forest Management, if appropriate**

The ITTO has been in the forefront in developing C&I. It has also been perhaps the most successful organization in testing C&I in different regions, improving them to meet specific needs of tropical countries and training members to use them effectively. C&I have been recognised by the international community as the principal tool in implementing SFM. As far as ITTO is concerned SFM and C&I are at the core of all its activities.

In this background it is essential to recognize that forestry is a dynamic sector and, to be effective, C&I need to adjust to meet changing circumstances. These changes could arise partly from the processes taking place within forests. Apart from that they could emerge from changing perceptions of forestry, new knowledge gained, experiences of countries and emergence of circumstances that had not been foreseen when C&I were introduced. Reviewing C&I periodically therefore will ensure the relevance and robustness of this tool. There is also a need to hold refresher type seminars or training for member countries periodically to allow for staff turnover in the responsible government agencies.

One suggestion would be to hold periodical seminars to update members on issues related to C&I. Apart from the elements noted above some of the other areas that need to be covered in such meetings include:

- Recent developments relating to C&I and forestry in general;
- Discuss successful as well as unsuccessful experiences of countries;
- Address conceptual and operational issues arising from the application of C&I. A number of such issues had been raised in the three projects evaluated here. One of these relate to macro level indicators. The issue has been raised especially in Indonesia and Philippines as difficulties are encountered in connection with social issues, soil and water protection, biodiversity and REDD. They are important elements in SFM without which SFM will not be achieved at the FMU level especially for purposes of certification.
- Using effectively the relevant ITTO manuals especially pertinent to executing projects.

The return from such interactions would be for members to get updated on current trends, learn from each other's experiences as well as help ITTO improve the effectiveness of C&I to promote sustainable forest management.

## **4. ACKNOWLEDGEMENTS**

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**5. ANNEXES**

**TABLE 1: CONSOLIDATED PROJECT INFORMATION**

	PROJECT DETAILS	INDONESIA	THE PHILIPPINES	THAILAND
1	NUMBER	PD 389/05 Rev. 2 (F)	PD 225/03 Rev.1 (F)	PD 195/03 Rev. 2 (F)
2	TITLE	Application of the Internal Monitoring of SFM Performance at Forest Management Unit Level	Adoption and implementation of an Appropriate System of Criteria and Indicators for the Philippines	To establish a national monitoring information system for the effective conservation and sustainable management of Thailand's forest resources
3	PERIOD TO COMPLETION	28 months (Jan. 2007- Ap. 2008 (Incl. 4 month extension.))	30 months (June 2004- Dec. 2006)	36 months (June 2004- June 2007)
4	DEVELOPMENT OBJECTIVE	To accelerate the implementation of sustainable forest management practices carried out by forest management units as the members of the Association of Indonesian Forest Concession Holders (APHI).	Promote and enhance the sustainable management of tropical forests of the Philippines through the adoption and implementation of an appropriate system of criteria and indicators including auditing and monitoring.	To contribute to the effective conservation and management of Thailand's forest resources and the environment.
5	SPECIFIC OBJECTIVES	1.To improve the capability of human resources on the application of Performance Monitoring System initiated in the previous project PD 42/00 Rev.1 (F) 2.To promote the government policy on regulating the application of Internal Monitoring Performance Guidelines (IMPG) as a compulsory task among forest management units	1. To adopt and institutionalise appropriate system of criteria and indicators for SFM at the national and forest management unit levels, using the results of the ITTO pre-project on the development of criteria and indicators. 2. TO pilot test and adopt an audit system for criteria and indicators for SFM including institutional arrangements and future linkage with timber certification.	To establish a national forest resource monitoring information system to provide change and trend data on timber and non-timber forest resources.
6	ITTO BUDGET (US\$)	381,888	520,076	677,743

**TABLE 2: COUNTRY DATA**

		<b>INDONESIA</b>	<b>PHILIPPINES</b>	<b>THAILAND</b>
Area (1,000 ha)		181,157	29,817	51,311
Population (1,000)		228,864	86,263	63,443
Per Capita GDP (USD):		3,454	3,153	7,599
Estimated total forest area (m ha)		105-120	5.4-7.2	13.0-14.8
PFE (1,000 ha)	Natural closed forest	100,382	5,288	10,127
	Natural	46,000	4,700	0
	Planted Production	2,500	274	1,870
	Protection:	22,500	1,540	8,260
	Area/1,000 People:	387	83	229
	Annual change rate (%)	-2.0	-2.1	-0.4
Production (1,000 m <sup>3</sup> )	Woodfuel :	70,719	12,821	19,736
	Industrial roundwood:	28,099	2,927	8,700
Import (1,000 m <sup>3</sup> )				
	Industrial roundwood:	120	138	398
	Sawntimber:	311	264	1,890
Export (1,000 m <sup>3</sup> )				
	Industrial roundwood:	685	7	0
	Sawntimber:	1,853	184	1,314
Employment in forestry sector (1,000)		321	49	137
% contribution to GDP :		2.5	0.5	0.8

Sources:

FAO (2009) State of the World's Forests 2009

ITTO (2006) Status of Tropical Forest Management 2005