

ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)

(This report covers implementation period from July1,2022 to June30,2023 including recently closed projects covering the reporting period)

ADB Official Project Title: TA-9248 MYA: Rural Productivity and Ecosystems Services Enhanced in Central Dry Zone Forest Reserves

ADB Project Number: 47152-002

I. GEF PROJECT SUMMARY

Project Ratings:

Development Objective Rating (DO): Development Rating (DO) of this Project is assessed as **Moderately Satisfactory (MS)**. Details are described in “B. Implementation Progress (IP) Rating” in “III. Project Implementation” of this report.

Implementation Progress Rating (IP): Implementation Progress (IP) of this Project is assessed as **Moderately Satisfactory (MS)**. Details are described in “B. Implementation Progress (IP) Rating” in “III. Project Implementation” of this report.

Risk Rating: Risk of the Project is assessed as **Substantial Risk (S)**. That is “there is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.” Details are described in “D. Risk Rating” in “III. Project Implementation” of this report.

Information on Progress, challenges and outcomes on project implementation activities

(1) Overall progress of the Project implementation

Following table shows an overall implementation of the Project as of 30 June 2023 following the frame of Key Activities presented in Design and Monitoring Framework (DMF) of the Project. Progress of each Key Activities are indicated with different colors of four stages as diagram below shows. In addition to the COVID-19 pandemic restrictions, TA-supported activities have been put temporarily on-hold due to the situation in Myanmar since 1 February 2021. ADB is carefully monitoring the evolving situation in Myanmar. Outputs produced since the start of the Project in November 2018 till the end of June 2023 are summarized in the section “Knowledge activities/products” of this report.

Output/Key Activities with Milestone in DMF	Status as of 30 June 2023 Start and end of activity
Output 1: Improved soil and water conservation practices in CDZ demonstration area	
Key activity 1.1: Water balance study using IWMI Water Accounting+	Feb. 2020 – Mar. 2021
Key activity 1.2: Community led mapping of soil health and soil erosion status	Jun. 2020 – Sep. 2021
Key activity 1.3: Customize/design training and capacity building packages	Jul. 2020 – Jun. 2021
Key Activity 1.4: Develop demonstrations of good agricultural practices, remedial soil and water conservation approaches in and around Mae Nyo Taung Forest Reserve	Jan.2019 – Sep. 2021 (Including civil works done by DZGD)
Key activity 1.5: Identify/refine approaches, technologies and investments with potential for replication and scaling up	Jun. 2021 – Dec. 2021
Output 2: Biodiversity and ecosystems management mainstreamed into forest management planning	
Key activity 2.1: Review of Protected Area gap analysis and actions taken	Apr. 2019 – Jun. 2021
Key activity 2.2: Participatory design and implementation of KBA training for relevant stakeholders	Jan. 2021 – Dec.2021

Output/Key Activities with Milestone in DMF	Status as of 30 June 2023 Start and end of activity
Key activity 2.3: Conduct of key biodiversity assessment for at least one identified high value conservation site	Jul. 2019 – Sep. 2021
Key activity 2.4: Participatory design and delivery of capacity building tools and methods for sustainable use and conservation of biodiversity in dryland ecosystems	Dec. 2018 – Sep. 2021
Key activity 2.5: Workshop on integrating PA (Protected Area) management with forest management planning for at least 5 districts	Oct. 2021 – Dec. 2021
Key activity 2.6: Design and implementation of behavior change communications (BCC) and campaigns	Jul. 2021 – Dec. 2021
Output 3: Forest ecosystems rehabilitation and management scale up	
Key activity 3.1: Preparation of detailed profiles of reserved forests and protected public forests	Feb. 2020 – Mar. 2021
Key activity 3.2: Afforestation of 550 ha in Mae Nyo Taung Forest Reserve	Jan. 2019 – Sep. 2021
Key activity 3.3: Assisted natural regeneration across 1,200 ha in Mae Nyo Taung Forest Reserve	Jan. 2019 – Sep. 2021
Key activity 3.4: Finalize design of training and capacity development packages for scaling up areas	Apr. 2021 – Sep. 2021
Key activity 3.5: Training and capacity building in IS/WM, SFM, CC, Biodiversity etc. for targeted stakeholders in scaling up areas	Apr. 2021 – Sep. 2021
Key activity 3.6: Technical and financial feasibility studies followed by small scale investments in water storage and supply infrastructure	Jul. 2021 – Dec. 2021
Key activity 3.7: Technical and financial feasibility studies followed by small scale investments in climate smart agriculture	Jul. 2021 – Dec. 2021
Key activity 3.8: Ecosystem services assessment conducted at candidate site	Oct. 2019 – Jun. 2021
Key activity 3.9: Payment for forest ecosystems services developed and operationalized at candidate site	Apr. 2021 – Sep. 2021
Key activity 3.10: Develop and disseminate knowledge products (execute knowledge management approach): DZGD website development	Sep. 2019 – Dec. 2021
Key activity 3.11: Packaging of bankable investment projects for additional financing to scale up innovative technologies	Jul. 2021 – Dec. 2021
Output 4: Policy and knowledge management capacity strengthened	
Key activity 4.1: Policy studies on land use law, water use law and subsidiary legislation	Jun. 2019 – Jun. 2021
Key activity 4.2: Multi-stakeholder township, district and regional level policy workshop	Apr. 2021 – Dec. 2021
Key activity 4.3: Workshop on UN-REDD Program analysis of the drivers of deforestation and forest degradation	Jul. 2021 – Dec. 2021
Key activity 4.4: Training for MONREC on use of GHG inventory software (FAO)	Jul. 2021 – Dec. 2021
Key activity 4.5: Conduct of forest inventory for selected areas of CDZ (linked to 3.1)	Jul. 2021 – Dec. 2021
Key activity 4.6: Establishment of social and environmental safeguards, monitoring, reporting and verification (MRV) protocols	Jul. 2021 – Dec. 2021
Cross-sector Outputs	
(1) Gender	Dec. 2018 – Sep. 2021
(2) Training curriculum development	Jul. 2019 – Sep. 2021
(3) Monitoring and Evaluation (M&E)	Dec. 2018 – Sep. 2021
(4) Procurement and financial management	Dec. 2018 – Sep. 2021

Fully achieved	Partially achieved	Further progress required	No or very little progress
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Information on Progress, challenges and outcomes on Environment and Social Safeguards

Activities of the Project are not relevant to implement social and environmental safeguard plan following SPS of ADB nor TOR of the Consultant requests to implement it.

Information on Progress, challenges and outcomes on stakeholder engagement

This Project does not develop the stakeholder engagement plan. However, the stakeholders of the Project are identified in the Inception Report of the Consultant's Services approved in April 2019. They are categorized into five clusters according to their attributes and relevance to the Project such as; (1) Dry Zone Greening Department (DZGD), (2) Forest Department (FD) and Environmental Conservation Department (ECD), (3) Department of Agriculture (DOA) and Irrigation and Water Utilization Department (IWUD), (4) Rural Development Department (RDD) and General Administration Department (GAD), (5) Community in 24 target villages, (6) Implementing partners (IP, Sub-contractor).

The engagement of these stakeholders has been arranged and conducted as planned without critical issues or problems in 2020. That is; 1) DZGD takes a good leadership in engaging the Project leading other departments being involved in the Project Executive Committee (PEC) meeting and concerning workshops arranged by the Consultant. Other departments are actively involved in some key workshops and training and in collaborating with DZGD in operating M&E system, 2) DZGD and the Consultant have involved the communities of 24 target villages in providing water preserving facilities, forestry operations and various technical trainings and pilot activities, 3) The Consultant have built a good cooperation with the Implementing Partners to plan and conduct key and high-priority activities in the Project. Details are presented in the section "b. Stakeholders engagement" of "III Project Implementation".

Following the current cooling off period due to political situation in Myanmar, the consultant could not complete the deliverables in their contract. The contract was financially closed on 3 December 2021.

ADB has not communicated with the EA, the DZGD following the cooling off period. There is an outstanding advance with DZGD that could not be liquidated yet due to the current cooling off period. The status of DZGD's contract is described in Section 3B.

Information on Progress on gender-responsive measures

Gender consideration and responsive measures should be an integral part of the Project implementation. Gender Action Plan (GAP) and its implementation guideline has been completed in September 2019. Since then, GAP has been applied in all kinds of the technical trainings and workshops of the Project. Information on progress on gender-responsive measures are same as the ones presented in the project implementation report in 2021.

However, all activities including gender-responsive measures have been put temporarily on-hold due to the situation in Myanmar since 1 February 2021.

Knowledge activities/ Products

Achievements of knowledge management in the reporting period is detailed in Section III. All activities including knowledge activities temporarily on-hold due to the situation in Myanmar since 1 February 2021.

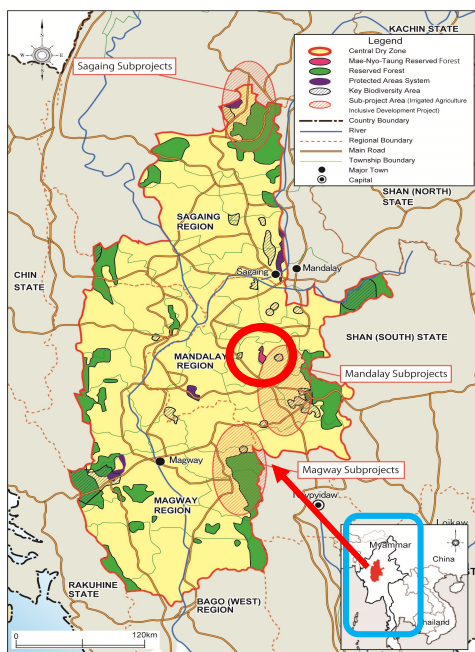
GEO LOCATION INFORMATION

Location Name	Latitude (WGS84 Format)	Longitude (WGS84 Format)	GEO Name ID	Location Description	Activity Description
Dry Zone of Myanmar, Mae Nyo Taung Forest Reserve	21.05	95.766667	NA	<p>The Dry Zone of Myanmar lies in the central portion of Myanmar, astride the mighty Ayeyarwady River, between latitudes 19.333333 to 22.833333 and longitudes 93.66667 to 96.5. Incorporating 57 townships in 13 districts in Sagaing, Mandalay and Magway Divisions, the Dry Zone covers a total area of 81,650 km² (Source of location data: <i>Myanmar Forestry Journal</i>, January 2000).</p> <p>The location of the Project site is Mae Nyo Taung Forest Reserve lies between latitudes 21.05 to 21.2 and longitudes 95.766667 to 95.85. Total area is 5,790 ha which extends into two</p>	Enhance rural productivity and ecosystems services in Central Dry Zone (CDZ) forest reserves of Myanmar.

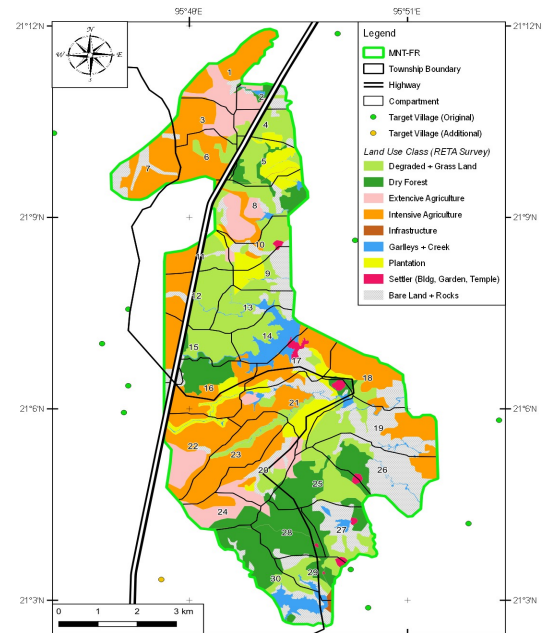
				townships of Malaing and Bundwin in Meikhtila district in Mandalay Region.	
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Project map and coordinates

As indicted in blue-colored squatter in the map below, the Dry Zone of Myanmar lies in the central portion of Myanmar, astride the mighty Ayeyarwady River, between latitudes 19.333333 to 22.833333 and longitudes 93.66667 to 96.5. Incorporating 57 townships in 13 districts in Sagaing, Mandalay and Magway Divisions, the Dry Zone covers a total area of 81,650 km² (Source of location data: *Myanmar Forestry Journal*, January 2000). As shown in red circle in the map below and on right side, location of the Project site is Mae Nyo Taung Forest Reserve lies between latitudes 21.05 to 21.2 and longitudes 95.76667 to 95.85. Total area is 5,790 ha which extends into two townships of Malaing and Bundwin in Meikhtila district in Mandalay Region.



Central Dry Zone and Mae Nyo Taung FR



Mae Nyo Taung FR

PROJECT MINOR CHANGE IN SCOPE/MINOR AMMENDMENTS

- ☐ Results framework
- ☐ Components and cost
- ☐ Institutional and implementation arrangements
- ☐ Financial management
- ☐ Implementation schedule
- ☐ Executing Entity
- ☐ Executing Entity Category
- ☐ Minor project objective change
- ☐ Safeguards
- ☐ Risk analysis
- ☐ Increase of GEF project financing up to 5%
- ☐ Co-financing
- ☐ Location of project activity
- ☐ Other

None.

FOR SCCF/LDCF INDICATORS: (Provide information if applicable) NA

Total Number of Beneficiaries	
Ha of land better managed to withstand the effects of climate change	
No. of risk and vulnerability assessments, and other relevant scientific and technical assessments carried out and updated	
No. of people trained to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	
No. of regional, national and sub-national institutions with strengthened capacities to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	
Contribute towards public awareness of climate change impacts, vulnerability and adaption (Tick if relevant)	
Expand access to improved climate information services (Tick if relevant)	
Expand access to improved climate related early-warning information (Tick if relevant)	
No. of regional, national and sector-wide policies, plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	
No. of sub-national plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	

II. Project Profile

1. General Information	1	GEF ID	9267
	2	Focal Area(s)	Multi focal area
	3	Region	Southeast Asia
	4	Country	Myanmar
	5	GEF Project Title	Rural Productivity and Ecosystems Services Enhanced in Central Dry Zone Forest Reserves
	6	Project Size (FSP; MSP)	Full Size Project
	7	Trust Fund (GEFTF; SCCF; LDCF)	USD 4,790,000
2. Milestone Dates	8	GEF CEO Endorsement Date (mm/dd/yy)	30 April 2016
	9	ADB Approval Date if the GEF Fund (mm/dd/yy)	28 November 2016
	10	GEF Grant Signing of the GEF Fund (mm/dd/yy)	7 April 2017
	11	Implementation Start Date of the Project and of the GEF Component (mm/dd/yy)	24 March 2017
	12	Date of 1st GEF Grant Disbursement (mm/dd/yy)	14 December 2018
	13	Final date of GEF Grant Disbursement (mm/dd/yy)	(For recently closed project)
	14	Proposed/Revised Implementation End (mm/dd/yy)	
	15	Actual Implementation End (mm/dd/yy)	
	16	Expected Financial Closure Date (mm/dd/yy)	31 March 2022
3. Funding	17	Actual Financial Closure Date (mm/dd/yy)	Cannot be financially closed due to cooling off period in Myanmar.
	18	PPG/PDF Funding (USD)	
	19	GEF Grant (USD)	USD 4,790,000
	20	Total GEF Fund Disbursement as of 30 June 2023(USD)	USD 3,644,631
	21	Confirmed Co-Finance at CEO Endorsement (USD)	
	21	Materialized Co-Finance at project mid-term (USD)	
4. Evaluations	22	Materialized Co-Finance at project completion (USD)	
	23	Proposed Mid-term date (mm/dd/yy)	NA. Project will be financially closed subject to situation in Myanmar.
	24	Actual Mid-Term date - if applicable (mm/dd/yy)	NA
	25	Proposed Terminal Evaluation date (mm/dd/yy)	1 December 2023
	26	Actual Terminal Evaluation Date (mm/dd/yy)	
	27	Tracking Tools Required (Yes/No/ Focal Area TT)	
	28	Tracking Tools Date - if applicable (mm/dd/yy)	
		Midterm Tracking Tool	
		Terminal Evaluation Tracking Tool	

III. Project Implementation

A. Project Description:

The Dry Zone Greening Department (DZGD) was established in 1997 under the Ministry of Environmental Conservation and Forestry (MOECF) which was renamed later and is currently called as the Ministry of Natural Resources and Environmental Conservation (MONREC). Purpose to establish DZGD is to accelerate greening bare land and rehabilitating degraded natural vegetations in the dry zone and improve the environmental and socio-economic conditions in rural communities living in the area. Following the purpose, there are four main areas of DZGD's mandate. They are; (1) to establish forest plantations on degraded bare land, (2) to protect and conserve the remaining natural forests, (3) to promote the use of fuelwood substitutes, and (4) to manage and develop water resources (Source: DZGD 30 Years' Comprehensive Master plan from 2001 to 2030).

To this end, DZGD recognizes that the sustainability of land rehabilitation efforts requires the improvements of livelihood options for local communities who depend on forest and agricultural landscapes. This is because land degradation in watershed areas is linked to the poverty in their lives. Rehabilitation of degraded land in the dry zone is significantly associated with the improvement of livelihoods of rural communities in the area. This is the rationale to develop an improved and comprehensive approach to implement tasks and achieve the objectives of DZGD and the needs to formulate the Project to provide technical assistances to the government stakeholders to implement it.

Based on the above consensus, Technical Assistance (TA) was approved by ADB on 28 November 2016 funded by the Global Environment Facility (GEF), to complement an ADB loan to the Union Government of Myanmar titled "Irrigated Agricultural Inclusive Development Project". Its title is TA-9248 MYA: Rural Productivity and Ecosystems Services Enhanced in Central Dry Zone Forest Reserve. It was officially started by recruiting the Consultants in October 2018 through international competitive bidding arranged by ADB's Procurement Guideline (April 2016). Accordingly, Consultant's Services for TA was contracted between Asian Development Bank (ADB) and the joint venture (JV) of Nippon Koei Co. Ltd. (NK) in Tokyo, Japan and Professional Research and Consultancy Co., Ltd. (PRC) in Yangon, Myanmar with the association of Myanmar Koei International Co., Ltd. (MKI).

Objective of TA-9248 is to enhance rural productivity and ecosystems services in Central Dry Zone (CDZ) forest reserves of Myanmar. Pilot trainings, demonstration and capacity building activities for the stakeholders are conducted in Mae Nyo Taung Forest Reserve (5,790 ha) and surrounding agricultural lands (5,000ha) in Meikhtila District, Mandalay Region. Once tested and refined, training packages of improved technologies are to be scaled up to 50,000 ha of the same agroecological landscapes as Mae Nyo Taung and to 45,000 ha of degraded forest lands in CDZ. Improved measures of forest conservation are also to cover 300,000 ha of Permanent Forest Estate (PFE).

Design and Monitoring Framework (DMF) of the Project gives result chains of four areas of Outputs which should be implemented during the project and Outcome linked to these Outputs on rural productivity and ecosystem services. It also shows Impact of the Project which should aligned with "Irrigated Agriculture Inclusive Development Project" in the Central Dry Zone in Myanmar. The result chains of Outcome and four Outputs in DMF are as follows.

Outcome: Rural productivity and ecosystems services enhanced in Central Dry Zone forest reserves

Output 1: Improved soil and water conservation practices in Central Dry Zone demonstration area

Output 2: Biodiversity and ecosystems management mainstreamed into forest management planning at district level in CDZ

Output 3: Forest ecosystems rehabilitation and management scaled up

Output 4: Policy and knowledge management capacity strengthened

The Outcome and four Outputs are defined with performance indicators with target and milestones which are supposed to contribute Global Environmental Benefit (GEB) and Development Objectives (DO) as described in the later section of this report. Four Outputs have 28 Key Activities in total to show tasks, target area, approaches methodologies, stakeholders involved, etc. Following the Key Activities, the Consultant propose quarterly and annual work plan to implement.

B. Implementation Progress (IP) Rating:

a. GEF Grant Disbursement

Total amount of Consultant's contract was USD 2,506,432 including contingency. As of financial closing of the contract on 3 December 2021, a total of USD 1,608,025 has been disbursed:

Output in DMF		Disbursement in 2018/19	Disbursement in 2019/20	Disbursement in 2020/21	Total of disbursement	%
	A	B	C	D	E=B+C+D	F=E/A
Output 1	Total Budget: 2,506,432	150,824	274,103	231,902	656,829	
Output 2		157,707	158,582	188,560	504,849	
Output 3		121,702	133,673	86,685	342,060	
Output 4		21,929	39,196	43,342	104,467	
Total		452,162	605,554	433,425	1,608,025	64.16

GEF Grant Disbursement to DZGD

Title	Date of disbursement	Amount (USD)
1 st Advance payment: (for the period from January to June 2018/19)	14 January 2019	575,550.00
2 nd Advance payment: (for the period from July to September 2018/19)	25 September 2019	215,170.00
3 rd Advance payment (1 st Remittance): (for the period from October to March, 2019-20)	4 December 2019	210,000.00
3 rd Advance payment (2 nd Remittance): (for the period from October to March, 2019-20)	11 December 2019	300,021.10
4 th Advance payment: (for the period from April to September, 2019-20)	28 April 2020	589,741.79
5 th Advance payment Oct. 2020 to March 2021	12 Nov. 2020	145,946.00
Total (Up to 5th Advance payment)		2,036,428.89

There is an outstanding advance of USD161,267 from DZGD which could not be liquidated yet due to current cooling off period in Myanmar.

b. Stakeholders Engagement

The Project includes various stakeholders in its planning and implementation. Their engagement and its challenges and outcomes are described following the types of the stakeholders. However, due to the current cooling off period due in Myanmar. ADB and the consultant could not communicate with these stakeholders since 1 February 2021.

(1) Dry Zone Greening Department (DZGD), FD, ECD, DOA, GAD, and other relevant departments

DZGD is the implementing organization of the Projects which has responsibilities to implement the Project using GEF grants. In March 2019, DZGD organized inception workshop in Meikhtila district where they invited all stakeholders in the concerning departments and 24 target villages to share the basic concept, purpose and objectives, work plan and expected outputs of the Project. Since then DZGD chaired Project Executive Committee (PEC) meeting every quarter inviting the stakeholders of government departments as shown in (2) and (3) below. DZGD also chairs the monthly meeting attended by the Consultant Team to monitor the progress and coordinate the monthly work plan. Having received the disbursement of GEF grant from ADB, DZGD has completed the work plan in 2018/2019 and most part of the plan in 2019/2020 as scheduled. Therefore, engagement of DZGD into the Project implementation has been quite successful in 2020.

(2) Forest Department (FD) and Environmental Conservation Department (ECD)

Same as DZGD, FD and ECD belong to Ministry of Natural Resources and Environment (MONREC) of the country. These two departments are the members of PEC of the Project. Not only attending the quarterly PEC meeting but these two department have been actively involved in the workshop of ecosystem management of Output 2 in DMF. Output 2 aims to propose the planning approaches of ecosystem management (integrated landscape management) instead of existing forestry planning in the government forest domains. As of June 2022, their engagement is still limited. FD in Meikhtila district also played a key role to approve the updated management plan of the community forestry (CF) developed by CF users' groups under the support of the Consultant and PMU/DZGD.

(3) Department of Agriculture (DOA), Irrigation and Water Utilization Department (IWUD)

These two departments belong to Ministry of Agriculture, Livestock and Irrigation (MOALI). They are involved in the activities of soil/water conservation (SWC) and climate smart agriculture (CSA) in the target villages. The project implementation and M&E system led by DZGD developed collaboration with these department at regional, district and township levels. At regional level these departments send their representative to the Project Executive Committee (PEC) meeting held quarterly while extension officers and staff of DOA join the technical trainings as future trainers for extension of SWC and CSA. A series of trainings has started in full swing in June 2020 continuing 18 months.

(4) Rural Development Department (RDD), General Administrative Department (GAD)

These two departments at district and township levels are invited to the technical trainings and workshops as necessary being a part of the participants from the local government. They participated in M&E workshops three times held in May and September where the Consultant proposed the M&E network at township and district level covering the concerning departments. In 2020, these two departments have collaborated with DZGD in updating the monitoring data using M&E system of the Project.

(5) Community in 24 target villages

Community people are the main target of technical trainings and workshop. Since the Project started in November 2018, field surveys and pilot activities focusing have involved community people of selected target villages. Other than the involvements of some pilot villages in 2019, all 24 target villages started to be involved in the SWC and CSA demonstration and trainings since February 2020. Several target villages which have CF users' groups were supported by the Consultant in updating their management plan and getting its approval by FD.

Civil works and distribution of water preserving facilities by DZGD started in 2018/2019 have promoted positive participation of the community people in the Project. It helped the people understand the Project purposes and objectives and developed their attitudes toward collaborating positively with the Project activities. Forestry operations by DZGD using GEF grants such as reforestation and assisted natural regeneration (ANR) involved the community people residing close to the operation sites as daily paid labors. Their involvement in the forestry operations is one of the factors of successful implementation of reforestation and ANR.

c. Gender Action Plan Implementation Status

Gender Action Plan (GAP) for the Project was developed in September 2019 with its implementation guideline. They are designed consistent with “Performance Indicators with Targets and Baselines” presented in the Design and Monitoring Framework (DMF) of the Project. Since then, GAP has been applied anytime when the technical trainings, workshops and seminars were implemented inviting the government officers, community people, NGOs and other relevant organizations. It is to facilitate and assess the participation of women in such events and support them to act equally as male participants.

However, all activities including gender-responsive measures have been put temporarily on-hold due to the situation in Myanmar since 1 February 2021.

d. Social and Environmental Safeguard Plan Implementation Status

Activities of the Project are not relevant to implement social and environmental safeguard plan following SPS of ADB nor TOR of the Consultant requests to implement it.

Based on the assessment above, the rating for Implementation Progress (IP) of this Project is assessed as **Moderately Satisfactory (MS)**. That is “Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action”.

C. Global Environmental Benefits (GEB) Objective/ Development Objective (DO) Rating:

Global Environmental Benefits (GEB) in the Project is defined as “GHG emission reduction through improved land and water resource management and restoration and rehabilitation of degraded dry forestlands”. It is based on Results Chains and their Performance Indicators in DMF. Details in Output are as follows.

- 1) Output 1: Avoided GHG emissions of 280,751 tCO₂e over 20 years through establishing and applying Sustainable Land Management (SLM) and Water Resource Management (WRM) in 5,500 ha of forest reserve and 5,000 ha of agricultural lands in and around Mae Nyo Taung Forest Reserve by 2022,
- 2) Output 3: (1) Avoided emission reductions of 637,318 tCO₂e over 20 years through restoring and rehabilitating dry forest lands in 1,750 ha by 2022,
- 3) Output 3: (2) Avoided GHG emissions of 1,708,875 tCO₂e over 20 years through improving agricultural productivity in 50,000 ha, and
- 4) Output 3: (3) Avoided GHG emissions of 2,998,541 tCO₂e over 20 years through improving degraded forest lands in 45,000 ha.

Development Objective (DO) in the Project is defined as “(1) Mainstreaming ecosystem management through community participation in strategic planning and operation in Output 2 and (2) Identifying the priority areas of policy reform as public policy process in land and water uses and agricultural production in Output 4”.

As “Risks” of Output 2 in DMF shows, biodiversity is not part of DZGD mandate. Fauna and flora inventory and assessment survey done by the Consultant revealed values of biodiversity in forests in Central Dry Zone is not high compared to the key biodiversity area in other region of the country. Therefore, it cannot be included in DO of Output 2.

Considering the above definitions and progress/outlook of achievements of the Project, rating of Global Environmental Benefits (GEB) Objective/Development Objective (DO) is assessed “Moderately Satisfactory (MS)”. Reasons of the rating are clarified for its detailed definitions of GEB in Output 1 and 3 as follows.

- 1) **Output 1 (GEB): It can be achieved** through installing water preserving facilities, soil conservation technologies and land use planning in Mae Nyo Taung Forest Reserve (5,500 ha) and surrounding 24 target villages (5,000 ha).
- 2) **Output 2 (DO): It can be partly achieved.** Training modules and tools of capacity development in ecosystem services management will be prepared and utilized in the training program. Thus, knowledge

and understanding will be shared among the stakeholders however, it is not predictable how much it will be accepted and mainstreamed in the current planning and operations by DZGD, FD and ECD.

- 3) **Output 3 (GEB): (1) It can be achieved** through reforesting bare lands and rehabilitating degraded dry forests (1,750 ha) by ANR, which is planned and conducted by DZGD in two years 2018/2019 and 2019/2020.
- 4) **Output 3 (GEB): (2) It can be partly achieved** through designing the scale-up of ecosystem management into agroecological landscape and permanent forest estate (PFE) in the Central Dry Zone. To ensure full achievements of this item, it is necessary to secure source of investment to realize the avoided GHG emissions of 50,000 ha.
- 5) **Output 3 (GEB): (2) It can be partly achieved** through designing the scale-up of ecosystem management into agroecological landscape and permanent forest estate (PFE) in the Central Dry Zone. To ensure full achievements of this item, it is necessary to secure source of investment to realize the avoided GHG emissions of 45,000 ha.
- 6) **Output 4 (DO): It can be partly achieved**. Same as DO in Output 2, it depends on the acceptance and positive involvement in policy dialogues among the stakeholders.

Based on the assessment above, the rating for Global Environmental Benefits (GEB) Objective and Development Objective (DO) Rating is **Moderately Satisfactory (MS)**.

D. Risk Rating:

Based on the assessment on the progress, achievements and challenges, risk rating of this Project is “Substantial Risk (S)”. There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks. The risk may increase depending on the situations of the spread of COVID-19 and the political instability of Myanmar.

As mentioned in “I. GEF Project Summary”, there are three aspects of challenges which the Project implementation is currently facing. Most critical one is delay of implementing activities due to the COVID-19 pandemic. This is the risk which could give adverse impacts to all Project activities. Ultimate solution to overcome it is for the pandemic to end and overall conditions return to be normal or become to be “new normal”, which is out of the control by the Project. Considering the nature of COVID-19 pandemic, it is hardly possible to predict whether it will be ended within the Project period or not. Therefore, it can be said that with more or less 50% of possibility the Project will continue to face this risk and the whole process of its implementation will be affected critically due to this risk.

As mentioned in “GEB/DO Rating”, three major points can be the risks against achieving the Project objectives. They are (1) Biodiversity is not part of DZGD mandate (Output 2), (2) Unclear motivation among the government stakeholders in mainstreaming ecosystem management (Output 2) and identification of prioritized issue in land/water use and agricultural development (Output 4), and (3) Source of investment in future scale-up of improved approaches and technologies in Central Dry Zone. These are the risks which affect critically in the process of planning and implementing the activities and achieving the objectives.

E. Overall Rating of the Project:

Based on the rating of Implementation Progress (IP), Global Environmental Benefit (GEB)/Development Objectives (DO) and Risks, overall rating of the Project is assessed as “**Moderately Satisfactory (MS)**”, that is “Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action” as discussed in the issue of Output 2.

F. Additional Comments – Good Practices And Lessons Learned:

None.

G. Knowledge activities / products:

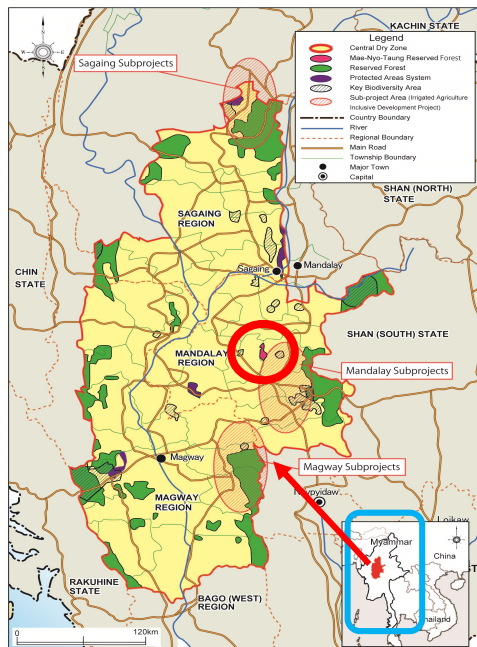
List of the Knowledge Management Materials (KKM) which have been produced during the reporting period is provided in the following table. These have been produced between July 2020 and January 2021. All activities including knowledge activities temporarily on-hold due to the situation in Myanmar since 1 February 2021.

Output 1: Improved soil and water conservation practices in Central Dry Zone demonstration area
Key Activity 1.1: Water balance study using IWMI Water Accounting+ <Output> Report of water balance simulation in Central Dry Zone in using Water Accounting+
Key Activity 1.3: Customize/design training and capacity building packages <Output> Customized technical guideline on soil and water conservation and climate smart agriculture to be applied in the up-scaled area of the Central Dry Zone.
Key Activity 1.4: Develop demonstrations of good agricultural practice, remedial soil and water conservation approaches in and around Mae Nyo Taung Forest Reserve. <Output> Completion reports on the technical trainings and demonstrations
Output 2: Biodiversity and ecosystems management mainstreamed into forest management planning
Key Activity 2.1: Review of updated Protected Area gap analysis and actions taken Key Activity 2.2: Participatory design and implementation of KBA training for relevant stakeholders Key Activity 2.3: Conduct of key biodiversity assessment for at least one identified high value conservation site Key Activity 2.6: Design and implementation of behavior change communication (BCC) and campaigns <Output> Concept Note to conduct Key Activity 2.1, 2.2, 2.3 and 2.6

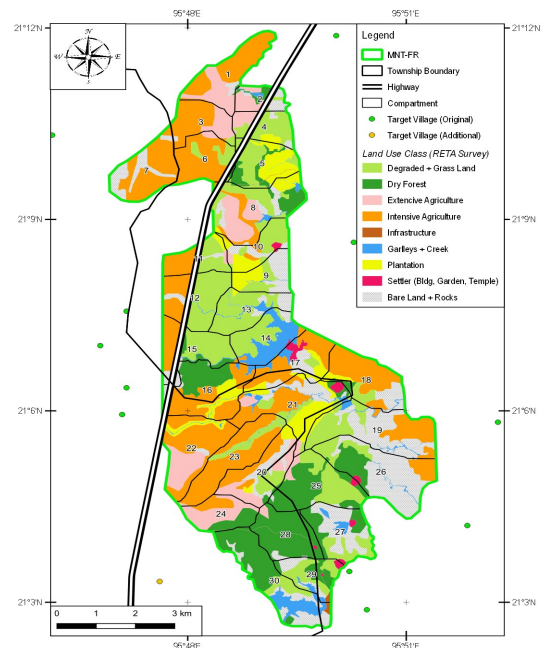
H. Location Data:

As indicated in blue-colored squatter in the map below, the Dry Zone of Myanmar lies in the central portion of Myanmar, astride the mighty Ayeyarwady River, between latitudes 19° 20" to 22° 50" and longitudes 93° 40" to 96° 30". Incorporating 57 townships in 13 districts in Sagaing, Mandalay and Magway Divisions, the Dry Zone covers a total area of 81,650 km² (Source of location data: *Myanmar Forestry Journal*, January 2000).

As shown in red circle in the map below and on right side, location of the Project site is Mae Nyo Taung Forest Reserve lies between latitudes 21° 03" to 21° 12" and longitudes 95° 46" to 95° 51". Total area is 5,790 ha which extends into two townships of Malaing and Bundwin in Meikhtila district in Mandalay Region.



Central Dry Zone and Mae Nyo Taung FR



Mae Nyo Taung FR

Project Contacts

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ANNEX A: DEFINITION OF RATINGS

Implementation Progress Ratings

Highly Satisfactory (HS): Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.

Satisfactory (S): Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that is subject to remedial action.

Moderately Satisfactory (MS): Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.

Moderately Unsatisfactory (MU): Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action..

Unsatisfactory (U): Implementation of **most** components is not in substantial compliance with the original/formally revised plan.

Highly Unsatisfactory (HU): Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

Global Environment Objective/Development Objective Ratings

Highly Satisfactory (HS): Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.

Satisfactory (S): Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.

Moderately Satisfactory (MS): Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.

Moderately Unsatisfactory (MU): Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.

Unsatisfactory (U): Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.

Highly Unsatisfactory (HU): The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

Risk Rating

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

High Risk (H): There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

Substantial Risk (S): There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.

Modest Risk (M): There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.

Low Risk (L): There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.