GEF/GOU/UNEP PROJECT ON DEVELOPING AN EXPERIMENTAL METHODOLOGY FOR TESTING THE EFFECTIVENESS OF PAYMENT FOR ECOSYSTEM SERVICES TO ENHANCE CONSERVATION IN PRODUCTION LANDSCAPES IN UGANDA

GEF Project ID: GFL 2328-2716

Focal area: Biodiversity

GEF Strategic Priority/Objective:

BD2: To mainstream biodiversity in production landscapes.

Strategic Programme 5: Fostering markets for biodiversity goods and services.

MID-TERM REVIEW

FINAL REPORT

Date of Mid-term Review: 20 December 2012 – 30 January 2013

Date of Final Report: (30 January 2013)

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SOME DEFINITIONS

Contamination: This refers to outside influences impacting on the control groups of the randomized experimental design and introducing potential bias into the results.

Payment for Environmental Services (PES): The Scientific and Technical Advisory Panel (STAP) of the GEF has defined PES as (i) voluntary, (ii) contingent transactions between (iii) at least one seller and (iv) one buyer (v) over a well-defined environmental service, or a land use likely to secure that service[1]. The key point is (ii): payments are contingent upon the agreed-upon environmental service being provided.

Problem animals: Wild animals that are fully protected by law and may not be hunted or killed even if damaging crops (people experiencing problems caused by these animals must call in UWA). The main species are elephants and chimpanzees.

Randomised experimental design: An experimental design in which objects or individuals are randomly assigned (by chance) to an experimental group (using randomization is the most reliable method of creating homogeneous treatment groups, without involving any potential biases or judgments).

Vermin: Wild animals that may be hunted and killed by licensed officers (vermin guards) if they are causing damage to people's livelihoods. The main species are baboons, vervet monkeys and wild pigs.

[1] http://stapgef.unep.org/docs/Guidance/PESGuide.pdf

ACRONYMS AND ABBREVIATIONS

3ie	International Initiative for Impact Evaluation
BAT	British-American Tobacco
CAO	Chief Administrative Officer
CCU	Climate Change Unit (of MWE)
CDO	Community Development Officer
CFR	Central Forest Reserve
CSR	Corporate Social Responsibility
CSWCT	Chimpanzee Sanctuary and Wildlife Conservation Trust
DEAP	District Environment Action Plan
DFS	District Forest Service
EBA	Ecosystem-based Adaptation project (of UNDP)
ECOTRUST	Environmental Conservation Trust of Uganda
ENR	Environment and Natural Resources
ENRO	Environment and Natural Resources Officer
EOP	End of project
FAQs	Frequently Asked Questions
FFI	Fauna and Flora International
FIEFOC	Farm Income Enhancement and Forest Conservation project (of GOU)
FMP	Forest Management Plan
FSSD	Forest Sector Support Department (of MWE)
GEF	Global Environment Facility
GOU	Government of Uganda
HEP	Hydro-electric Power
IIED	International Institute for Environment and Development
IPA	Innovations for Poverty Actions
IUCN	International Union for the Conservation of Nature and Natural Resources
JGI	Jane Goodall Institute
M&E	Monitoring and evaluation
MOU	Memorandum of Understanding
MTR	Mid-term Review
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NAHI	Nature Harness Initiative
NARCG	Northern Albertine Rift Conservation Group
NDP	National Development Plan
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NGO	Non-government Organization
NORAD	Norwegian Agency for Development
PES	Payment for Ecosystem Services
PFO	Privet Forest Owner
PIR	Project Implementation Report
PMU	Project Management Unit
PPG	Project Preparation Grant (for GEF projects)
ProDoc	Project Document
REDD	Reduced Emissions from Deforestation and Degradation
TORs	Terms of Reference
TPC	Technical Planning Committee (of districts)
UCO	University College Utrecht
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention for Climate Change
USAID	United States Agency for International Development
UQAM	University of Quebec at Montreal
UWA	Uganda Wildlife Authority
WCS	Wildlife Conservation Society
WWF	World Wide Fund for Nature

EXECUTIVE SUMMARY

Project summary table

Project title:	Developing an experimental methodology for testing the effectiveness of payments for ecosystem services to enhance conservation in productive landscapes in Uganda
GEF strategic long-term objective:	BD2: To mainstream biodiversity in production landscapes
Strategic programme for GEF IV:	Strategic Programme 5: Fostering markets for biodiversity goods and services
UNEP priority:	Ecosystem management
Project goal:	Enhancement of biodiversity conservation in production landscapes in Uganda and globally through better understanding of Payment for Ecosystem Services
Project objective:	To test the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas in Uganda using an experimental methodology
Project components:	1. Piloting of a PES scheme based on experimental methodology. 2. Updating local institutions' scientific and monitoring programmes and strengthening capacity for PES. 3. Generating, disseminating, and replicating good practices 4. Project management
Executing agency:	NEMA
Implementing partner (PMU):	CSWCT
Duration:	48 months
Budget:	GEF Trust Fund: US$ 900,000 Co-financing: US$ 1,232,400 Total: 2,132,400

Project description

A Payment for Ecosystem Services (PES) scheme is being implemented to generate additional and sustainable financing for biodiversity conservation that provides incentives to local communities for conserving biodiversity found in the remaining forests on private and communal lands. By making forest conservation a livelihood opportunity for local communities, the payment scheme is expected to provide social benefits as well as meeting environmental objectives.

The project aims at developing an experimental methodology for testing the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas using an experimental methodology, focusing on private and communal forests in Hoima and Kibaale districts between Budongo, Bugoma, Rwengeye, Kyamurangi, Kasato and Kijuna Central Forest Reserves (CFRs). Clearing of forests for cash crops such as tobacco and rice in this area is threatening the survival of these forests and their attendant wildlife, including chimpanzees. The loss of these forest habitats is also threatening ecosystem services, in particular carbon storage and access to clean water.

The project has randomly selected treatment and control communities by (a) identifying areas at risk of deforestation, (b) collecting baseline information on deforestation levels, forest use, and local institutions governing forest management, and (c) randomizing the participants into treatment and control groups. In the group of treatment villages, the option of payment has been offered to individual Private Forest Owners (PFOs) in return for contractually agreed forest management activities such as actively patrolling forest areas or planting of indigenous tree species (about 50% of PFOs accepted to join the scheme). Control communities were not offered payment but are not expected to undertake conservation either (although there is evidence of these control villages being 'contaminated' by other projects or programmes working to similar forest conservation aims).

The Government of Uganda (GOU) is expected to use the empirical evidence generated by the project regarding the effectiveness of the PES scheme to develop a replication strategy in other areas

at risk of deforestation, and to attract other buyers to participate. For example, the evidence from the project may help to position Uganda as a credible supplier of carbon credits in a future international scheme focused on reduced emissions from deforestation and degradation and associated reforestation (REDD+). Outside Uganda the project will be most useful in informing the Global Environment Facility (GEF) concerning the effectiveness and efficiency of PES schemes, but its value extends to conservation practitioners, multi-lateral aid agencies, and donors who are calling for more rigorous assessment of conservation investments.

Evaluation rating table

Criterion	Evaluator's Summary Comments	Evaluator's rating
Implementation approach	Clearly formulated as a short-term experiment, but not clear on what happens thereafter (the intervention is viewed as leading on to a longer term scheme but not clear on responsibilities for uptake)	**MS**
Country ownership	Good technical support by NEMA but erratic financial support: Technical Steering Committee provides useful comments but no follow-up	**MS**
Stakeholders involvement	Complicated partnership arrangement by appears to be working effectively; partial engagement with districts but good relationship building with communities	**MS**
UNEP supervision and backstopping	Quality assurance applied effectively.	**S**
Achievement of activities and outputs	The project shows good performance against its targets and indicators	**S**
Attainment of project objective (overall rating) **Sub criteria (below)**	The project is implementing and documenting the process of testing the effectiveness of PES	**S**
Relevance	Good alignment with national priorities and donor programmes; needs to improve alignment with government programmes such as NAADS.	**R (relevant)**
Effectiveness	Good capacity building, documentation and information sharing; some issues of contamination of control villages and a lack of cost-effectiveness assessments	**S**
Efficiency	Financial efficiency high except for securing of expected co-financing; implementation efficiency high	**S**
Financial planning	Fairly realistic and financial targets have been mostly met although delays in the early part of the project have caused spill over between years and resulting under- and over-expenditures. The division of lines between component 3 and the new component 4 needs clarifying.	**S**
Cost effectiveness	No information on conversion of funds to conservation outcomes as results not yet collected, but conversion to expected outputs is on track.	**MS**
Monitoring and evaluation (overall rating) **Sub criteria (below)**	(Overall rating must be the equivalent of the lowest rating of the components)	**MS**
M&E plan design	Complicated but rigorous, a little difficult to assess in current form (scattered between partners/locations) but appears to be working well	**S**
M&E plan implementation (use for adaptive management)	Adaptive management is clearly applied, but there are some concerns over risks monitoring and the involvement of the Project Steering Committee in monitoring from central level	**MS**
Budgeting for M&E activities	All monitoring funds (GEF grant and co-financing) delivered	**S**
Sustainability of project outcomes (overall rating) **Sub criteria (below)**	Clear issues in whether the project effort can be sustained beyond the pilot period and danger than any conservation gains will be lost.	**MU**
Financial	Not clear how funding can be sustained, although efforts are being made to find funds to extend the pilot.	**U**
Socio-political	Political indifference and growing peer pressure sue to perceived increase of vermin. But social benefits of maintaining forest are noted by many.	**MU**

Criterion	Evaluator's Summary Comments	Evaluator's rating
Institutional framework and governance	Legal and institutional framework not there to support PES although movements towards this; forest governance an issue in general.	**MU**
Ecological	Forest (and associated biodiversity) loss is at same level or increasing from pre-project situation.	**U**
Impacts	Impacts primarily on attitudes and awareness, not yet converting to changes in practice; importantly, project is not impacting on (possibly increasing) the costs of conservation	**M (minimal)**
Overall Rating	Good effectiveness and efficiency in terms of building and testing a PES scheme, but major concerns over sustainability and impacts	**MS**

Summary of conclusions and recommendations

The global performance of the project is evaluated as **Moderately Satisfactory** with the conclusion that progress towards the objective is as expected at mid-term (relevance, effectiveness and efficiency are satisfactory – a PES scheme is being built and tested), but there are concerns over sustainability and impacts at the landscape level (contribution to the project goal).

The primary objective of the project is to build and test a PES scheme to determine of this is an appropriate means of conserving a forest ecosystem, and to test a specific randomised design that should be able conclusively to answer this question. The building of the PES scheme faced some initial delays but is now progressing well. Data are not yet available to determine if there is a difference between treatment and control villages in terms of protection of the forest ecosystem, but the experimental design, as far as it can be judged at mid-term, is expected to be able to provide conclusive evidence for this by end of project (providing it can adequately document issues of contamination and leakage). For GEF, the project is considered likely to provide the critical answer as to whether the design is effective, and additional information on whether the scheme itself is effective (in terms of sustainability etc.).

In relation to the project objective, the main conclusion of the MTR is that the randomised design and experimental methodology developed with the help of international expertise is appropriate to the Ugandan environment and is likely to provide globally important information on the design of PES schemes: information that is in fact already being picked up and applied elsewhere.

In terms of the performance of the scheme itself, which is a key interest of most stakeholders, payments are a small increment on the overall benefits of keeping forests and PFOs are clearly realizing this. Beneficiary PFOs all have other land on which they meet their livelihoods needs, and are making a conscious decision whether to go for short-term benefits from cash crops over a few years or long-term benefits from keeping the forests to secure environmental services, including long-term provision of forest products. As the PES scheme was being introduced, the division of PFOs in treatment villages was about half-half for or against putting forests under the scheme. Once the initial payments were made under the scheme in August 2012, many PFOs have reconsidered and the number wanting to join the scheme seems to be more than the number who were initially involved but have since opted out. PFOs are placing a value on forests that is equivalent to the losses due to vermin minus the incentive, or the potential income from growing cash crops or renting the land minus the incentive, and the difference can be considerable.

There is some genuine commitment (e.g. in planting out of seedlings that the PFO cannot afford to buy) but there is poor maintenance of the reforestation areas as this is less of a priority than tending cash crops. Although there are penalties associated with this, many PFOs do not seem to take required forest management actions very seriously and there is a general feeling that incentives provided by the PES scheme are 'free money' (their term). Commitment is also evident when the issue of vermin is considered: financial losses due to vermin can far outweigh the incentives provided by the project for keeping the forest (many PFOs cite vermin control as a main reason for cutting down their forests).

It is emerging that while the project focuses on benefits accruing to treatment groups, non-beneficiaries close to the control groups are disproportionately impacted by the project in terms of

losses due to vermin and increased collecting of forest products from their land. There is a growing potential for social conflict.

There is a considerable interest in expanding the scheme to include non-beneficiaries adjacent to treatment groups, and even other sub-counties. Control groups also report that they are 'waiting their turn'. The in-coming REDD+ project, if funded at the hoped-for level, may be able to address the demands for expansion of the scheme.

Main recommendations of the MTR include the early development of an exit strategy to determine both how the project will continue to operate beyond August 2013 (when the second round of payments are made) and how the results will be uploaded and replicated through government, the clarification of the legal and institution framework for PES, addressing the in-migration issue, establishing a technical sub-group to look at issues of cost effectiveness (costing of vermin and leakage impacts), and the development of measures to integrate in-coming livelihoods development initiatives associated with PES and REDD+ with government NAADS programme.

1 INTRODUCTION AND BACKGROUND

1.1 Introduction

The project *Developing an Experimental Methodology for Testing the Effectiveness of Payment for Ecosystem Services to Enhance Conservation in Production Landscapes in Uganda* is an initiative of the Government of Uganda, represented by the National Environment Management Authority (NEMA), implemented by the Chimpanzee Sanctuary and Wildlife Conservation Trust (CSWCT), international partners (the International Institute for Environment and Development – IIED, the Katoomba Group, Innovations for Poverty Actions – IPA, and international scientists from Stanford University and the World Bank) and partners (Nature Harness Initiative – NAHI, and target districts).

The project is piloting a Payment for Ecosystem Services (PES) scheme that will generate additional and sustainable financing for biodiversity conservation through the provision of incentives to local communities for conserving forests and biodiversity on private and public lands outside of Central Forest Reserves (CFRs). In making forest conservation an income generating opportunity for local communities, a payment scheme can provide social benefits as well as meet environmental objectives.

The project uses an experimental methodology focusing on private and community forests in Hoima and northern Kibaale districts in western Uganda - specifically private and communal land between the Budongo and Bugoma CFRs (**Figure 1**). This area forms part of an identified northern forest corridor linking the main CFRs[2] and is home to some of Uganda's largest chimpanzee populations living outside of protected areas. Clearing of forests for cash crops such as tobacco and rice in this area is threatening the remaining forests and their biodiversity (including chimpanzee populations), and risks isolating the Budongo and Bugoma CFRs, thus halting gene flow across different populations of animal species within the landscape. The loss of these forest habitats is also threatening other ecosystem services in particular carbon storage and access to clean water.

The rationale of the project is randomly to select treatment and comparison communities by a process of:

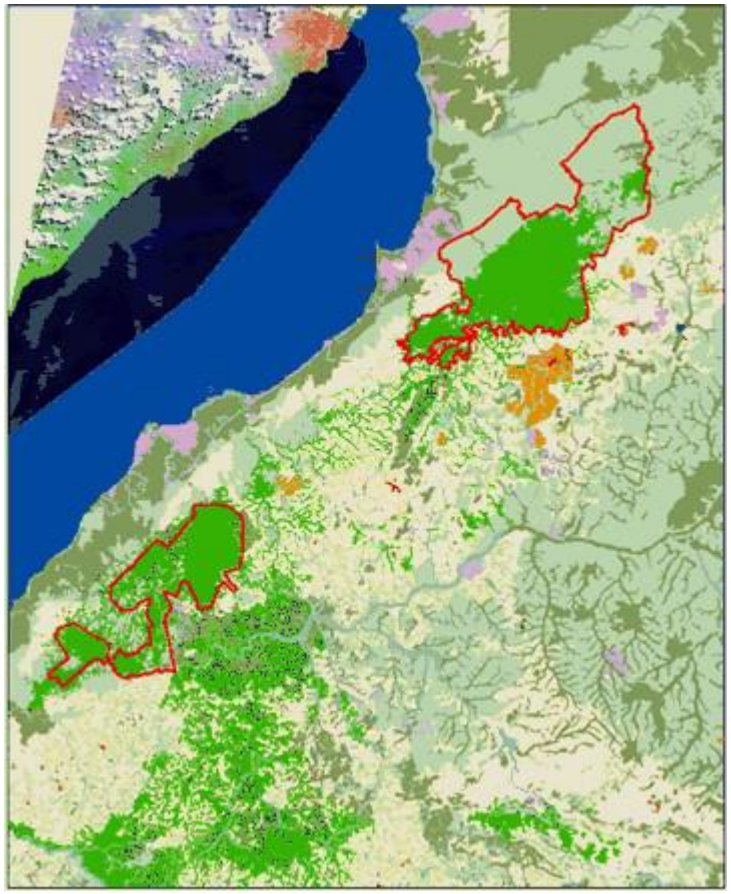
a) Identifying areas at risk of deforestation
b) Collecting baseline information on deforestation levels, forest use, and local institutions governing forest management
c) Randomizing the participants into treatment and comparison groups and initiating the PES scheme

In the group of treatment villages, the option of payment (cash and in kind – provision of seeds, equipment, etc.) is offered to individual landholders in return for implementing contractually agreed activities such as maintaining forest cover, actively patrolling forest areas or other activities such as planting of indigenous tree species. Comparison communities are not offered payment but are not expected to undertake conservation either (and it is assumed that there are no other forest conservation-oriented projects working with these villages that might bias the comparison).

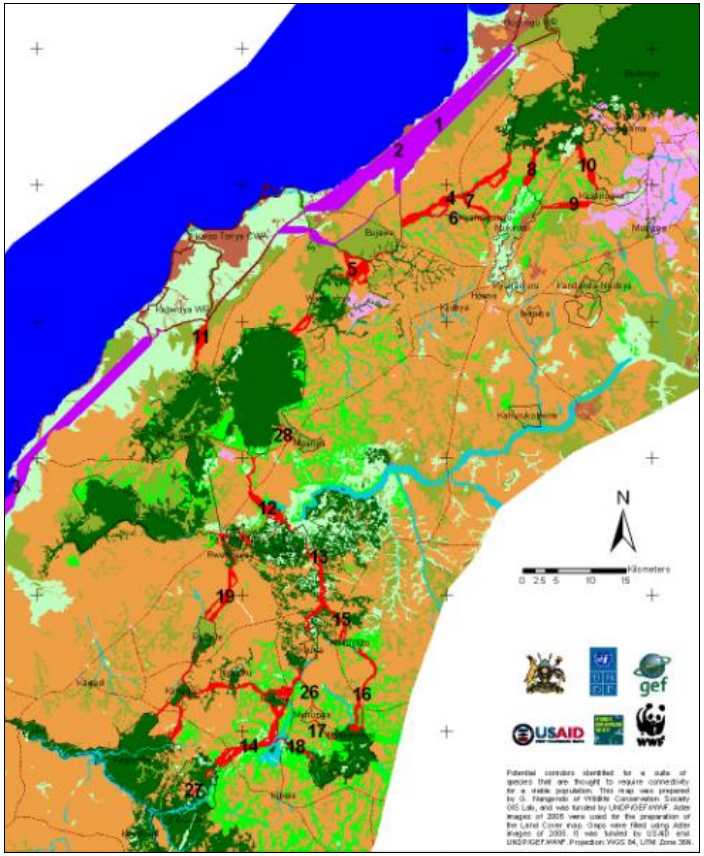
[2] G.Nangendo, A.J. Plumptre and S. Akwetaireho, 2010, Identifying potential corridors for conservation in the Murchison-Sumuliki Landscape, WCS.

Figure 1: Project area and identified corridors

a) Project area



b) Landscape corridors
(Savannah corridors in mauve, forest corridors in red)



Sources: a) PES Project Document, b) WWF/WCS

1.2 Purpose of the Mid-term Review

A Mid-term Review (MTR) was foreseen within the PES Project Document (ProDoc) as a part of the normal monitoring process of the project. The MTR was expected to commence in April 2012, but was delayed somewhat in line with delays in start-up and in implementing some project activities (notably the first contractual payments on the scheme were not made until August 2012). The MTR is thus held about 8 months late but at a time when almost all actions under the PES scheme are underway (exception documentation of results and lessons learned under component 3).

The objective of the MTR as defined in the TORs (**Annex 1**) is *To review and evaluate the implementation of planned project activities and outputs against actual results to date, and as far as possible establish the initial project impact (with reference to objectives and outcomes as described in the logical framework), as well as sustainability and execution performance*. The MTR is also expected to make recommendations regarding specific actions that might be taken to improve the project.

The following are identified for particular attention:

a) Attainment of project objectives:
b) Delivered outputs: assessment of the project's success in producing each of the programmed outputs to date, both in quantity and quality as well as usefulness and timeliness.
c) Project outcomes and impact: evaluation of the project's success (so far) in achieving its outcomes.
d) Sustainability: assessment of the likelihood of sustainability of project outcomes and outputs, as well as analysis of the risks that is likely to affect the persistence of project outcomes.
e) The appropriateness of the project M&E Plan during project design and implementation over the first half of the project, as well as any suggested modifications.
f) Execution performance: determination of effectiveness and efficiency of project management and supervision of project activities.
g) Lessons learnt where possible, both positive as well as negative, from the standpoint of the design and implementation of the project geared towards the design and adoption by others.

The review findings are expected to inform the Government of Uganda (specifically NEMA as the Executing Agency), CSWCT (as the Implementing Partner), involved districts (Hoima and Kibaale), partners and local communities concerning options for conservation financing. Beyond Uganda, results are expected to be used by the Global Environment Facility (GEF) in documenting the potential for PES schemes, and in providing model approaches for use by conservation practitioners, multi-lateral aid agencies, and donors who are calling for more rigorous assessments of conservation investments.

1.2 Scope and methodology

The review is structured in accordance with United Nations agency project monitoring and review policies and procedures, and in-line with United Nations Review Group norms and standards. Referring to the nature of the project and the TORs, the review applies a mixed methods approach using multiple data sources and a participatory approach, conducting semi-structured interviews (by telephone/Skype in the case of individuals not in Uganda) and gathering data directly from institutions, collaborating staff in districts and sub-counties, and communities/individuals selected for payments and not selected for payments (control groups) in the two involved districts. The information and data gathered by the different methods will be analysed and validated in discussion with the PMU as far as possible prior to the stakeholder validation workshop.

The methods applied in the MTR were as follows:

Review of relevant documents: These include the ProDoc, PIRs prepared for GEF, other progress and monitoring reports produced by the PMU, minutes of Technical Committee meetings, newsletters, etc. A number of other documents related to the development of PES and REDD+ in Uganda were also reviewed, including the National REDD+ Readiness Preparation Proposal (RPP) and documents prepared by WCS relating to a pilot REDD+ project in the same area as the current project.

Evaluation matrix: An evaluation matrix was constructed (**Annex 2**) with the key elements for review outlined below. The matrix includes the questions listed in the TORs plus others identified by the consultant.

- **Relevance:** How does the project relate to the main objectives of the project outputs, outcomes and to the environment and development priorities at the local, regional and national levels?
- **Effectiveness:** To what extent have the expected outcomes and objectives of the project been achieved?
- **Efficiency:** Assess the project implementation efficiency in line with international and national norms and standards.
- **Sustainability:** To what extent are there financial, socio-political, institutional and governance, and ecological risks to sustaining long-term project results?
- **Impact:** Assess whether there are indications that the project has contributed to, or enabled progress toward, reduced environmental stress and/or improved ecological status.

The assessment considers in particular the attainment of project objectives, achievement and quality of outputs, cost-effectiveness, stakeholder participation, country ownership, implementation approach, financial planning, monitoring and evaluation, and sustainability (financial, socio-political, institutional and ecological). The list of indicative questions in the evaluation matrix was of course preliminary: other questions arose during the review itself. The extent to which questions are answered gives rise to the assessment of strengths, weaknesses opportunities and threats to project delivery that were then evaluated in terms of lessons learned and a way forward (recommendations).

Inception meeting: An inception meeting was held at the offices of CSWCT in Entebbe on 07 January wherein the evaluator presented and obtained feedback on the inception report prepared at the end of the above two stages.

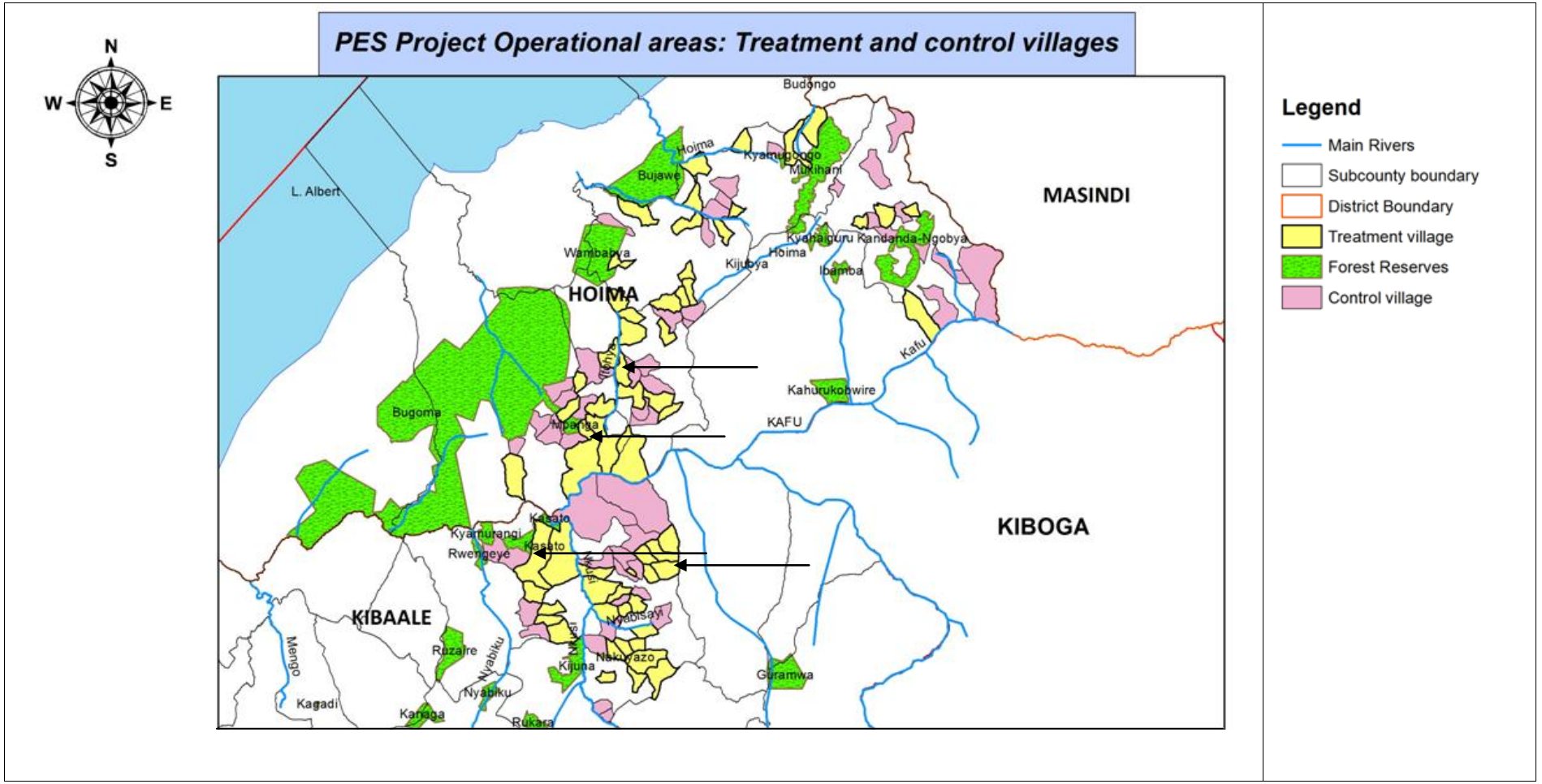
Semi-structured interviews with key project partners and beneficiaries: To explore the review questions formulated above, four days of stakeholder meetings were undertaken in Hoima and Kibaale districts (08-11 January). On-the-ground semi-structured interviews and consultations were conducted with staff of the PMU, members of the project Technical Steering Committee, other involved district and sub-county political and technical staff, Community-based Monitors (the PES project staff working directly with the communities), and PFOs from treatment and control villages (the villages selected or not selected to participate in the PES scheme). The evaluator was accompanied by one or more staff members of the PMU, but the PES project staff member did not participate in the actual discussions to avoid as far as possible bias of answers.

Remote interviews: The evaluator conducted telephone interviews with some key persons not otherwise contacted, or to follow up on issues arising.

Field checks: A representative sample of PFOs from treatment and control villages were visited in K, and Kabwoya sub-counties in Hoima district, and in Kiryanga and Kakindo sub-counties in Kibaale district (**Figure 2**). Activities undertaken in return for payments were discussed and checked where possible.

(A list of all persons interviewed during the above three activities is given in **Annex 3**.)

Figure 2: Location of treatment and control areas and sites visited during the MTR



Source: PES project. Arrows indicate areas visited during field checks (from north to south: Kiziranfumbi, Kabwoya, Kiryanga, Kakindo)

Analysis phase: Three days were spent in analysing data and preparing preliminary results and conclusions.

Achievement rating: As a key element of the MTR analysis, the level of achievement was rated on the basis of defined criteria used in UN agency evaluations, as summarised in **Table 1**.

Table 1: UN agency rating scales for level of achievement

Ratings Scales		
Ratings for Outcomes, Effectiveness, Efficiency, M&E, I&E Execution	**Sustainability ratings**	**Relevance ratings**
6: Highly Satisfactory (HS): The project had no shortcomings in the achievement of its objectives in terms of relevance, effectiveness, or efficiency 5: Satisfactory (S): There were only minor shortcomings 4: Moderately Satisfactory (MS):there were moderate shortcomings 3. Moderately Unsatisfactory (MU): the project had significant shortcomings 2. Unsatisfactory (U): there were major shortcomings in the achievement of project objectives in terms of relevance, effectiveness, or efficiency 1. Highly Unsatisfactory (HU): The project had severe shortcomings	4. Likely (L): negligible risks to sustainability 3. Moderately Likely (ML): moderate risks 2. Moderately Unlikely (MU): significant risks 1. Unlikely (U): severe risks	2. Relevant (R) 1. Not relevant (NR) *Impact Ratings:* 3. Significant (S) 2. Minimal (M) 1. Negligible (N)
Additional ratings where relevant: Not Applicable (N/A) Unable to Assess (U/A)		

Stakeholder validation workshop: A workshop with all key stakeholders was held on 15 January at the end of the field mission. The workshop focussed on progress towards results and objectives, and recommendations for a way forward to improve the delivery of the project. Due attention was paid to barriers and risks that remain and how these will be addressed. Notes on comments received were taken by the evaluator. The workshop aimed to ensure that key stakeholders reach at least a consensus (if not totally agree) with the MTR results and thus assume ownership and responsibility to implement the recommendations. (Participants of the workshop are given in **Annex 4**.)

Further consultation: During preparation of the final report, attempts were made to communicate (e-mail, skype or telephone) and obtain inputs from key involved staff not based in Uganda. Unfortunately, due to the pressure of work faced by international scientists in particular at the start of the year, inputs were obtained from only UNEP and IIED. The MTR report has thus not benefitted from inputs by some key scientists, and it is recommended that any late comments from these key persons should be included within the PMU management response to the current report.

1.3 Structure of the evaluation report

The evaluation report is structured in accordance with the TORs, although the sequence of the text and final evaluation table varies slightly.

Section 1 provides a background to the evaluation and the methodology used.

Section 2 gives the background to the project in terms of its start-up, problems it sought to address, project response in terms of goal, objective and components, baselines, stakeholders, and expected results in terms of the contribution of the pilot project to a better understanding of PES and its uploading into government policy and practice in Uganda.

Section 3 gives the findings of the MTR in terms of project design and implementation approach, assumptions and risks, replication approaches and linkages with other projects and programmes), country ownership, stakeholders' involvement, achievement of activities and outputs, achievement of outcomes (relevant, effectiveness, efficiency, financial planning and cost effectiveness), effective of

design, implementation and budgeting of the M&E plan, sustainability and impacts (early impacts at the time of the MTR).

Section 4 gives conclusions, summarises the ratings and gives an overall rating for the project performance.

Section 5 provides some main recommendations arising from the MTR.

The detailed ToRs for the MTE and background information developed during the evaluation are included as Annexes.

2 PROJECT OBJECTIVE, SCOPE AND METHODOLOGY

2.1 Project start-up and duration

The duration of the project is 48 months, commencing 01 April 2010.

There were some delays in start-up on the ground. The MOU between UNEP and NEMA as Executing Agency was signed on 10 May 2010. The project Inception Workshop and First Steering Committee meeting were held in mid-June 2010 (although the Project Manager was not recruited until August 2010 and only commenced his duties in September 2010). The initiation of the PES scheme was held up somewhat by two factors, the national election campaign that was completed in February 2011, and design issues that required increasing the number of treatment villages from 40 to 70 (plus controls). Incentive payments were delivered on signing up of the scheme and the first contractual payments under the scheme were made in August 2012 (the second and final payments under the scheme will be made in August 2013.

The MTR was expected to be held after 2 years of project duration (i.e. in April 2012). It was held about 8 months late (20 December 2012 – 25 January 2013) but at a time when almost all actions under the PES scheme are underway, the exception being documentation of results and lessons learned (under component 3).

2.2 Problems that the project sought to address

The northern Albertine Rift is part of a highly diverse eco-region, including important populations of chimpanzees and other species, but the region is facing a variety of threats and barriers to the uptake of PES approaches.

The target districts have a very high population growth rate (5.2% per year, compared to the national average of 3.2%) which is exacerbated by a high and increasing level of in-migration (mainly Batiga people from southern Uganda). The growing population and pressures for land are contributing to a high incidence of rural poverty (51.6% of households are considered below the poverty line).

Agricultural technology is poor and innovation is lacking. Although FIEFOC and NAADS programmes have operated in the area they have had little impact in improving agricultural yields. NAADS in particular has focussed primarily on bringing more land under cultivation rather than on increasing productivity from existing land. There has been extensive promotion of cash crops such as upland rice and tobacco that grow best, and obtain extremely high yields, on newly cleared forest land (UGX 3-4 million/ha/year). Further, there is no adaptation of agricultural systems to climatic change (a 2-4^{o}C rise in annual average temperature is predicted up to 2070) and increased climate variability and severity of extreme weather events (indicated by serious flooding in 2010 and 2012).

Timber, poles and charcoal are all becoming more expensive, leading to opportunistic and often illegal removal of these products from private forests (and CFRs). In some areas of the project districts commercial extraction of fuel wood for distilling local alcohol is an additional issue.

Renting forest land to in-migrants can raise UGX 400,000/ha/year and there is a constant stream of in-migrants looking for land.

The above pressures have led to a forest loss rate of 8,000 ha per year (2010) and the loss rate appears to be accelerating. At this rate, all forests on private land will be cleared in 15 years and significant areas of nominally protected areas are likely to be encroached.

Political indifference or intervention and issues of forest governance further exacerbate the loss of forests and do create an enabling environment that is conducive for the adoption of PES.

The project aims to address the above issues by developing and testing a credible pilot PES scheme that creates incentives for local communities to conserve and restore forest habitats important for biodiversity and for which deliver environmental and social benefits. The incentive offered is UGX 70,000/ha/year if there if full compliance with forest management requirements - which is rather minimal as a willingness to accept payment study conducted in 2010 gave an average amount that would be accepted in order to retain forest of UGX 1,387,000.[3] As the level of payment is an important issue, the below text box explains how it was calculated.

Text box: Notes on how the payment level was calculated

Supply side: The willingness to accept or the amount required to compensate PFOs per ha of forest for what they lose by joining the PES scheme will vary between PFOs depending on their location (access to market), land fertility, perceptions of risk, quality of their remaining forest, and other factors. So there is not one single cost but a cost curve. The higher the payment offered, the more PFOs will want to join the scheme. It was not possible to do the estimation of this cost curve before consultations began with the PFOs about the design of the PES scheme. In order to do these consultations it was necessary to give PFOs some information about the amount of payment they could expect. This was also an opportunity to gauge their reaction to the suggested payment level. The UGS 70,000 per ha arose from IPA's preliminary socioeconomic research. They did some interviews with individual PFOs and asked about the frequency of tree cutting and the amount that logs could be sold for. They estimated opportunity costs at UGX 55,000 per ha based mainly on what PFOs could get from selling logs and considered that UGX 80,000 per ha would give the extra margin necessary beyond opportunity costs. Before the first consultation it was agreed between partners that there was scope to be a bit more conservative and it was agreed to offer UGX 70,000 per ha as the ceiling. In the first four consultations, the reaction of PFOs to the payment level was mostly positive, although there were some who considered it to be too low. The concern was to avoid offering more than could be available from long-term sources of finance – at the time the main possibility seemed to be the voluntary market for carbon. If insufficient PFOs joined the scheme the payment level could be raised later provided this was within market constraints. If the original payment level was too high, it would be difficult to lower it subsequently – having raised landowner expectations.

Demand side: After the first four consultations, a quick analysis was conducted on the market side, looking at prices in the voluntary market, estimates of carbon stocks in the area, making assumptions about emissions discounts for leakage and a lack of permanence and transaction costs. The analysis focused on carbon as this was, and still is, the most likely source of revenue. The analysis concluded that UGX 70,000 per ha was just about feasible with the range of carbon prices at the time, and that a higher payment level would be unwise if the intention was to finance this from selling carbon emission reductions in the voluntary market. A challenge for the PES scheme and also for the landscape level REDD+ project currently under development is that the forests in the area have relatively low carbon stocks, even the so-called intact forests. This was not appreciated at the time the project was developed.

Contributed by Maryanne Grieg-Gran

[3] Akwetaireho, S. *et al*., 2011, Socio-economic values of corridor forests in the Albertine rift forests of the Murchison-Semliki landscape: WWF, WCS, JGI and CSCWT. However, willingness to accept payment studies can be subject to strategic bias – it is in the PFOs interest to inflate the costs to influence what they will get paid. Observing what happens when a particular payment is offered gives a more objective view – the PES scheme managed to attract 50% of the PFOs in treatment villages, suggesting a high level of acceptance of this amount.

It is expected that the project will result in an increased number of national and local stakeholders who understand the design and implementation of PES schemes, and provide an evidence base that can engage national and international buyers for the ecosystem services of the target areas and thereby secure globally important biodiversity and local environmental benefits.

2.3 Goal, objectives and components of the project

This is the first project in the GEF portfolio that involves an experimental randomized design to test whether PES works. It is designed as a pilot project that will build and test a PES scheme (objective level) but is also expected to contribute to securing the ecosystem services of the target area, particularly in terms of securing buyers for longer-term investment (goal level).

Project goal:
Enhancement of Biodiversity Conservation in Production Landscapes in Uganda and globally through better understanding of Payment for Ecosystem Services

Project objective:
To test the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas in Uganda using an experimental methodology

The project has four components:

Component 1: Piloting of PES scheme (s) based on experimental methodology.

- Main activities: This component focuses on identification of the land management practices necessary to achieve the environmental objectives of conserving and restoring forests significant for chimpanzees and other biodiversity and other important components of biodiversity, determining the exact activities to be paid for (and how much will be paid) according to what each land parcel land has to offer, development of MOUs with land owners, baseline data collection and projection of conservation gains from PES, establishment of a governance structure for the PES scheme, validation and promotion of the scheme to buyers, administering payments and M&E
- Expected outcome: A statistical valid field methodology that can be used to demonstrate the effectiveness of payment scheme(s) to (a) reduce deforestation and biodiversity loss and (b) deliver social benefits at a minimum costs associated with maintaining biodiversity.

Component 2: Updating local institutions' scientific and monitoring programs and strengthening capacity for PES.

- Main activities: Local leaders and resource users, including district political and technical staff, are being trained in the application of land-uses that maximize the maintenance of biodiversity. Monitoring schemes are being established and national partners trained to oversee the maintenance of biodiversity and payment compliance.
- Expected outcome: An increased number of national and community stakeholders—from diverse sectors and from strategically placed institutions —who can design and implement PES schemes. Particular focus is given to enabling full participation of low income landowners and resource users in the development and operation of the PES scheme.

Component 3: Generating, disseminating, and replicating good practices
Main activities: The component focuses on defining good practices and lessons learnt from the project, and documenting them through a rigorous monitoring and evaluation strategy. The monitoring activities covered under this component include the inception workshop, MTR and terminal evaluation, establishment of a Technical Committee, development of a Communications strategy and publication and dissemination of lessons learned documentation.

Component 4: Project Management
(This component has been added since the project was initiated by splitting off management activities from the technical activities in component 3.)

2.3 Baseline indicators

Baselines are indicated in the project logframe (**Annex 5**). These are not quantified and do not transfer into quantifiable impact indicators since the aim of the project is to build and test a PES scheme rather than to demonstrate impacts in terms of % reduction in deforestation, % increase in income generation by involved private forest owners (PFOs), etc.

During the PPG phase of project development Katoomba Group and NAHI established an initial database containing ecological and socio-economic information on villages in the target area. This was followed up by IPA/NAHI during year one of the project when more detailed information was collected on the villages that were later separated into treatment and control villages, including additional socio-economic information and detailed ecological information on the target forests. IPA obtained a set of baseline satellite images in 2011 that will be used to document actual changes in forest cover: ground-truthing (calibration) of the image analysis is being undertaken by NAHI.

The NAHI database was used to develop model forest management plan (FMP) formats that are the basis for mini FMPs created for each involved PFO, and which are the basis for compliance monitoring (conducted by CSWCT's community based monitors).

At the time of the MTR, impact evaluation had not yet been conducted such that project socio-economic and ecological impact as measured against the IPA/NAHI baselines could not be measured, although data on PFO compliance against the mini-FMPs of individual PFOs was available.

2.4 Partners and main stakeholders

The project is executed by NEMA on behalf of UNEP. NEMA selected CSWCT as the implementing partner (responsible for the PMU) based on their experience, networks and on-going actions in the project area. Key partners (with responsibilities for certain actions funded under the project and with co-financing) are IIED (managing associated Darwin funding), IPA (managing associated 3ie funding), Katoomba group (funded through the GEF grant but also part-financing the PES training), NAHI (funded through the GEF grant but also bringing some co-funding from ASARECA for developing and testing measurement methods) and international scientists (funded through the GEF grant). Stakeholders are the district technical staff (primarily the District Environment and Natural Resources Officers who are the local focal points for NEMA), other district technical staff (District Forest Officers), district political leaders, sub-county leaders and technical staff, and communities in treatment and control villages. Additional national level institutions, including the Forest Sector Support Department (FSSD) of the Ministry of Water and Environment (MWE), Uganda Wildlife Authority (UWA), National Forestry Authority (NFA), and Makerere University are including in the Technical Steering Committee. Also in the Technical Steering Committee are members of the private sector identified at PPG stage as potential buyers for long-term sustainability of the payment scheme (Tullow and Total Oil companies and Hydromax).

2.5 Expected results

Component 1 of the project is expected to deliver a statistically valid field methodology that can be used to demonstrate the effectiveness of the payment scheme to (a) reduce deforestation and biodiversity loss and (b) deliver social benefits that cover the costs associated with maintaining forests and biodiversity.

Component 2 is expected to result in an increased number of national and community stakeholders—from diverse sectors and from strategically placed institutions —who can design and implement PES schemes. A particular focus is placed on low income PFOs in the development and operation of the PES scheme.

Component 3 is expected to define good practices and lessons learnt from the project, documented through a rigorous monitoring and evaluation strategy, and in a form that can be uploaded and absorbed within government policy and strategies for environment and natural resources management.

3 PROJECT PERFORMANCE

3.1 Project design / implementation approach

3.1.1 Analysis of the project results framework / logframe

The construction of the results framework / logframe at project design stage was coherent, and remains coherent, with the socio-economic and ecological context of the project. The project objective is clear in that the project is intended to build and test the effectiveness of a PES scheme. The relationship between the project objective and project goal is more tenuous in that the project is not expected to have specific conservation impacts during its short duration: if it proves the PES scheme to be effective then this leads to a better understanding of how PES works and a subsequent contribution to the project goal of enhancing biodiversity conservation in production landscapes.

The project in some documents separates out component 3 into technical activities relating to documentation of lessons learned (activity 3.5) and a fourth component of 'Project Management' (activities 3.1-3.4). This makes sense and so should be formalized in the logframe.

Component 1, activity 1.7, includes an end-term target 'at least a national and one international buyer ready to commit to the project'. This might be clarified in terms of what is meant by the commitment (as Hydromax, for example, already committed at the project design stage but their interpretation of the commitment has been more in terms of including some tree planning within their CSR programme which they would probably have done in the absence of the PES project). It is suggested that the formulation be changed from 'commit to the project' to 'commit financing to the scheme'. This is more specific and should be achievable.

Component 2, on training, does not include any follow-up and arguably could have indicated an indicator concerning how well training is put into practice. The MTR suggests adding an indicator at output level: 'Number of trained people applying training during their work activities'. Evidence would be, for example, the number of references to PES in annual work plans of the District Environment and Natural Resources (ENR) Departments, the incidence of PES in Corporate Social Responsibility (CSR) schemes of private sector companies.

Component 3 has in some project documentation be split into activities related to project management (activities 3.1-3.4) and the technical activities related to documentation of lessons learned (activity 3.5). The former activities have been referred to as component 4: project management. This makes sense and should be formalized in the logframe used by the project, to avoid confusion.

There are several minor changes to targets in the logframe that were presented to and approved by the Project Steering Committee in September 2012. These include noting within the logframe the change in the number of involved villages from 40 treatment and 40 control to 70 each, and using the actual number of PFOs under the scheme (342 with signed contracts). These changes are included in the revised logframe, which is given as **Annex 5**. This version is that recommended by the MTR for use during the remainder of the project lifetime.

3.1.2 Assumptions and Risks

Assumptions and risks are not specified in the results framework / logframe. They are, however, dealt with comprehensively in the annual Project Implementation Reports (PIRs) to GEF. The PIRs include both a risks log and a mitigation plan and these are updated annually.

Updating of the risks log and mitigation plan have dealt with some internal issues, such as dealing with problems of communication between partners that arose in early stages of project implementation. However, some identified external risks are not carried through clearly into the mitigation plan. For example, the issue of 'contamination' (see Definitions) of control groups through influences of other projects or local government actions is not dealt with (it is assumed that factors causing contamination are spread evenly across treatment and control villages, which is not the case). Risks arising from a lack of interest of buyers, land issues arising from oil development, and property rights which are noted as 'high' in the ProDoc risks analysis are not carried through into the

risks log.

There is a potential risk arising from the current lack of reference to PES within the National Development Plan 2010/11-2014/15 (NDP) and other national level policy documents. It is understood that this is being addressed by NEMA based on the results of this project, but the risk needs to be entered into the risks log.

While the risk mitigation plan indicates some actions, these are not dealt with in terms of a coherent risk mitigation strategy.

3.1.3 Lessons from other relevant projects incorporated into project design

This is the first project in the GEF portfolio involving an experimental randomized design to test whether PES works. There are no precedents for the approach in sub-Saharan Africa. However, the involvement of international scientists from University College Utrecht (UCU), Harvard University, University of Quebec at Montreal Canada (UQAM), and International Institute of Environment and Development (IIED), commencing at the design stage, has brought in experience and practice from other countries where PES is more advanced (such as Costa Rica). This has clearly benefited the design and implementation approach.

3.1.4 Planned stakeholder participation

Consultations at the design stage undertaken by Katoomba Group and Nature Harness Initiative (NAHI) led to a well-planned and comprehensive analysis of stakeholders and a subsequent very comprehensive stakeholder involvement plan. There was adequate consultation at this stage with Hoima district, but Kibaale district only joined later when the number of project villages (and target area) was expanded. The engagement of the private sector (potential buyers) was initiated at PPG stage but the private sector was not specifically involved in the design (Hydromax joined as the design was being finalized with what was understood at the time as a commitment to co-financing). Both Hydromax and oil companies subsequently joined the Technical Steering Committee. However, the ProDoc does not give a clear framework for engagement of the private sector as partners leading to financial commitment, which is one of the project targets. (Specifically, the project is '*a first step to encourage the private sector buyers to get involved and get to see what a PES scheme can do, with a view to getting them involved in similar initiatives in the future*', but the project is tasked with promoting results and ensuring that '*at least a national and one international buyer ready to commit to the project by EOP*'.) To some extent there is competition between NGOs for engagement with private sector financing (e.g. BAT is noted in the ProDoc but have an alliance in Uganda with FFI, who have not been engaged at any point in the project). The project design is not consistent on the point of private sector engagement and this emerges as a risk (in terms of identifying and obtaining commitment from buyers) as noted above.

3.1.5 Replication approach

There is a clear expectation in the ProDoc that '*GOU will use the empirical evidence generated by the project regarding the effectiveness of the PES scheme to develop a replication strategy in other areas at risk of deforestation, and to attract other buyers to participate'*. Thus GOU (NEMA) rather than the project *per se* is tasked with solving the issue of locating buyers for scaling up the pilot into a full-sized PES scheme – and replicating it as needed. This is a substantial task for NEMA, which is resource-stressed, but may anticipate the potential for non-marker REDD+ funding for which Uganda is positioning (mentioned in the ProDoc). It may also be facilitated by USAID direct support to NEMA (from 2013), although that direct support is not specifically targeted at uptake of PES.

There is a need for the PMU to support NEMA in picking up on the issue of replication/expansion in the project area through grants or voluntary carbon schemes. At one point ProDoc states '*If this PES scheme works, it can in future be supported by the identified sustainable financial mechanism in the UNDP-GEF project'*.[4] This shirks responsibility to some extent, but CSWCT and NEMA (as members

[4] The UNDP-GEF project Conservation of Biodiversity in the Albertine Rift Forests of Uganda, was implemented by WWF and ran from 2008-2012, operating in 7 districts in the northern Albertine Rift, including the PES project

of the Northern Albertine Rift Conservation Group – NARCG) are engaged in the development of a REDD+ pilot project, led by WCS, that may come on-stream with initial funding during 2013 that will enable replication of the pilot (or successful elements of it).

In general, the design and implementation approach focus on a three year experiment (reduced to a two year experiment due to initial delays) and are not very clear on what happens thereafter.

3.1.7 Linkages between project and other interventions within the sector

The design and implementation approach are consistent with national priorities of the ENR sector, although PES is not specifically mentioned in the National Development Plan, Forest Sector Plan or other policy documents (see section 3.5 on project relevance). The design did not include linkages to FIEFOC (which ended in mid 2012) or NAADS programme of Government which is in some ways conflicting with project approaches. The UNDP-GEF intervention that operated in the same area from 2008-2012 is mentioned in the ProDoc but no linkages are drawn (clear linkages were developed during implementation by PMU, but the extent to which the UNDP-GEF project could provide baselines and how to avoid the project contaminating the experiment were not defined and/or discussed with that project).

3.1.8 Management arrangements

The institutional framework for the project was designed to engage both international and local competencies and support the building of capacities where needed (e.g. Katoomba Group identified and conducted a variety of training courses for stakeholders and these were expected to take up their new knowledge of PES issues in their work programmes). Ideally, this would also have led to coordination with district programmes such as NAADS and CSR programmes of private sector companies in the area, although this has not happened. Links with the NAADS programme, district extension services and NAADS service providers seem tenuous if they exist at all.

The involvement of a large number of partners with responsibilities for different activities - including, for example, the deliberate separation of impact monitoring from implementation and compliance monitoring - makes management of the project rather complex. However, the management arrangements seem to be well thought out and, once teething problems had been ironed out, seem to be working.

Work plans and budgets are developed and shared between the key stakeholders as per the design, and good links have been established between the PMU and district ENR Officers.

The PMU has a project manager, a part-time monitoring officer and a field assistant. Finances are managed by CSWCT in Entebbe. While there are a number of staff employed at field level (24 community-based monitors), there is a general consensus that the PMU is under-staffed. There are budgetary constraints that prevent this being rectified at mid-term, but at least a full-time monitoring officer would have been expected, and preferably a full-time technical officer to take the pressure off the project manager who is responsible for both technical support and administration/management of the project. The two IPA-employed impact evaluators who were expected to be based in the project area (according to the ProDoc) are not there as the impact evaluation is not conducted continuously. The limited staffing of the project may have compromised its ability to engage effectively with, for example, District Forest Services, NAADS and the private sector.

It is also noted that the PMU is seriously under-resourced in terms of transportation.

Design / implementation approach is rated: **Moderately Satisfactory**

Justification: The project need and response was clearly identified and most implementation requirements foreseen (excepting under-staffing and under-resourcing of the PMU to carry out the required tasks to maximum efficiency). It is clearly formulated as a short-term experiment (pilot) but

districts of Hoima and Kibaale. The sustainable financing strategy developed by the UNDP-GEF project is included as part of the Strategic Plan for the Northern Albertine Rift, GOU, 2012.

as it has wider implication, more attention could have been paid at design stage to what happens after the project (sustainability issues). While the intervention is expected to be replicated both in the project area and elsewhere it is not clear on responsibilities for identifying buyers and how this can be accomplished (although the ProDoc does note that not accomplishing this carries a high risk).

3.2 Country ownership

There is an expected conformity of project objectives with national policy development (i.e. lessons emerging from this pilot will be used by NEMA in informing national policy: the project was designed to provide these lessons). Links through NEMA to the parent Ministry (MWE) are not very strong, although the Forest Sector Support Department (FSSD) sits on the Technical Steering Committee and the REDD+ initiative in which the project is participating is being developed in cooperation with the Climate Change Unit (CCU), and specifically the National REDD+ Focal Point, of MWE.

NEMA as Executing Agency is noted as providing good technical feedback to the project, but financial back-up is erratic and sometimes delayed. There is evidence of project information and early results being uploaded by NEMA through Government reporting processes (which can be extended into direct inputs by NEMA into policy documents for which they are responsible).

The Technical Steering Committees is noted as providing good inputs/responses during meetings, but there is little follow-up. There is little provision of technical support, due largely to budget constraints. Not much guidance has been provided to the PMU on technical approaches (the process of building the scheme) except for some inputs from national scientists – the scheme has largely been designed by the international scientists working with the project.

The district representatives on the Technical and Project Steering Committees are briefing district colleagues through the district Technical Planning Committee, which meets quarterly. The TPC is potentially an extremely useful forum for coordinating approaches between district ENR officers advocating for the PES scheme on the one hand, and district production and extension officers on the other hand, although this does not seem to be happening in practice.

NEMA cash co-financing for the project has not been provided as expected. The explanation given was that NEMA did not receive the expected budget increase from Government and was thus not in a position to provide the expected funds, although they had been included in the budget request. This is counter to the otherwise positive government commitment to the project.

Country ownership is rated: **Moderately Satisfactory**

Justification: There is good technical support from NEMA although there is a lesser degree of financial back-up, and the expected cash co-financing did not materialize, which indicates a lesser than expected degree of Government commitment. The Technical Steering Committee provides good comments but not much follow-up.

3.3 Stakeholders' involvement

As previously note, the project has a complicated arrangement of partners and stakeholders, identified at design stage and carried through into implementation. This seems to be working, however, noting that some initial communication issues with IPA in particular have been largely resolved although there remain issues concerning late delivery of reports from this partner (due primarily to frequent changes in staffing). The engagement of district ENR officers had been good, and there has been at least some engagement with Community Development Officers (CDOs) – although more so at the sub-county level. The involvement of district leaders and other district technical staff has been minor, although district Chief Administrative Officers (CAOs) are included on the Technical Planning Committee. Engagement of the project with the production sector (Secretaries for Agriculture and Production, Extension Officers, NAADS service providers) at district and sub-county level has been very minor.

There has been good relationship building with the communities in treatment villages, particularly through the community-based monitors, who work with the sub-county level government officers and the PFOs directly. As the community-based monitors are themselves community members, they are

able to embed the project within the communities of the target areas, to some extent engaging with the community at large (rather than just the beneficiaries of incentive payments).

Engagement with the private sector needs to be improved. Although Hydromax and oil companies (Tullow and Total) are members of the Technical Steering Committee this has not resulted in close engagement on the ground. In the case of Hydromax, and despite a financial commitment to the project in the ProDoc, the CSR programme of Hydromax is operating independently and is focusing on sub-counties outside the PES project target areas. It is thus not directly contributing to project results (if anything, it may be contributing to contamination of the experimental set-up).

Replication of project early lessons through partners is evident, for example informing of the national REDD+ process and the REDD+ pilot project through NARCG, and up-take of lessons into the UNDP-UNEP-IUCN Ecosystem-based Adaptation (EBA) project at Mt Elgon.

Stakeholders' involvement is rated: **Moderately Satisfactory**

Justification: The partnership arrangement is complicated but seems to be working reasonably effectively. There is partial engagement with districts but good engagement with communities. CSR schemes of private sector companies in the area are operated independently of the project and do not contribute to it directly.

3.4 UNEP supervision and back-stopping

Quality assurance by UNEP is regarded by the PMU as good. There is a high level of technical feedback (including detailed reviews of project technical reports, and officers are responsive to issues raised by PMU); communication is good. There is a lesser level of feedback in regard to financial reports. Provision of funds has been timely, with any delays due to late submission/approval of financial reports.

UNEP supervision and back-stopping is rated: **Satisfactory**

Justification: Quality assurance is applied effectively and funds are provided on time, resulting in no significant delays to project activities.

3.5 Achievement of activities and outputs

3.5.1 Baselines, targets and indicators

Project baselines as given in the logframe are narrative (not quantitative) although reference is made to baseline data collected during the PPG phase and extensive data were collected in year one of the project implementation as a basis for impact evaluation and the development of mini forest management plans for PFOs involved in the scheme. At MTR stage, however, there are no re-evaluations against the baseline data collected to judge project performance to date.

The project logframe includes specific targets for mid-term. Progress towards these targets is documented in **Annex 6,** and is summarized as follows:

Realization of targets and indicators at objective level:

The PES scheme has been built and is being implemented. There were some delays in 2010 that were caught up in 2011, but this meant a reduction in time of the pilot scheme from 3 to 2 years, with payments being made on signature (a small incentive payment), in August 2012 and in August 2013 (the latter two payments being contingent on compliance to forest management requirements given to each PFO). 342 PFOs signed agreements to conserve and reforest 1,515 ha (about 50% of the PFOs in the target villages, the remainder declined to be involved).

Results: The beneficiary PFOs are mostly complying to some degree with the requirements for forest protection: about 10% of signatory PFOs withdrew from the scheme after 1 year or did not meet requirements for payment. Of the remainder, about 60% defaulted on the requirements for tending

planted out seedlings (citing a low priority for this work compared to the needs for working on their fields to grow subsistence and cash crops) and did not receive the full incentive (they received 75%).

Achievement of indicators: Progress measured against the indicator, *Statistical analysis of relevant parameters show that the results are conclusive on whether experimental landowners performed better than control group*, cannot be assessed at mid-term as the statistical analysis has not yet been carried out. Broad differences are apparent between control and treatment groups in terms of attitudes and the diligence with which they protect their forests, but there are exceptions indicative of the fact that some PFOs are rigorously protecting their forests with or without help from the project.

Realization of targets and indicators of component 1:

Mapping of villages near forests, identification of PFOs, random assignment of treatment and control villages, inventorying of private forests, development of min-FMPs (giving requirements and recommendation for managing the forests, the latter not compulsory), distribution of seedlings for enrichment planting, compliance monitoring and an initial payment have all been conducted. Databases have been established to hold various types of monitoring data and 2011 satellite images that form the basis for impact monitoring.

There is expected early evidence of changes in the ecosystem (reduced deforestation and increased natural and assisted regeneration). It is too early to be able to judge whether the project has actually achieved reduced deforestation, although it is clear that most signatory PFOs are making real efforts to restrict access and protect their forests.

Results: The scheme has been built and is in full implementation. Ecosystem changes are slow to appear and cannot be assessed at mid-term (they will be assessed during the final impact evaluation scheduled for late 2013). Enrichment planting has not been very successful, with 60% of PFOs achieving a <60% survival of seedlings (in some cases 0% survival) – variously attributed to seedlings being dead on arrival, drought, damage by bush fires, water-logging during the rainy season, or simply a lack of weeding and seedling mortality due to being overgrown by other vegetation.

Achievement of indicators: There are two: *Recognition of the PES scheme in Uganda by other stakeholders*, and *Requests by other landowners for a similar scheme*. While the results of the PES pilot are not yet documented, early lessons are already being built into the national REDD+ process and the REDD+ pilot project for the Albertine Rift, and adopted within the UNDP-UNEP-IUCN EBA project at Mt Elgon. Subsequent to the first payments in August 2012, which established the credibility of the scheme to many stakeholders, there have been many requests from other PFOs to join the scheme, or from PFOs already holding contracts to include more of their forest area under the scheme[5]. Villages not under the scheme are in many cases reporting that they are 'waiting their turn' – indicating a genuine and wide interest in becoming beneficiaries – although PES payments are generally regarded as 'free money' rather than incentives for improving forest management.[6]

Realization of targets and indicators of component 2:

Training of stakeholders was conducted by Katoomba Group in year 1. All expected training courses were held and certificates issued. Materials were distributed, including some in local Runyoro language. Evaluation of the training by the participants was generally good, although it was noted that training sessions were very brief.

Results: Expected results under this component are achieved – training courses were delivered. Arguably there could be some follow-up to determine to what extent the training has been put into practice.

[5] Initially, some PFOs registered only part of their total forest area under the scheme, partly because they were unsure as to whether it would actually benefit them and partly to retain some forests for other purposes (keeping their options open). Many PFOs own forests in different patches which may fall both inside and outside of treatment villages.

[6] The term 'free money' is misleading as the PFO is expected to undertake certain management actions to receive any payment. However, the term is widely used by both beneficiaries and local political leaders.

Achievement of indicators: The indicator, *Increased level of knowledge on PES and its importance in biodiversity conservation understood by community, technocrats and private sector*, has certainly been met through the training. Everyone connected with the project knows what PES involves, although only community-based monitors and to some extent district ENR officers appear to be putting the training into practice.

Realization of targets and indicators of component 3:

There are no targets at mid-term as outputs are expected at a later stage of the project (when results have been documented). However, in regard to the indicator, *Lessons and results from the project being quoted or used widely by other PES players locally and globally*, it is noted that there is a lot of attention paid to this project nationally and early lessons are already being absorbed by other projects. The project has drafted a communications strategy to determine the means of disseminating lessons, although this has had to be substantially revised on the recommendation of the Project Steering Committee to focus on national and regional level dissemination (not local) to avoid complications of contamination.

3.5.2 To what extent are results attributable to the project?

The project has operated within a background of information disseminated by other Government programmes and projects. Changes in knowledge and attitudes has been catalysed to some extent by the FIEFOC programme of Government that was completed in mid-2012, the previous UNDP-GEF project (also completed in mid-2012) and the on-going Jane Goodall Institute (JGI) project in the River Wambabya watershed – all of these overlapped with PES project target areas. The UNDP-GEF was instrumental in initiating the REDD+ pilot project, which is led by WCS, and which has promoted reforestation such that tree planting in many areas, including control areas, may be taking place in anticipation of an in-coming REDD+ project.

Radio announcements relating to the Hydromax HEP project have exhorted communities to protect forests through the Wambabya watershed to protect water flow to the scheme – with a promise of rural electrification in return. Hydromax itself, through its CSR scheme, is distributing tree seedlings and promoting reforestation, but focuses on the most degraded parts of the watershed which are actually outside the project target areas.

During interviews conducted during the MTR, about 50% of the beneficiary PFOs stated that they would be retaining their forests with or without the PES incentive scheme, citing needs to maintain their own sources of fuel wood and poles, or various benefits related to maintaining water supplies or ameliorating local climate change. In some cases it was noted that these forests were along river banks and prone to water logging (unsuitable for crops), and actually protected by law as river corridors. However, 50% of PFOs under the scheme state that without the incentive payment they would have rented or cut all or part of the forest land during the period of the scheme.

Achievement of activities and outputs is rated: **Satisfactory**

Justification: The project shows good performance against its targets and indicators. Other projects and programmes have contributed to the results but the PES project is making a real difference on the ground.

3.6 Relevance

PES is not referred to in the National Forest Plan 2002, the delivery of biodiversity and watershed protection being expected through grants or trust fund mechanisms. It is alluded to in Uganda's National Biodiversity Strategy and Action Plan 2002 which indicates the need for 'integration of a range of instruments that aim to make conservation financially profitable and economically worthwhile such as market and charge systems, taxes, subsidies, loans, grants, bonds and deposits to decrease biodiversity degrading behaviour'[7]. PES remains un-cited in Uganda's National Development Plan

[7] The current revision of the NBSAP (by NEMA) refers more directly to the need for a fair sharing of costs and benefits of biodiversity.

2010/11 - 2014/15 (NDP) although the need for strengthening legal frameworks for environment protection, private sector engagement in environment protection and strengthening the system for water use permits are all referred to directly. PES is a new concept and a key issue for the project is to demonstrate its relevance and to mainstream PES approaches at the policy level.

Concepts of PES have been absorbed by NEMA into the Environment and Natural Resources Sub-sector Performance Measurement Framework 2011, of MWE, although PES is still not referred to directly. The PES project is referred to directly in the Annual Performance Reports of NEMA for 2010-11 and 2011-12 submitted to MWE and contributes to reporting by MWE to the Parliamentary Committee on Natural Resources.

NEMA is in the process of reviewing the National Biodiversity Strategy and Action Plan (NBSAP) and Wildlife Act. In consultation regarding the latter the issue of human-wildlife conflict that is emerging within the PES project is of particular relevance). There is a potential for PES principles to be integrated within the Environment (cross-cutting) section of the revised NDP, since NEMA is the responsible agency in updating this section (lessons that could be brought in here include the means of establishing incentives based mechanisms, the steps to go through to engage people in participation, negotiation of payments, the design of contracts that deliver environmental outcomes, etc.).

The approaches of the project and their relevance for other areas are highlighted on the new National Clearing House mechanism website, www.chm.nema-ug.org, which provides a national repository for biodiversity-related information.

The approaches of the project and many emerging lessons are highly relevant for uptake within Government programmes. This has not happened yet. The project was not involved in contributing to the review of the FIEFOC programme which terminated in mid-2012 and there has been no effort to absorb lessons within the redesigned NAADS programme. The latter is of particular importance as the overall project effort develops new elements on sustainable agricultural production and forest-based enterprises (thorough the new Darwin project 2013-2014 that will look specifically at harnessing livelihoods benefits from PES, and through the up-coming REDD+ project that also has a main element of livelihoods development). The districts, through the Technical Planning Committees, can assist in aligning these new projects with NAADS to maximize relevance of the activities and uptake of the results. In developing these new approaches the PMU has also started the process of alignment with commercial forest-based agriculture programmes, such as production of organic coffee that has been promoted by a number of organizations (including the Coffee Marketing Board and Barclays).

Relevance is rated: **Relevant**

Justification: There is good alignment with national programmes and donor interests for the development of REDD+. There is a need to improve alignment with government programmes such as NAADS, especially in regard to new dimensions of the overall project that expand into forest-based livelihoods and improved agricultural productivity.

3.7 Effectiveness

3.7.1 Key factors contributing to project effectiveness

Key factors identified as attributing to project effectiveness are as follows:

- CSWCT was already on the ground in the target areas, had already built institutional relationships and already had local structures in place.
- The community-based monitors were already in place and engaged in key species and habitat monitoring and in disseminating conservation messages to local communities (funded by the UNDP-GEF project and other sources). They required some additional training to undertake project tasks but were able to absorb this training and work effectively from an early stage in the project.
- The UNDP-GEF project operating in the same area from 2008-2012 (implemented by WWF) laid the foundation for many project approaches, including establishing a general awareness of forest

values that the PES project was able to reinforce.

- NEMA and the Project Steering and Technical Committees have been proactive and helped guide the project.
- The level of interest from the private sector has been growing, although to some extent they are waiting to see results on the ground.

3.7.2 Project shortcomings

The randomised design requires the separation of treatment and control villages as far as possible (actually the ProDoc calls for the two to be at least 5 km apart) to avoid contamination. This is not working effectively, as there is perhaps significant contamination from other projects (JGI, ECOTRUST) and from District Forest Services in terms of promoting forest protection and distributing tree seedlings. The DFSs in particular have been deliberately focusing on villages not under the PES scheme. The project's hope that contamination would be averaged over treatment and control villages is not being met. Control villages may also be showing biased behaviour, in that they report that they are 'waiting their turn' rather than conducting business as usual.

The incentive payment given to treatment groups is a small increment on the total benefits of retaining forests, and PFOs are clearly valuing forests at a level far beyond that payment. Determining the payment level was quite complex and considered the costs for the landowners and their willingness to accept, the amount that buyers were expected to be willing to pay, and (in the context of the project) the resources that were available to cover the payments.

While all the above were considered in arriving at the level of payment to be offered, there is no clear analyses undertaken by the project to determine how and to what extent the PFOs are valuing their forests and what costs are arising from counter-influences such as vermin damage. In broad terms PFOs are valuing forests at:

> *[conservation costs (damage caused by vermin etc.) + opportunity costs (foregone benefits from renting that land, etc.)] – [the incentive + the value of any products allowed to be harvested under the incentive scheme].*

Quantification of this would be useful.

3.7.3 Contribution of the project to capacity building

Training conducted by Katoomba Group was rated as useful by participants but the extent to which it has been put into practice is not documented, although clearly it is used by the community-based monitors and to some extent by district ENROs. Questions have been raised as to the value of capacity building for Private Forest Owner Associations (PFOAs) rather than the institutional structure of Local Councils, but this was justified by the project in that the PFOAs were already in place as coordinating organizations for PFOs (established by CSWCT, JGI and the UNDP-GEF project), and were built into the structure of the in-coming REDD+ project. The capacity of NEMA and local partners has been built to the level whereby they are able to participate in global level discussion on PES issues.

3.7.4 Gender equity

During consultation meetings for PES the proportion of women consulted was at least 50%, often much higher. During specific negotiation of contracts the involved forest owner engaged was usually (but not always) the male head of the household and women were not much involved. However, the project had a policy of ensuring both the women and also children agree to and sign the contract (and there were cases where there was disagreement and the contract was thus not signed). In some cases it was the woman who negotiated – where delegated by the husband to do so - and the husband reviewed and agreed the contract. In such cases, however, it was inevitably the husband who appeared when the payment was made. There were no specific project policies to ensure gender equity but the MTR did not pick up any points of concern.

3.7.5 Documentation of achievements

Documentation of results and lessons learned under component 3 is expected in the second half of the project. The project is adequately documenting and reporting progress. Sharing of reports with districts and other stakeholders is noted as good.

3.7.6 Lessons learned on effectiveness

A lesson already emerging concerns the effectiveness of using PostBank as a financial institution partner. The use of PostBank raised issues of contamination, in that they would be expected promote savings and loans schemes, etc., but the bank agreed to refrain from this. The distribution of payments worked well and the transaction costs of UGX 10,000/cheque worked out at UGX 7 million for a disbursement of UGX 221 million, or 3%. The project experience is that PostBank is an effective (and cost efficient) partner in projects of this type.

Effectiveness is rated: **Satisfactory**

Justification: The project shows effective capacity building and good documentation and information sharing. There are some issues regarding the contamination of control villages that have not been dealt with, and there has been no valuation of benefits of retaining forest versus other uses (cost effectiveness of PES).

3.8 Efficiency

3.8.1 Implementation efficiency

There were no significant changes made to the work plan of the project with the exception of the initial delays in start-up and building of the PES scheme reducing the expected duration of the experiment from three years to two. The delivery of project activities against the work plan given in the ProDoc is shown in **Table 2** (note that the activities in this table taken from the ProDoc do not entirely match the activities given in the logframe). Delays in 2010 which caused activities to spill into 2011 and a reduction in the time of the experiment are justified as follows:

- Determination of forest management practices and payment levels were delayed by the national elections in February 2011 to avoid politicizing the issues and thereby introducing bias. They were also delayed to some extent
- Estimation of the ecosystem services changes to be delivered by the project was delayed by late recruitment of the project manager (and thus delays in solving contractual issues and making a decision on increasing the number of treatment and control villages from 40 to 70) and associated increase in geographical scope (into Kibaale district).
- Determining and putting into place an appropriate institutional framework for the scheme was delayed due to discussions with PostBank not being completed until July 2011. International scientists had argued that payment through PostBank would cause bias as the company would encourage the opening of bank accounts – essentially offering a mixed PES and savings scheme. the scientists argued for delivery of cash by project staff, but this introduced unacceptable risks of staff handling large amounts of cash in remote areas (which would need insurance, etc.). It was finally agreed that PostBank would NOT market their services to beneficiaries of PES and that payment vouchers would not bear the PostBank logo.
- MOUs with landowners were delayed pending completion of the baselines by the impact evaluation team, and the actual collection of baseline data took longer than expected due to the complexity of the baselines needed (socio-economic data, ecological data from treatment and control villages and individual forests, etc.)
- Administering the scheme (delivering first payments) was delayed due to the above factors. Although a small payment was made as an incentive on signature of contracts, the first payments against the scheme were not made until August 2012 (after one year of compliance monitoring).

Table 2: Achievement of planned activities up to end 2012 (format as per the ProDoc)
(Shading indicates when the activity was planned; X indicates when the activity was carried out)

Activity	**Responsibility**	**Deliverable**	**2010**			**2011**				**2012**			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Recruitment of project staff	NEMA, CSWCT	Project manager, equipment in place		X									
Setting up logistical support for project implementation				X									
Inception workshop	NEMA and CSWCT to convene	Inception report and updated work programme based on stakeholder consultation	X										
Determination of forest management practices/ interventions for ecosystem services delivery	IIED, NEMA, CSWCT, Technical Steering Committee	PES scheme in place, TORs for baselines issued and consultants engaged		X	X	X							
Determination of the payment level and payment modalities								X					
Estimation of the ecosystem services changes to be delivered by the project					X	X	X						
Determine and put in place an appropriate institutional framework for the scheme			X					X					
MOUs with land owners								X	X	X			
Baseline data collection from individual land parcels				X	X	X	X	X	X				
Administering the PES scheme	NEMA, CSWCT. IPA, UNEP	Project reports, PIRs									X		
Promote the PES scheme to national and international buyers													
Monitoring and evaluation of the PES scheme	IIED, international scientists	PIRs, evaluation data entered in system		X	X	X	X	X	X	X	X	X	X
Undertake training needs assessment and development of training materials	Katoomba Group, NEMA	Progress report, PIR, information package				X							
Capacity building of stakeholders in PES at all levels	Katoomba Group	Progress report, PIR					X						
Mid-term review	NEMA, UNEP	Evaluation report to UNEP and partners											X
Data analysis and writing of scientific publications	IPA, UQAM, NEMA, CSWCT, international scientists	Progress report, PIR, terminal report, Publications											
Dissemination of project results and lessons learned	All	Progress reports, PIRs, terminal report, Information packages											
Final evaluation	UNEP Evaluation and Oversight Committee	Evaluation report to GEF Evaluation Office											

Promotion of the scheme is not envisaged until the results have been analysed in late 2013, although the PMU is already discussing with some potential buyers in general terms (e.g. with Tullow Oil since June 2011). Completing the final payments in August 2013 rather than later is justified in that it gives time for impact evaluation and documentation of results and lessons learned.

There have not been major changes in GEF budget lines from those given in the ProDoc. The ProDoc contains a maths error in calculation of the budget for the training by Katoomba Group which is given as $21,000 in the summary budget; in detailed sheets it is calculated at $31,000. The justification for moving funds from other lines to cover the $31,000 needed has been sent to UNEP by NEMA but has not yet been approved, seemingly due to some inefficiencies of communication.

Apart from delays in start-up and justified delays due to waiting for the national election, activities have been conducted according to the annual work plans (see financial planning, section 3.8).

Circulation of reports and documents, engagement and provision of feedback to stakeholders appears to have been efficient. It is noted in particular that the written feedback of compliance monitoring results to beneficiaries informing them on whether they would receive all or a part of their payment was handled efficiently by PMU.

Adaptive management: The PMU has been responsive to results of monitoring and feedback and shows evidence of adaptive management at the administrative and field level. For example:

At the administration level:

- PMU has adapted targets in the logframe to be more realistic (these changes are incorporated into the version given in Annex 5).
- As noted above, a system of written feedback was developed to notify beneficiaries of the results of compliance monitoring to avoid misunderstandings.
- A set of answers to Frequently Asked Questions (FAQs) was prepared such that all community-based monitors and other project staff give uniform answers to enquiries from PFOs.
- Identity Cards were prepared for beneficiary PFOs as a means of identifying the household – any member of which could present the card at the time of payment.

At the field level:

- Challenges were met with the supply of seedlings for reforestation; originally the PMU used approved suppliers in Hoima district but the long distances from nursery to farm caused some deliveries to be dried up and dead on arrival. The response was to replace these seedlings with others grown in local nurseries within the target areas (e.g. tree nurseries established by the UNDP-GEF project in Kibaale district).
- While NAHI had produced model forest management plants for high forest and degraded forest patches, and these were condensed into individual mini-FMPs for individual beneficiary PFOs, a need became apparent for site-specific identification of seedlings to be planted. Monitoring of which tree species were doing well provided information on species to use in beating-up (replanting of gaps in reforestation areas where the originally planted seedlings had failed).
- Water-logging of reforestation areas, especially in Kakindo sub-county, led to a change of approach to assisted natural regeneration.

3.8.2 Financial efficiency

Accounting and financial systems: These were in place prior to project start-up at CSWCTs offices in Entebbe. There is no accountant in place and very limited cash handling by the PMU (the project manager handles only minor funds from the Darwin project). The CSWCT accountant was already experienced in UN agency financial reporting formats.

Flow of funds: The flow of funds from GEF to NEMA was generally on time (sometimes delayed if financial reporting was not completed and submitted on time); transfers of Darwin funds from IIED to PMU were on time. Partners did not report delays in receiving funds from their various donors. Any funding delays were minor and did not have significant impacts on project implementation.

Audit reports: The project had not been subject to an external Government audit at the time of the MTR (it is understood that all NEMA projects are to audited together in 2013). External and internal audits of CSWCT accounts, conducted by CSCWT, did not show up any major issues concerning project funds.

Financial management: Accounting applied by some partners has raised some issues which the project has dealt with through engagement and encouragement to keep up responsibilities for accounting on time. IPA in particular has had a high turnover of staff, with handover of responsibilities sometimes not carried out well, and needs to get new staff trained up have often delayed financial reporting.

Co-financing and leveraged resources: GEF funds were available as per the budget schedule given in the ProDoc. Co-financing was not delivered as expected in the ProDoc, with the following variations:

- The grant (cash) contribution from Government (NEMA) has not been forthcoming.
- No funds are being provided to the project by Hydromax. There is no intent to supply these funds, rather these are funds spent on Hydromax's CSR scheme which actually does not overlap with project sub-counties.
- Additional funds were leveraged by Katoomba Group and IPA/international scientists as contributions to the project.

In-kind financing was generally available as per the budget schedule. Some additional leveraged resources were obtained which compensated to some extent for undelivered financing from some sources; some others are pending (e.g. Tullow Oil has requested and received a proposal for support funding which it is considering). The financing received (actual) as of 31 December 2012 is given in **Table 2**).

Table 2: Co-financing and leveraged resources

Co-financing (type/source)	IA own financing (US$ m)		Government (US$ m)		Other (US$ m)		Total disbursement (US$ m)	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Grants	0.900	0.662	0.320	0.144[1]			1.220	0.806
Loans/ concessional (compared to market rate)							N/A	
Credits							N/A	
Equity investments							N/A	
In-kind support			0.180	0.130[2]			0.474	0.240
Katoomba Group					0.150	0[3]		
CSWCT					0.100	0.072		
NAHI					0.020	0.014		
UCU/UQAM					0.024	0.024		
Other							0.438	0.617
Hydromax					0.080	0		
NAHI					0.050	0.047		
UCU/UQAM					0.008	0.008		
IPA and international scientists					0	0.228[4]		
IIED (Darwin Initiative)					0.300	0.300		
Katoomba group					0	0.034		
Totals							**2.132**	**1.663**

[1] The reported grant represents the salary of the project coordinator, finance officer and chief accountant (which should really be captured as in-kind financing). Efforts were made by the project coordinator but no budget allocation (cash allocation) has yet been granted by NEMA despite the written commitment.

[2] Office and facilities to project coordinator, vehicles to field work, venue for TSC meetings

[3] In-kind support from Katoomba Group is captured under 'other' as leveraged funds from UNDP, USAID and NORAD (used as co-financing for the training courses)
[4] Furniture, equipment (Blankpark Zoo items, photocopiers, vehicle), office space (at HQ in Entebbe)
[5] Additional funding leveraged from 3ie.

Efficiency is rated: **Satisfactory**

Justification: Implementation efficiency is high with no major changes to the expected delivery of the project and signs of adaptive management where needed; financial efficiency is high with funds provided on time. There are some cases of expected co-financing not being secured, but there are also additional leveraged resources not included in the ProDoc.

3.9 Financial planning

Delivery of funds from GEF and from other donors was largely as scheduled. Co-financing is largely on track ($1,002,000 so far committed out of an expected total of US$ 1,232,000 - 81%). Total expenditure to date is US$ 1,663,964 out of the total expected expenditure over four years of US$2,132,400 (78%) which is on track – expenditure in the first half of the project being high due to the work involved in extending baselines, building the scheme, etc.

Expenditure over the project to end December 2012 is given in **Table 3**. The component 3 budget line includes various project management lines, although others have been separated into the split off component 4. The PMU has so far continued to include project management expenses within component 3 as this is in line with the ProDoc budget, but this is confusing and can be addressed at the time of MTR by re-working the overall budget to fit the four components.

Under-expenditure on all lines in 2012 was due to delayed start-up and delay of many field activities. A further under-expenditure on component 1 in 2011was because payments originally scheduled for 2010-2011 were actually made in 2012 (forest owners signed one-year contracts and payments were not due until the year had passed. This also explains why there is an apparent over-expenditure in 2012, as these funds were carried through until then (although transaction costs were higher than expected which contributed to the apparent 2012 overspend).

Apparent over-expenditure on component 2 is due to inconsistency in the ProDoc and a maths error leading to a reduced amount being given in the summary biudget. This issue has still not been resolved although PMU /NEMA have suggested how funds can be moved from other lines to make up the difference.

Consistent under-expenditure on component 3 is due in part to the Project Steering Committee meeting less frequently than expected, and partly to IPA meeting their own costs through 3ie co-financing and IIED meeting some costs through Darwin Initiative funds such that neither drew on GEF funds as much as expected. In 2010 the linking of the first Project Steering Committee meeting with the Inception Workshop also saved costs.

In general, the breakdown of funds given in the more detailed annual work plans and budgets is handled fairly accurately, although there are recurring under-expenditures on some lines as noted above.

Financial planning is rated: **Moderately Satisfactory**

Justification: Planning has been fairly realistic and financial targets have been mostly met, although delays in project start-up and carryover of funds for payments against the scheme from 2010 and 2011 to 2012 have caused significant annual under- and over-expenditures (although not an overall over-expenditure. The division of lines between component 3 and the new component 4 needs clarifying.

Table 3: Project expenditure 2010-2012

COMPONENT	2010			2011			2012		
	Budget	**Expenditure**	**%**	**Budget**	**Expenditure**	**%**	**Budget**	**Expenditure**	**%**
Component 1: Piloting a PES scheme based on experimental methodology	174,341.0	19,470.4	11.2	154,619.0	89,593.6	57.9	154,619.0	191,238.2	123.7
Component 2: Updating local institutions scientific and monitoring	5,800.0	0	0%	9,000.0	31,188.7	346.5	4,200.0	0	0%
Component 3: Generating, disseminating and replicating good practices	22,500.0	5,418.9	24.1	26,000.0	8,777.3	33.8	16,000.0	9,485.8	59.3
Component 4: Project Management	33,750.0	11,704.3	34.7	26,950.0	28,783.9	106.8	27,050.0	24,236.5	89.6
Totals	**236,391.0**	**36,593.7**	**15.5**	**216,569.0**	**158,343.4**	**73.1**	**201,869.0**	**224,960.5**	**111.4**

NB. UNEP allows carry-over of unspent funds into the following year such that in 2012 the expenditure was more than the allocated budget (includes the expenditure of funds carried from 2011)

3.10 Cost effectiveness

Cost effectiveness is the extent to which funds are converted to outputs and outcomes. The bottom line is that the project will spend US$ 2.132 million protecting 1,590.6 ha of forest for 2 years ($670/ha/year, of which the PFO owning the forest is paid $28/ha/yr). This indicates the high cost of actually building and testing a scheme. Once the scheme is established, transaction costs fall considerably, of course, although they remain significant.

In terms of outputs, the PES project is achieving what is expected, building and testing a scheme, in line with the project objective. In terms of conversion of funds into the expected targets at mid-term, as given in the logframe, the project is performing well.

In terms of outcomes, the ProDoc notes that '*PES is expected to be more cost-efficient than other conservation options since it links funding directly with positive conservation outcomes rather than running a large and complex conservation programme'*. When the scheme is up and running this is probably the case, but this is not yet proven. In effect it is not possible to judge as yet how effective the design might be in conserving ecosystem services. There is some evidence at mid-term to suggest that most beneficiaries are managing and protecting their forests more effectively than PFOs in control groups, but at the landscape level it is doubtful as to whether the project has an overall impact on degradation and deforestation rates: as yet there is no evidence of conservation outcomes due to leakage (see section 3.12.4 on ecological sustainability).

Cost effectiveness is rated: **Moderately Satisfactory**

Justification: The project is performing well in terms of conversion of funds to outputs but there is no conclusive evidence yet on conversion of funds to conservation outcomes since results of the experiment are not yet obtained and analysed.

3.11 Monitoring and evaluation

3.11.1 Monitoring and evaluation plan design

The M&E design is complex, involving the separation of impact monitoring from forest management/compliance monitoring. The former is conducted by IPA and results are entered into an offshore database not accessible during the MTR. The latter is conducted according to a 'Monitoring framework for the PES project' prepared by NAHI and quite rigorous. In addition, there is the normal process of activity monitoring and reporting according to GEF standards, including the completion of the annual PIR.

The overall M&E design has been developed with the help of international scientists and is considered complete and appropriate to the experimental set-up. The monitoring of risks (factors that may compromise the design through contamination) does not appear to have been well thought through, however, as risk monitoring appears only in the PIRs prepared by the PMU and is deficient in this respect.

There are a number of different databases that have been designed for storage of the project data, including the socio-economic and GIS databases maintained by IPA for purposes of impact evaluation, a forest plot database maintained by NAHI, and a database of contracts and management compliance maintained by the PMU. It will be important to bring these together into a central database to establish final results and to facilitate the development of lessons learned.

M&E design is rated: **Satisfactory**

Justification: Design is complicated but rigorous, a little difficult to assess in current form (scattered between partners/locations) but appears to be working well.

3.11.2 Monitoring and evaluation plan implementation

It is apparent that the overall M&E process is underway: compliance monitoring was observed in the field and various data and reports have been presented to the evaluation. The quality of data collection appears good. Further, there is clear evidence of adaptive management at the administrative and field levels in response to monitoring data collected (see section 3.8.1).

Two possible gaps in monitoring are a) risks monitoring and their mitigation as noted above, and b) project monitoring from the central level. The latter appears minimal, with not much involvement of the Project Steering Committee outside of scheduled meetings (although some visits to the field have been made by the committee). Allocating the Project Steering Committee a wider role in monitoring might extend the involvement of key Government sectors needed for project uptake at district and national level.

The annual PIRs submitted to GEF to input into the overall GEF monitoring system are quite complete and are of fair quality.

M&E plan implementation is rated: **Moderately Satisfactory**

Justification: Data collection is clearly underway and is used in adaptive management. There are some concerns concerning risk monitoring and monitoring from central level.

3.11.3 Budgeting for monitoring and evaluation activities

Impact monitoring is fully funded by 3ie (leveraged funding through IPA) and GEF funds. Compliance monitoring is funded through the Darwin Initiative grant to IIED. General project monitoring is funded by the GEF grant. The involvement of NEMA in monitoring is funded through in-kind funds from NEMA, but a wider role that they might take is compromised by non-delivery of the expected cash contribution from NEMA. Delivery of all funds needed for monitoring has been noted as on time and adequate, and activities have been carried out as planned.

The amount allocated for the MTR was very low and allowed for only a very short evaluation. It is noted that the amount available to the Terminal Evaluation is double that of the MTR, but it is recommended that this be reconsidered, if necessary, to allow for both an international and national consultant and a duration of at least 20 days.

Budgeting for M&E activities is rated: **Satisfactory**

Justification: All monitoring funds (GEF grant and co-financing) have been delivered on time.

3.12 Sustainability

3.12.1 Financial

The payment of UGX 70,000/ha/year for full compliance to the scheme (with 60% of PFOS receiving less than this due to non-compliance with some aspects of their forest management requirements) is regarded as minimal. How this figure was calculated was explained to PFOs as the scheme was introduced, and is reiterated in the projects FAQs, but many PFOs claim not to understand why the figure is so low and certainly all PFOs want the figure increased.

During the REDD+ feasibility study undertaken by WCS-WWF in 2010, a willingness to accept payment study gave an average figure of UGX 1.38 million/ha/year (US$552/ha/year) as the amount that PFOs would accept to protect their forests. This is far in excess of PES schemes around the world, which have payments ranging from US$12/ha/year in Ecuador to US$64/ha/year in Costa Rica to US$120/ha/year over 5 years in Indonesia – the higher payments requiring high levels of input by farmers. The 2010 willingness to accept payment figure is also far in excess of the carbon

sequestration value of the forest, for example, which has been calculated at $31/ha/year[8].

At the time of the MTR, PFOs gave a huge range of figures in terms of how much they would like to be paid, varying from UGX 200,000/ha/year to UGX1.5 million/ha/year. The PFOs providing justified estimates suggested continuing the payment at current levels but adding funds to cover forest management interventions (particularly vermin guards and cutting and maintaining of fire lines), which would amount to about UGX 400,000/ha/year.

Some PFOs (about 10%) have withdrawn from the scheme stating that the amount given as an incentive is too far below what they can realize from short-term benefits such as clearing the forest to grow crops or renting it to in-migrants. On the other hand, many other PFOs are requesting to join the scheme and some beneficiary PFOs are requesting to put more of their total forest area under the scheme. In some cases the forests that PFOs want to add are unproductive areas, such as waterlogged areas that cannot be used for crops, but generally there is a great deal of interest in the scheme. In effect the PFOs are valuing their forest at a much higher figure than is provided by the incentive, but are regarding the incentive as 'free money' (their term), as a little bit of cash in addition to the other benefits they receive or expect to receive in the future from maintaining that forest. Certainly the potential is there for the scheme to continue.

However, the project is currently unsure whether a new contract can be made with PFOs when the final payments are given out in August 2013. These payments are not included within already secured follow-up funding, such as a further Darwin Initiative project (this follow-up project is focusing on associated livelihoods interventions). There are various initiatives of CSWCT and partners that could cover the costs of extending the scheme as follows:

- The Nordic Development Fund (NDF) through the World Bank has shown some interest in extending the payments for a further two years specifically to give more time to look at the impacts of reforestation activities.
- The REDD+ pilot project of NARCG, led by WCS, is committed to expand the pilot (certainly to cover the existing signatories) and has interest from Government of Norway for a $2 million grant that will extend for several more years (not yet specified how long, certainly a sale of credits will be required to cover the 30 year lifetime of the pilot). The grant from Norway is pending GOU endorsement of the pilot within the overall REDD+ readiness strategy. This is reported by WCS as taking a long time to be obtained despite obvious benefits to GOU in terms of lessons learned through the pilot.
- Tullow Oil and WCS have been discussing a $0.5 million grant from mid-2013 with a focus on improving productivity from existing land and thus reducing pressure on forest (carbon offset) or replacing of biomass through reforestation linked to energy efficiency initiatives. This would provide in-kind support to farmers *in lieu* of cash payment for retaining forest.

Of these, the REDD+ pilot project, which has secured funds pending GOU endorsement, is perhaps the best bet for continuing after August 2013. There is an issue of how to cover transaction and management costs, which are emerging as rather higher than the 4% originally estimated in the REDD+ project design document (given that PostBank if used as the financial institution would require 3% as transaction costs). At the Technical Steering Committee meeting held on 15 January 2013, a sub-committee was established to look specifically at the issue of project exit and how to ensure follow-up financing.

Financial sustainability is rated: **Moderately Unlikely**

Justification: At mid-term the project is unclear on how the scheme can be maintained post-project, although efforts are being made to locate sources of funds to extend the pilot for a few more years.

3.12.2 Socio-political

Political leaders are mostly sceptical concerning PES approaches, mainly because of vermin/problem animal issues. They are more concerned with economic development priorities, and some view forest

[8] Leal, M., (2010), Semliki-Murchison landscape feasibility study for REDD, WWF and WCS, Kampala, Uganda

conservation as not contributing to economic growth – promises of economic growth being a main source of votes. As the project begins to document results, if it can demonstrate improved well-being as a result of its interventions and if its popularity continues to increase, then politicians may change their views.

A serious barrier to increased popularity and uptake of the scheme is the apparently increasing incidence of human-wildlife conflicts, involving both vermin (baboons, vervet monkeys, wild pigs) and chimpanzees. There have been threats to both project staff and PFO beneficiaries of the scheme due to perceptions that the project is encouraging vermin, and even that the project is transporting and releasing chimpanzees into the area. Chimpanzees appear to be ranging more into farmland as their food sources in the remaining forests are depleted[9], and if chimpanzee attacks on people escalate this could undermine the project (especially if backed up by the Press, whose reporting of the project and the chimpanzee issue has been contradictory so far[10]).

The social benefits of protecting forest, particularly linked those to the availability of firewood and clean water, were noted, especially by women[11]. The project has to some extent changed the way people view their forests. Maintaining forest is increasingly regarded as insurance for the future of the household owning the forest, an attitude promoted by the project, but this is personalizing ownership of forests and those without forest are facing additional living costs. What was previously free collection of fuel wood and poles is now regarded by beneficiary PFOs as stealing. The issue of access to fuel wood has the potential to escalate into social conflict (PES beneficiaries are preventing the collection of firewood from previously open access areas as this may damage seedlings, which then impacts on their compliance and their payments). This issue can, however, be addressed through associated livelihood interventions (such as establishing woodlots for households without forest), and the PES project and the REDD+ pilot project are attempting to secure follow-up projects that will do this.

Socio-political sustainability is rated: **Moderately Unlikely**

Justification: There is political indifference or opposition and growing peer pressure due to a perceived increase in vermin and problem animals due arising from forest protection, although the social benefits of maintaining forests are noted by many (especially by women).

3.12.3 Institutional framework and governance

There is as yet no legal and institutional framework for PES in Uganda. This means that the ability of districts to take up PES is limited – district ENROs have the responsibility to review EIAs, for example, and would have the opportunity to push a PES policy within economic development within the district (e.g. with Hydromax) but the officers are unsure of how this can be done without a legal and institutional framework in place. There is a high level of awareness of PES within the district but without the legal framework they cannot promote the issue. However, this can be addressed by NEMA working towards the mainstreaming of PES at national level and the development of the appropriate policies and legal and institutional framework, the project providing guidance of the development of policies through its lessons learned documentation., and training institutions (such as Makerere University and Nyabyeya Forestry College) taking up PES issues within training curricula.

The project augments district efforts on forest conservation and supports district policy as outlined in the District Environment Action Plans (DEAPs). The Hoima and Kibaale DEAPs were reviewed in 2012 with support from the UNDP-GEF project, and specific uptake of PES is included within the revised DEAP of Hoima (although not the revised DEAP of Kibaale). Realistically, however, there is no government funding available through the districts to pursue PES due to the generally low priority of the environment sector for funding.

[9] Final Report of the UNDP-GEF project Conservation of Biodiversity in the Albertine Rift forests of Uganda

[10] While on the one hand reporting the importance of retaining forests and biodiversity, chimpanzee attacks have led to calls for relocation of the chimpanzees to protected areas somewhere. Relocation is commonly seen as the solution by communities and leaders, with no realization that translocation is technically extremely difficult and expensive and generally not practical.

[11] 75% of women interviewed mentioned this issue.

The NARCG, established during 2010-2011 to coordinate NGOs in their support to Government agencies and districts has a main focus on REDD+ but is also concerned with the coordination of actions for landscape management in general. CSWCT, JGI and WCS are the main active partners. The NARCG has an important role in providing an informal framework to disseminate and take up results of the PES pilot, and also as a common forum for addressing issues of forest governance as should they arise and impact on the PES initiative.

Institutional framework and governance sustainability is rated: **Moderately Unlikely**

Justification: There is political indifference or opposition and growing peer pressure due to a perceived increase in vermin and problem animals due arising from forest protection, although the social benefits of maintaining forests are noted by many (especially by women).

3.12.4 Ecological

There is no clear evidence of changes in forest cover resulting from the project interventions, as this will only be demonstrated (or not) with the analysis of a second satellite image for 2013. It is apparent that beneficiaries are protecting the forests under contract and at this level then the project is certainly having an effect – forests are being protected that might otherwise be degraded or loss (recalling than 50% of beneficiaries reported that without the project they would have cleared or rented all or some of their forest land).

However, in the landscape as a whole it is not likely that deforestation and degradation is decreasing. In-migration is increasing and the requirements for land and forest products are similarly increasing. While some individual PFOs may be protecting their own forests others are clearing or degrading theirs to meet demands for land and products. Certainly prices for timber and poles are increasing, and this may be due in part to some PFOs guarding their forest more effectively, but this encourages the stealing of products from areas which are not so well protected (from non-beneficiaries) and also encourages cheating by beneficiaries (who in some cases are suspected of stealing from others). Non-beneficiaries adjacent to treatment areas are complaining in particular that the needs of the population in treatment villages for extracting forest products are deflected into their forest areas, with sharp rises in the collection of fuel wood, in particular, from their land.

Leakage is a potential problem that affects any PES scheme and a key point for the design of the current scheme is to what extent, and how, thus is addressed. The support for reforestation through the project is one element of leakage control (that is not yet showing any impacts of course as the planted trees are not of a size that can be utilized). Leakage can also be addressed through linked interventions to promote the growth of multi-purpose trees and establish woodlots, or to increase productivity on existing agricultural land, but this has not happened so far (it is intended that in-coming projects such as the further Darwin Initiative project will initiate linked activities of this sort).

There are no available data on changes in biodiversity occurring as a result of the scheme, although it does seem that protecting forest is creating 'safe havens' for vermin animals (certainly non-beneficiaries have this perception). The UNDP-GEF project operating in the target areas up until mid-2012 recorded no significant drops in the populations of key species, but noted that the incidence of animals having to move out of the forest in search of food was increasing as the forests were reduced in size. As the animals come into conflict with people more often, it is inevitable that numbers of them will be killed, legally or illegally, and populations will dwindle.

Ecological sustainability is rated: **Unlikely**

Justification: There are no data to make objective statements. Although the impression of the MTR is that individual forests are being better protected by beneficiaries of the PES scheme, the needs for forest products and land are deflected elsewhere in the landscape. The extent of 'leakage' cannot be quantified ahead of the impact evaluation studies at end of project, but it can be seen on the ground that forests continue to be lost, and at an increasing rate, as in-migration continues and even accelerates.

3.13 Impacts

3.13.1 Knowledge and attitudes

There is an increased understanding of PES issues among stakeholders. PFOs are becoming more aware of their forest resources and their value, appreciating that these resources should not be free and thereby attaching value to them. PFOs are now more likely to react to illegal activities on their land. It is also apparent that in the community as a whole there is a wider appreciation of the environmental services provided by forests (including clean water and local climate amelioration) that benefit the whole community. Many PFOs are aware that cash crops provide only short-term benefits, whereas forests and water are long-term benefits. In 2010, during the REDD+ feasibility study conducted by WCS-WWF, consultation indicated that 93% of PFOs in the Bugoma-Budongo corridor wanted to sign a contract for payment that lasted only 1 year, which indicates a high level of scepticism.[12] Now many PFOs are asking for long-term contracts. The PES scheme is seen as credible.

At the national level, capacity has been strengthened for staff of national institutions and NGOs to participate effectively in global discussions on PES, which helps to argue out national policies and promote conservation through PES schemes within the country (e.g. NAHI attended the UNFCCC Conference of Parties held in Doha in 2012 and presented a paper on the PES scheme at a side event).

3.13.2 Deforestation

As noted above, project impacts on the deforestation rate at landscape level are probably minimal. It has been noted as an indirect effect, however, that PFOs are realizing the value of land titles and that a PES contract confers a level of ownership that prevents others encroaching into private forest.

3.13.3 Overall impact: does the payment scheme cover local costs associated with maintaining biodiversity?

There has not so far been much attention to this crucial question in project monitoring, but the answer appears to be No. The incentive payment is quite small. The PFO has to factor in the following costs of conserving that forest:

a) Requirements to buy in products not collected from his/her own land (although contracts do allow for regulated harvesting from treatment areas): This is covered to some extent by the incentive payments. It is more likely, however, that the PFOs collect the needed products either from other land owned by them or from someone else's land.[13]
b) Costs of damage caused by vermin and problem animals: These can be significant – for example, one PFO expected to receive UGX 1,050,000 per year for protecting 15 ha of forest, but in 2012 received only UGX 800,000 from the PES scheme due to poor survival of planted out seedlings (amounting to non-compliance with forest management requirements) while damage by vermin to their maize crop alone was calculated at UGX 3.5 million.[14]
c) Social (deflected) costs: Non-beneficiaries close to treatment areas have noted sharp rises in the amount of products collected from their land (including timber, poles and fuel wood). Their financial losses are not quantified, but the value of their forest to the in-coming REDD+ project is certainly being reduced.

[12] Akwetaireho, S. *et al*., 2011, Socio-economic values of corridor forests in the Albertine rift forests of the Murchison-Semliki landscape: WWF, WCS, JGI and CSCWT.
[13] This was reported during interviews by farmers living next to control villages, by local political leaders, and by Community-based monitors, but is not backed up by verifiable data. Data collection on forest cover and quality assessment by IPA and NAHI – satellite images and ground measurements – should generate this data during the impact evaluation scheduled at end of project.
[14] The causal chain here is actually rather complicated. It could be asked whether conserving forest lead to more or to less damage to crops from vermin and problem animals? Plausible arguments could be made for both scenarios. The damage to the PFO's maize crop might have been even higher if less effort was made to conserve forests as there would be more need for these animals to find food outside of the forest. The MTR cannot really comment on the comparative likelihood of the different scenarios, but the questions) are valid.

d) There is a potential for litigation costs due to chimpanzee attacks that could be directed at PFOs maintaining chimpanzees in their forests.

In summary, the costs for PFOs of maintaining the forest can be much higher than the amount they receive as incentives. The PFOs who sign up to the PES scheme are clearly assigning other values, or are thinking long term – renting or cutting the forest for cash crops will bring in more cash over the first few years but soon the land may become unproductive. Over 30 years, the lifetime of a REDD+ project, the benefits may even out, although costs due to vermin damage will remain a concern.

Impact is rated: **Minimal**

Justification: The project has significant early impacts in terms of attitudes and awareness, and in maintaining individual patches of forest under the scheme. The project has little early impact at the landscape level, but is not expected to as it is a pilot activity aimed at testing an approach that can be scaled up, where successful, by others. Certainly the lessons learned by the pilot could have a significant impact if taken up on the landscape scale by, for example, NARCG in the development of the pilot REDD+ project. However, issues of covering the costs of conservation would need to be addressed more effectively.
(Note: impacts at mid-term are not expected to be significant and this rating is not included in assessing overall project performance.)

4 CONCLUSIONS AND RATING OF PROJECT IMPLEMENTATION SUCCESS

4.1 Conclusions

The global performance of the project is evaluated as **Moderately Satisfactory** with the conclusion that progress towards the objective is as expected at mid-term (relevance, effectiveness and efficiency are satisfactory – a PES scheme is being built and tested), but there are concerns over sustainability and likely impacts at the landscape level (contribution to the project goal).

The primary objective of the project is to build and test a PES scheme to determine of this is an appropriate means of conserving a forest ecosystem, and to test a specific randomised design that should be able conclusively to answer this question. The building of the PES scheme faced some initial delays but is now progressing well: issues associated with building and implementing the scheme have been identified and addressed, and there is some early documentation of lessons. Data are not yet available to determine if there is a difference between treatment and control villages in terms of protection of the forest ecosystem, but the experimental design, as far as it can be judged at mid-term, is expected to be able to provide conclusive evidence for this by end of project (providing it can adequately document issues of contamination and leakage). For GEF, the project is considered likely to provide the critical answer as to whether the design is effective, and additional information on whether the scheme itself is effective (in terms of sustainability etc.).

In relation to the project objective, the main conclusion of the MTR is that the randomised design and experimental methodology developed with the help of international expertise is appropriate to the Ugandan environment and is likely to provide globally important information on the design of PES schemes: information that is in fact already being picked up and applied elsewhere.

In terms of the performance of the scheme itself, which is a key interest of most stakeholders, payments are a small increment on the overall benefits of keeping forests and PFOs are clearly realizing this. Beneficiary PFOs all have other land on which they meet their livelihoods needs, and are making a conscious decision whether to go for short-term benefits from cash crops over a few years or long-term benefits from keeping the forests to secure environmental services, including long-term provision of forest products. As the PEs scheme was being introduced, the division of PFOs in treatment villages was about half-half for or against putting forests under the scheme. Once the initial payments were made under the scheme in August 2012, many PFOs have reconsidered and the

number wanting to join the scheme seems to be more than the number who were initially involved but have since opted out (although there are no data to confirm this).

There is some genuine commitment (e.g. in planting out of seedlings that the PFO cannot afford to buy) but there is poor maintenance of the reforestation areas as this is less of a priority than tending cash crops. Although there are penalties associated with this, many PFOs do not seem to take required forest management actions very seriously and there is a general feeling that incentives provided by the PES scheme are 'free money' (their term).

Commitment is also evident when the issue of vermin is considered: financial losses due to vermin can far outweigh the incentives provided by the project for keeping the forest (many PFOs cite vermin control as a main reason for cutting down their forests).

This being the case, PFOs are placing a value on forests that is equivalent to the losses due to vermin minus the incentive, or the potential income from growing cash crops or renting the land minus the incentive. The difference can be considerable. PES does not offer an immediate win situation, although it may do so when considered over the lifetime of a REDD+ project, for example. In the meantime, a reasoned argument made by some PFOs is to keep the incentive at the same level but to add on costs of vermin guards, cutting fire lines, or other necessary management measures.

It is emerging that while the project focuses on benefits accruing to treatment groups, non-beneficiaries close to the control groups are disproportionately impacted by the project in terms of losses due to vermin and increased collecting of forest products from their land. There is a growing potential for social conflict.

There is a considerable interest in expanding the scheme to include non-beneficiaries adjacent to treatment groups, and even other sub-counties. Control groups also report that they are 'waiting their turn'. The in-coming REDD+ project, if funded at the hoped-for level, may be able to address the demands for expansion of the scheme.

4.2 Overall performance

Ratings and overall performance are summarized in **Table 4**, below.

Table 4: Summary of performance ratings and assessment of overall performance[15]

Criterion	Evaluator's Summary Comments	Evaluator's rating
Implementation approach	Clearly formulated as a short-term experiment, but not clear on what happens thereafter (the intervention is viewed as leading on to a longer term scheme but not clear on responsibilities for uptake)	**MS**
Country ownership	Good technical support by NEMA but erratic financial support: Technical Steering Committee provides useful comments but no follow-up	**MS**
Stakeholders involvement	Complicated partnership arrangement by appears to be working effectively; partial engagement with districts but good relationship building with communities	**MS**
UNEP supervision and backstopping	Quality assurance applied effectively.	**S**
Achievement of activities and outputs	The project shows good performance against its targets and indicators	**S**
Attainment of project objective (overall rating) **Sub criteria (below)**	The project is implementing and documenting the process of testing the effectiveness of PES	**S**
Relevance	Good alignment with national priorities and donor programmes; needs to improve alignment with government programmes such as NAADS.	**R (relevant)**
Effectiveness	Good capacity building, documentation and information sharing; some	**S**

[15] This has been rearranged from the version in the TORs to give a more logical order and to follow the sequence given in section 3 of the report.

Criterion	Evaluator's Summary Comments	Evaluator's rating
	issues of contamination of control villages and a lack of cost-effectiveness assessments	
Efficiency	Financial efficiency high except for securing of expected co-financing; implementation efficiency high	**S**
Financial planning	Fairly realistic and financial targets have been mostly met although delays in the early part of the project have caused spill over between years and resulting under- and over-expenditures. The division of lines between component 3 and the new component 4 needs clarifying.	**MS**
Cost effectiveness	No information on conversion of funds to conservation outcomes as results not yet collected, but conversion to expected outputs is on track.	**MS**
Monitoring and evaluation (overall rating) **Sub criteria (below)**	(Overall rating must be the equivalent of the lowest rating of the components)	**MS**
M&E plan design	Complicated but rigorous, a little difficult to assess in current form (scattered between partners/locations) but appears to be working well	**S**
M&E plan implementation (use for adaptive management**)**	Adaptive management is clearly applied, but there are some concerns over risks monitoring and the involvement of the Project Steering Committee in monitoring from central level	**MS**
Budgeting for M&E activities	All monitoring funds (GEF grant and co-financing) delivered	**S**
Sustainability of project outcomes (overall rating) **Sub criteria (below)**	Clear issues in whether the project effort can be sustained beyond the pilot period and danger than any conservation gains will be lost.	**U**
Financial	Not clear how funding can be sustained, although efforts are being made to find funds to extend the pilot.	**MU**
Socio-political	Political indifference and growing peer pressure sue to perceived increase of vermin. But social benefits of maintaining forest are noted by many.	**MU**
Institutional framework and governance	Legal and institutional framework not there to support PES although movements towards this; forest governance an issue in general.	**MU**
Ecological	Forest (and associated biodiversity) loss is at same level or increasing from pre-project situation.	**U**
Impacts	Impacts primarily on attitudes and awareness, not yet converting to changes in practice; importantly, project is not impacting on (possibly increasing) the costs of conservation	**M (minimal)**
Overall Rating	Good effectiveness and efficiency in terms of building and testing a PES scheme, but major concerns over sustainability and impacts	**MS**

5 RECOMMENDATIONS

Note that all the following recommendations are addressed to one or more of the project stakeholders as follows: NEMA (Executing Agency), PMU, Project or Technical Steering Committee, or a specific project structure or partner (notably the incoming REDD+ project).

5.1 Administrative issues

PMU needs to up-date the risks log and risks mitigation plan (given in the 2011-12 PIR) to include identified risk factors noted in the ProDoc (especially those noted as high risk).

To avoid using different versions of the project logframe, PMU should adopt the version included here as Annex 5, which has been tidied up and includes various modifications already approved by the Project Steering Committee.

The project overall budget and subsequent financial reporting should be revised to fit the arrangement of four components (i.e. put all project management related budget/expenses under component 4).

A number of key international scientists did not find time to comment on the MTR report by the deadline allowed. It is recommended that any late comments from these key persons be considered within the PMUs management response to this report.

5.2 Communications

There is growing interest in the scheme which at least to some extent is fuelled by the impression that payments are 'free money' – although actually the beneficiary is expected to fulfil certain management requirements to receive this payment. There needs to be an effort within the revised communications strategy to move people away from the 'free money' concept to a greater understanding of the multiple benefits of not destroying the ecosystem. This could be included as an element within the exit strategy (below), using project impact information that illustrates actual benefits (meaningful to the farmers) and disseminating this in final workshops and information dissemination.

5.3 Exit strategy (sustainability issues)

At the time of the MTR the project had not yet started working on the exit strategy, which has a main role in addressing sustainability issues. As this is developing during 2013, it is recommended that the following points be considered:

- GOU (NEMA) is expected to use PES results to develop a replication strategy in other areas at risk of deforestation, and to attract other buyers to participate. This will likely involve the sub-national REDD process, but there is a need to define how this can be engaged as part of the project exit.
- The PMU and REDD+ project need to coordinate approaches both in effecting a 'hand over' to the expected in-coming REDD+ project, and in including an element of forest-based livelihoods development, promotion of income-generating activities, and introduction of agricultural systems more resistant to climate variability. These added interventions are an expected part of the further Darwin initiative project to CSWCT, Norway funds to WCS, and possible funding under CRS schemes (e.g. from Tullow Oil).
- Within the above, the possibilities for promotion of multi-purpose trees for fuel wood should be addressed to deal with emerging social conflicts over access to forest resources.
- The PMU needs to clarify what exactly is going to happen as the second and last payments are made in August 2013 and what PFOs can be told at that time (the FAQs format can be used to provide a set of answers).
- There is a need for the Technical Steering Committee (or a sub-committee thereof) to look critically at the impact evaluation methodology of the PES scheme in the context of Uganda (as it has mostly been designed by international scientists), and to clarify the likely transaction costs over a longer-term period.
- A starting point in addressing issues of scepticism of political leaders in regards to PES could be a presentation of the results of the scheme (when analysed) and how it will be continued (hopefully) to district councils (this could be held at the end of 2013, organized by PMU).

The development of an exit strategy should be taken up by a sub-committee of the Technical Steering Committee, which should report back to an extra-ordinary meeting of the same committee to be held BEFORE the final payments are made in August 2013.[16]

5.4 Legal and policy gaps

NEMA needs to consider means of addressing legal and policy gaps and institutional issues, determining a means of formalizing PES as a land use option. It is realized that the absence of

[16] It is noted that such a sub-committee was immediately established at the Technical Steering Committee meeting held on 15 January 2013 at which the initial findings of the MTR were presented. PMU was tasked with liaising with initial preparation of TORs for the sub-committee.

national guidelines on land use planning make this problematic), but current NEMA responsibilities in reviewing the NBSAP, Wildlife Act and environment section of the NDP give an opportunity to begin the process of mainstreaming PEs in policy documents.

Both NEMA and local district governments need to consider the issue of river corridors. PFOs are claiming land (and credits for forest) up to the water's edge, although the National Environment Act requires landowners to protect forest up to 50 or 100 metres from the water's edge (depending on the size of the river/stream). While the legal issue is being considered, districts need to continue to promote forest retention on riverbanks (already given as a priority in DEAPs) and make use of the recognized need for protecting riverine corridors at least in the Wambabya watershed to secure water flows to the Hydromax HEP scheme that is just about to be commissioned (Hydromax is already providing seedlings to farmers to replant degraded riverbanks).

The issue of in-migration needs to be taken up if possible by the Project Steering Committee. There is a need for a specific policy to control in-migration into the forested areas, as it is a main driver of deforestation and if it continues to be supported by politicians will likely undermine the project.

5.5 Cost effectiveness study

The Technical Steering Committee should establish a sub-group to look specifically at the actual costs of conservation, calculating opportunity costs and leakage (yields of cash crops over time, leakage from non-beneficiaries' forest, losses due to vermin, etc.). Alternatively this study could be conducted by a national consultant.

The sub-group could also look for interest from national Universities in conducting a specific vermin / problem animal control strategy.

5.6 Integration with Government programmes

The PMU and district ENROs should work together to integrate PES more with district and sub-county annual work plans as the basis for integrating with NAADS and other Government programmes with overlapping or conflicting aims. Specifically:

- There is a need to improve dialogue between the district ENROs and Production and |Extension officers implementing the NAADS programme to reach a common ground (this can be undertaken through the district Technical Planning Committees.
- The Technical Planning Committees can then present a united front in advocating for sustainable agricultural development with environmental considerations that will guide incoming projects focusing more on building livelihood benefits associated with PES or REDD+ schemes. This is in line with the new NAADS focus on markets and research.
- As part of the above districts should be able, through NAADS, to engage with NARO (which has the job of reforming the way NAADS is delivered). NARO can provide advice through the districts to in-coming projects on the development of high-productivity agricultural systems in forest landscapes.
- District officers implementing NAADS should assist this process by looking critically at how the TORs for NAADS service providers might be adjusted to conform to these new approaches. In particular, while NAADS service contracts already have environmental compliance requirements, these may need to be made more specific, and certainly there is a need to check for compliance before making final payments to the service providers.

ANNEX 1: TERMS OF REFERENCE

MID-TERM REVIEW:
GEF/GOU/UNEP PROJECT ON DEVELOPING AN EXPERIMENTAL METHODOLOGY FOR TESTING THE EFFECTIVENESS OF PAYMENT FOR ECOSYSTEM SERVICES TO ENHANCE CONSERVATION IN PRODUCTION LANDSCAPES IN UGANDA

1. BACKGROUND – PROJECT HISTORY AND SUMMARY

Uganda's National Environment Management Authority (NEMA), in collaboration with the Chimpanzee Sanctuary and Wildlife Conservation Trust (CSWCT), is on behalf of Government of Uganda implementing a project on ***Developing an Experimental Methodology for Testing the Effectiveness of Payment for Ecosystem Services to Enhance Conservation in Production Landscapes in Uganda***. International partners for the project are the International Institute for Environment and Development (IIED), the Katoomba Group, Innovations for Poverty Actions (IPA) as well as international scientists from Stanford University and the World Bank while the local partner is Nature Harness Initiative (NAHI.

Through the project a Payment for Ecosystem Services (PES) scheme is to be implemented to generate additional and sustainable financing for biodiversity conservation that provides incentives to local communities for conserving biodiversity found in remaining forests on private and public lands not gazetted as forest reserves. By making forest conservation a livelihood opportunity for local communities, a payment scheme can provide social benefits as well as meeting environmental objectives.

This project aims at developing an experimental methodology for testing the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas using an experimental methodology focusing on private and community forests in Hoima and Kibaale districts in Western Uganda. The project is focusing on an area of private and communal land between the Budongo and Bugoma forest reserves in Hoima District and south of Bugoma in Kibaale District (see Appendix 1). This area forms part of the northern corridor for chimpanzees and is home to some of Uganda's largest chimpanzee populations living outside the protected areas. Clearing of forests for cash crops such as tobacco and rice in this area is threatening the survival of these chimpanzee populations, and risks isolating the populations in the Budongo and Bugoma reserves, thus halting natural inter-breeding across different populations. The loss of these forest habitats is also threatening other ecosystem services in particular carbon storage and access to clean water.

The project will randomly select treatment and comparison communities by (a) identifying areas at risk of deforestation; (b) collecting baseline information on deforestation levels, forest use, and local institutions governing forest management; and (c) randomizing the participants into treatment and comparison groups and initiating the PES scheme [this was done during the Project Preparation Grant – (PPG) phase]. In the group of treatment villages, the option of payment will be offered to individual landholders in return for implementing contractually agreed activities such as maintaining forest cover or actively patrolling forest areas or other activities such as planting of indigenous tree species. Comparison communities will not be offered payment but will not be expected to undertake conservation either.

The STAP of the GEF defines PES as (i) voluntary, (ii) contingent transactions between (iii) at least one seller and (iv) one buyer (v) over a well-defined ES, or a land use likely to secure that service. This project uses this simple five-criterion definition provided by the STAP paper (http://stapgef.unep.org/docs/Guidance/PESGuide.pdf). The core emphasis lies in criterion (ii): conditional, *quid pro quo* transactions where payments are made if and only if the agreed-upon ES are provided.

2. IMPLEMENTATION ARRANGEMENTS

The major collaborating institutions for the project will be UNEP, NEMA in partnership with Chimpanzee Sanctuary and Wildlife Conservation Trust (CSWCT), International Institute for

Environment and Development (IIED), International Scientists collaborating with Innovations for Poverty Action, Nature Harness Initiatives and the Katoomba Group

UNEP will disburse GEF funds to NEMA after a legal instrument is signed between the two institutions. UNEP will monitor progress of implementation of the project through the submitted six monthly technical reports, and the quarterly financial reports submitted by NEMA. In addition UNEP will participate in monitoring missions, annual steering committee meetings and if necessary by teleconference in between the Project Steering Committee (PSC) meetings. UNEP will further participate in the training sessions for stakeholders, the Project Implementation Review (PIRs) and the independent evaluations. UNEP is especially responsible to ensure adaptive management takes place throughout the duration of the project, is responsible to the GEF on the overall implementation of the project.

The NEMA is the Executing Agency of the project and will receive funding from UNEP for onward transmission to all sub contractors through the Chimpanzee Sanctuary and Wildlife Conservation Trust (CSWCT) which is the Project Management Unit (PMU). NEMA will be responsible for delivery of the project outputs and outcomes, and for all reporting to UNEP, for technical and financial reports, audit reports, procurement and assisting the independent evaluators to do their work.

IIED will bring its experience from PES schemes, and community-based natural resource management approaches and their livelihood impacts elsewhere in the developing world, including Darwin projects in Cambodia and Vietnam. International Scientists collaborating with Innovations for Poverty Action (IPA) will bring expertise in evaluation to advice on scheme design. IIED will be a co-executing agency alongside NEMA, but funds will be passed through NEMA on ward transmission to IIED and contractors. IIED will report to UNEP through NEMA for all its activities as outlined in Section 3. IIED will undertake the following aspects in the project:

a) Guide the design and implementation of the PES
b) Lead in the implementation of Activities 1.1, 1.2, 1.4, 1.5, 1.6 and 1.7.
c) Advising on supply side activities in particular defining and agreeing with landowners the land management activities that will be paid for,
d) Promote the scheme to potential national and international buyers and
e) Establishment of an appropriate institutional framework to manage the scheme.
f) IIED will work in collaboration with IPA and NAHI especially in undertaking the baseline survey for the PES scheme.
g) Will be part of the project Steering committee

CSWCT will implement some activities as outlined in Section 3.3 under the supervision of NEMA and in collaboration with IIED. NEMA will sign a Memorandum of Understanding (MOU) with CSWCT spelling out the roles and responsibilities of both parties. CSWCT will report to NEMA and its experience of working with local communities to promote chimpanzee conservation and the first hand experience of local partners will be a big asset to the project. NEMA and CSWCT will establish a Technical Committee TC) at national level to coordinate inputs from all parties.

This will be serviced by a small Project Management Unit (PMU) consisting of a Project Manager and an Administrative/financial Assistant based at CSWCT offices, the latter on a retainer basis to come in when required. The PMU will oversee the general implementation of the project on behalf of NEMA and in particular will be responsible for Components 3 & 4. One important role of the PMU is to receive and consolidate reports from all subcontractors and submit it to NEMA.

In addition, PMU staff will work with CSWCT, NEMA and the TC to identify service providers, establish MOUs and contracts with them, and develop work plans and budgets. It will coordinate inputs from all other stakeholders and monitor project implementation, impacts and lessons learned. The PMU will develop a detailed schedule of project review meetings in consultation with NEMA, project implementation partners and stakeholder representatives. The PMU will inform CSWCT and NEMA of any delays or difficulties faced during implementation so that appropriate support or corrective measures can be adopted in a timely and remedial manner.

Two IPA evaluation coordinators will be based locally in Hoima district for 3 years to oversee the evaluation of the PES scheme. IPA will further hire and train people from the local community to

undertake the survey based monitoring of the ecosystem and socio-economic indicators. The IPA team will undertake the initial baseline surveys, followed by 2 annual surveys in each of the 3 years.

The project expects most land owners to be on the lower economic scale, but if some elite members of the local communities live in the area and are willing to accept the level of payment provided by the project, they will be included through the random system of selection.

It is important that CSWCT is responsible for administering the PES scheme while another separate entity, IPA, does the evaluation of the effectiveness of the PES scheme. The direct involvement of NEMA will ensure that the payment scheme is designed in close cooperation with government agencies and that lessons from the experience will reach policy makers effectively.

The Technical Committee (TC) will be composed of representatives from key stakeholder institutions at national level including Forest Sector Service Department in the Ministry of Water and Environment, Economic Policy Research Centre (EPRC), NEMA, NFA, UWA, CSWCT, Innovations for Poverty Action (IPA) (to advise on PES, randomized methodology etc), Private Sector, NGO and PMU, among others. The Chief Administrative Officer (CAO) and District Environment Officer, Hoima will represent the district in the TSC.

The TC will meet at least 2 times in year and ensure that the project is implemented according to approved plans and budgets, delivering satisfactory results and impacts from a technical point of view. In addition, the TC will ensure effective and efficient coordination and flow of information between the various stakeholder institutions so as to optimize use of human and financial resources.

The project Steering Committee will meet annually and will be responsible for strategic guidance of the project. It will be composed of members from UNEP GEF, NEMA, CSWCT, IIED, International Scientist (Joost de Laat), Katoomba Group, IPA, NAHI , Hydromax and Tullow.

International Partners

i. The Initial baseline survey was be done by in collaboration with IIED & CSWCT and The University College Utrecht (UCU), Netherlands.

ii. UQAM/ World Bank participates through Joost de Laat, an international scientist who has been involved in providing guidance to the students from UCU and developing the design part of the project document. Joost is further involved as one of the international scientists supporting the project as outlined in Section 3.3, activity 1.8, as well as taking a part in the PSC.

iii. Innovations for Poverty Action-. Through international scientists, from Northwestern University and Stanford University will participate in providing guidance on the scientific issues in the project and will be involved in the development of scientists' papers alongside Ugandan scientists.

3. PROJECT COMPONENTS AND ACTIVITIES

The project has four components as listed below.

Component1. Piloting of PES scheme (s) based on experimental methodology

Component 2: Updating local institutions' scientific and monitoring programs and strengthening capacity for PES

Component 3: Generating, disseminating, and replicating good practices

Component 4: Project Management:

Budget

The total budget of the increment amounts to US $ 2,102,400. This will be funded by a GEF contribution of US$ $870,000 and by $ $1,232,400 non-GEF resources in the form of co-financing (in kind and in cash) from Government agencies and partners as indicated in the project document.

Objective and Scope of the Review

The objective of this mid-term review is to review and evaluate the implementation of planned project activities and outputs against actual results to date, and as far as possible establish the initial project impact (ref. objectives & outcomes as described in the logical framework), as well as sustainability and execution performance. The focus will be on the following questions:

- Are the national coordination mechanisms and the institutional arrangements adequate, effective and timely to coordinate project activities at the levels required?
- Are there clear reasons for any changes made to the original project workplan, logframe and budget and were these properly reviewed and approved?
- Has the establishment of baseline information been appropriate and sufficient?
- Is the project approach to testing the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas in Uganda using an experimental methodology effective?
- Have the workshops and training conducted been an effective medium to achieve the intended objective?
- Are the stakeholders adequately involved in the development and implementation of project activities?
- Assess whether the information services set up by the project and outreach conducted are adequate against the set outcomes, and to the best use of the available GEF resources.
- Will the project facilitate sustainability after the completion of project activities, particularly at the national level?
- What are the prospects for further collaboration with other GEF and non-GEF projects in the country, regionally and globally?
- What feasible changes are needed, in the project work plan and budgets for the remainder of the project - as against the set objective and outcomes?

The review will assess the following, among other things:

- Delivered outputs: assessment of the project's success in producing each of the programmed outputs to date, both in quantity and quality as well as usefulness and timeliness.
- Project outcomes and impact: evaluation of the project's success (so far) in achieving its outcomes.
- Sustainability: assessment of the likelihood of sustainability of project outcomes and outputs, as well as analysis of the risks that is likely to affect the persistence of project outcomes.
- The appropriateness of the Project M&E Plan during project design and implementation over the first half of the project, as well as any suggested modifications.
- Execution performance: determination of effectiveness and efficiency of project management and supervision of project activities.

The sustainability assessment should address institutional and program sustainability, stakeholder ownership, and socio-political risks. At this point in the implementation of the project, it is not expected that any of the project activities have been integrated, progressed and replicated. However, the extent of national synergies created and potential for creating additional synergies with similar activities should be discussed.

In addition to evaluating the status of project implementation, recommendations should be made in support of improving project implementation, particularly, but not limited to, the following areas:

- The structure and operational modalities of project coordination, especially at the national level, which should have an adequately broad and representative stakeholder representation from biodiversity conservation practitioners, stewards as well as beneficiaries. Is the structure sustainable and how can it ensure active involvement and facilitate information flow among all stakeholders?
- Sustainability of the project. What should/can the project do to increase chances for success into the future. How can these be more inclusive?
- Monitoring of project impacts.

The evaluation should also give consideration to the processes that have affected the attainment of project results to date, such as:

- Was the project properly prepared? Were objectives and components clear and feasible? Were the capacities of executing agency and country counterparts adequately considered when the project was designed?
- Has the project involved the relevant stakeholders through consultation or information-sharing during its preparation? Are the participating partners committed (both in terms of time and financially) to the project?
- Were structural problems of the project adequately identified by the executing agency, were modifications proposed?
- Has the project done appropriate financial planning and reporting? Has there been diligence in the management of funds and reporting? Has the co-financial contribution from the different project partners been at the expected level (at MTR)?
- What were the reasons of delays (if any) in the implementation of the project and its components? What are the consequences? Have efforts been made to overcome these constraints?

Furthermore, the evaluation should highlight lessons learnt where possible, both positive as well as negative, from the standpoint of the design and implementation of the project geared towards the design and adoption by others-

4. TERMS OF REFERENCE

In attempting to evaluate any outcomes and impacts that the project may have achieved, the consultant should remember that the project's performance should be assessed by considering the difference between the answers to two simple questions *"what happened?"* and *"what would have happened anyway?".* These questions imply that there should be consideration of the baseline conditions and trends in relation to the intended project outcomes and impacts. In addition it implies that there should be plausible evidence to attribute such outcomes and impacts to the actions of the project

The consultant will rate the overall implementation success of the project, assess project impact against midterm targets, provide individual ratings, as well as advice on measures in work planning, implementation arrangements and budgets to optimize the achievements of the project over the remaining months. These include aspects of:

a) Assess whether the project is appropriate in terms of:
   - *Achieving the overall objective of the project and providing evidence of effectiveness of payment scheme(s) to a). Reduce deforestation and biodiversity loss and b). Cover local costs associated with maintaining biodiversity*

b) Increased number of national and community stakeholders understand the design and implementation of PES scheme using randomized experimental design. Is there increasing understanding of PES issues among stakeholders and the general public and strengthening of national capacity to participate effectively in global discussions on PES to strengthen national policies and promote conservation through PES schemes.

c) Assess whether the project work plan and available budget are adequate, clear and realistic to enable effective and efficient implementation; whether the project is executed according to the plan and how well the management is able to adapt to challenges during project execution to enable implementation. The evaluator should also establish how well the project has identified and managed its risks so far.

d) Determine progress made to date in meeting the project's objective(s) and targeted outcomes as articulated in the project document:

e) Review overall sustainability of the project and specifically review the extent of synergies created with partner agencies, as well as other relevant programs and projects.

f) Assess the quality of subcontracted work in achieving the outcomes of the project.

g) Determine the level of participation of various stakeholder groups in the implementation of the project (i.e. relevant ministries, universities, PES practitioners, Private sector, PES beneficiaries and stewards of biodiversity resources, industries, etc.).

Regarding Project coordination, administration, and management:

- Assess effectiveness of project management and administration by Executing agency (NEMA).
- Establish the level of involvement and effectiveness of the institutional arrangements. Review the working relationship and sharing of responsibilities between all the project partners including NEMA, CSWCT, Katoomba Group, IPA, Scientists, NAHI and IIED.
- Assess the cost-effectiveness of the project activities and whether the activities are achieved within the planned and/or reasonable time and budget.
- Analyse and compare pledged and actual co-financing obtained to date.
- Assess the effectiveness of supervision, technical backstopping, and financial support provided by UNEP-GEF.
- Review the adequacy of the developed M&E system. Review data and reported results of the Monitoring and Evaluation activities undertaken. In addition, assess the quality indicators identified in the Logical Framework.
- Identify problems encountered during project implementation and lessons learned in the design and execution of this project.
- Provide recommendations that may assist with re-direction of the project or re-evaluating the project approach to improve delivery of expected outcomes and impacts.

The ratings will be presented in the form of a table with brief justifications based on the findings of the main analysis.

5. METHODOLOGY AND RATING

The mid-term review will be conducted as an in-depth desk review and field interview evaluation, whereby the UNEP/GEF task manager, NEMA, CSWCT, IIED, IPA, International Scientists, NAHI, and Katoomba group and other relevant agencies will be consulted throughout the evaluation. Field visits will be made to Hoima and Kibaale to evaluate work done on the ground and to interview relevant forest owners, field staff as well as other stakeholders on the ground. The consultant will also discuss with the NEMA on any logistic and/or methodological issues to properly conduct the review in as independent way as possible given the circumstances and resources offered.

The findings of the evaluation will be based on:

a) Desk review of the project document, outputs, progress, PIR, financial and monitoring reports (such as the contractually stated reports to UNEP, relevant correspondence, internal reports, if available);
b) Relevant project information on the various websites carrying this project information
c) Desk review of reports and minutes of meetings of the International Project Steering Committee, technical committee and training sessions
d) Phone interviews with project personnel and relevant staff who are not based in Uganda
e) Phone interviews of a fair sample of project partners in the country including governments, NGOs and academic/technical institutions (a list will be provided by NEMA at the onset of the MTR
f) Additional interviews by phone with other stakeholders.

Standard ratings to be used:

The success of project implementation will be rated on a scale of 1 to 6, with 6 (HU) being the lowest and 1 (HS) being the highest. The ratings will be presented in the form of a table with each of the categories rated separately and with brief justifications for the rating based on the findings of the main analysis. An overall rating for the project should also be given. The rating system to be applied is specified in Annex 1 (example) which should include the following implementation aspects for rating purposes:

- Attainment of objectives and outcomes
- Achievement and quality of outputs
- Cost-effectiveness
- Stakeholders participation
- Country ownership

- Implementation approach
- Financial planning
- Monitoring and Evaluation

The proposed schedule for the consultant is as follows:

Dates	**Activity**	▪ **Achievement made by activity**
10th /12/2012	Signing of MTR contract and TORs with NEMA/CSWCT	Consultant commences on the task
14th/12/2012	Inception report	Inception report submitted and approved
15th-18th December	Desk Review, consultations with PMU,NEMA and Implementing partners	Project understood and implementing partners consulted before further understanding of the field
19th-21st December 2012	Field Work in Hoima, Kibaale	Consultation with stakeholders and beneficiaries plus field staff
22nd-31st December 2012	Draft report writing and Submission	Draft MTR Report submitted
7th January 2012	Presentation of draft report to Stakeholders and partners	Comments integrated in draft MTR
11th January 2012	Submission of final MTR report	MTR submitted to NEMA & UNEP

6. EVALUATION REPORT FORMAT

The evaluation report shall be a detailed report of no more than 30 pages (excluding annexes), written in English, and should include:

i) An Executive Summary (no more than 3 pages)
ii) Introduction and background
iii) Objective, scope and methodology
iv) Project Performance
v) Conclusions and rating of project implementation success
vi) Lessons learnt
vii) Recommendations
viii) Annexes

Draft report (s) will be checked by NEMA and CSWCT. CSWCT will circulate draft report to all project partners on behalf of NEMA for comments before the final corrections are done by the consultant.

The final report should be addressed to the following persons:

Dr Tom .O. Okurut
Executive Director
NEMA
E-mail: tokurut@nemaug.org

Esther Mwangi
UNEP Task Manager
E-mail: esther.mwangi@unep.org

With a copy to:

Mr. Mohamed Sessay
Senior Programme Officer (OiC)
GEF Biodiversity/Land Degradation/Biosafety Unit
Division of Environmental Policy and Implementation (DEPI)
NOF Block 1, South Wing, Level 2
United Nations Environment Programme (UNEP)
PO Box 30552 (00100), Nairobi, Kenya

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Lilly Ajarova,
Executive Director, CSWCT-Entebbe.
director@ngambaisland.org

Sabino Francis Ogwal
NEMA Uganda
Email: fogwal@nemaug.org, osabinofrancis@yahoo.com

7. RESOURCES AND SCHEDULE OF THE REVIEW

The contract for this evaluation will begin on 11th December 2012 and end on 11st January 2013 with an estimated and paid time input of 14 working days. The consultant will submit a draft report to NEMA and PMU latest on 31st December 2012 for initial comments. The Consultant will present findings of the MTR review to stakeholders and partners-the technical steering committee on 7th January 2013 after which the final report will be submitted no later than 11th January 2013.

The total budget for the review is estimated at US$ 10,000 including costs of consultant fee, internet use and phone communications and field mission and any other incidentals. The cost for organizing the stakeholders meeting for comments to the draft is outside this budget.

In accordance with UNEP policy, all UNEP projects are evaluated by an independent evaluator. For this Mid Term Review, the contract will be issued by CSWCT on behalf of NEMA. The consultant should not have been associated with the design and implementation of the project. The consultant will work under the overall supervision of the CSWCT in collaboration with NEMA. The consultant should have the following minimum qualifications:

i) Advanced degree in natural resources, development studies, economics. Other additional qualifications include, Monitoring & Evaluation, Project Planning and Management.
ii) At least 10 years technical experience in the project-related areas;
iii) Expertise in biodiversity conservation, environmental legislation and related programs;
iv) Preferably with experience in PES and randomized designs;
v) Experience with implementation and management of GEF projects, is desirable
vi) Experience in project evaluation and management
vii) Experience in working in the East Africa region and excellent command of spoken and written English

8. SCHEDULE OF PAYMENT

The consultant will receive an initial payment of 20% of the total contract amount which is due upon submission of acceptable inception report. Second instalment of 40% will be paid upon submission of first draft. Final payment of 40% will be made upon satisfactory completion of work after addressing comments from stakeholders including the Technical Steering Committee and acceptance of the final MTR report. This is an all expense paid consultancy and no further claims will be made by the consultant.

In case, the consultant cannot provide the products in accordance with the TOR, the timeframe agreed, or if the products are not of the required standard and quality, the payment to the evaluator will be withheld, until the products are modified to meet standard required. In case the evaluator fails to submit a satisfactory final product, the product prepared by the consultant may not constitute the evaluation report.

Annex 1. OVERALL RATINGS TABLE

Criterion	Evaluator's Summary Comments	Evaluator's Rating
Attainment of project objective(s) (overall rating) **Sub criteria (below)**		
Effectiveness		
Relevance		
Efficiency		
Sustainability of Project outcomes (overall rating) **Sub criteria (below)**		
Financial		
Socio Political		
Institutional framework and governance		
Ecological		
Achievement & quality of outputs and activities		
Monitoring and Evaluation (overall rating) **Sub criteria (below)**		
M&E Plan Design		
M&E Plan Implementation (use for adaptive Management**)**		
Budgeting for M&E activities		
Implementation approach		
Country ownership		
Stakeholders involvement		
Financial planning		
UNEP Supervision and backstopping		
Overall Rating		

RATING OF PROJECT OBJECTIVES AND RESULTS

- Highly Satisfactory (HS): The project had no shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- Satisfactory (S): The project had minor shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- Moderately Satisfactory (MS): The project had moderate shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- Moderately Unsatisfactory (MU): The project had significant shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- Unsatisfactory (U) The project had major shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- Highly Unsatisfactory (HU): The project had severe shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Please note: Relevance and effectiveness will be considered as critical criteria. The overall rating of the project for achievement of objectives and results **may not be higher** than the lowest rating on either of these two criteria. Thus, to have an overall satisfactory rating for outcomes a project must have at least satisfactory ratings on both relevance and effectiveness.

RATINGS ON SUSTAINABILITY

Sustainability will be understood as the probability of continued long-term outcomes and impacts after the GEF project funding ends. The Mid-term evaluation will identify and assess the key conditions or factors that are likely to contribute or undermine the persistence of benefits after the project ends. Some of these factors might be outcomes of the project, i.e. stronger institutional capacities, legal frameworks, socioeconomic incentives /or public awareness. Other factors will include contextual

circumstances or developments that are not outcomes of the project but that are relevant to the sustainability of outcomes..

Rating system for sustainability sub-criteria

On each of the dimensions of sustainability of the project outcomes will be rated as follows.

- Likely (L): There are no risks affecting this dimension of sustainability.
- Moderately Likely (ML). There are moderate risks that affect this dimension of sustainability.
- Moderately Unlikely (MU): There are significant risks that affect this dimension of sustainability
- Unlikely (U): There are severe risks that affect this dimension of sustainability.

All the risk dimensions of sustainability are critical. Therefore, overall rating for sustainability will not be higher than the rating of the dimension with lowest ratings. For example, if a project has an Unlikely rating in either of the dimensions then its overall rating cannot be higher than Unlikely, regardless of whether higher ratings in other dimensions of sustainability produce a higher average.

RATINGS OF PROJECT M&E

Monitoring is a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing project with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. Evaluation is the systematic and objective assessment of an on-going or completed project, its design, implementation and results. Project evaluation may involve the definition of appropriate standards, the examination of performance against those standards, and an assessment of actual and expected results.

The Project monitoring and evaluation system will be rated on 'M&E Design', 'M&E Plan Implementation' and 'Budgeting and Funding for M&E activities' as follows:

- Highly Satisfactory (HS): There were no shortcomings in the project M&E system.
- Satisfactory(S): There were minor shortcomings in the project M&E system.
- Moderately Satisfactory (MS): There were moderate shortcomings in the project M&E system.
- Moderately Unsatisfactory (MU): There were significant shortcomings in the project M&E system.
- Unsatisfactory (U): There were major shortcomings in the project M&E system.
- Highly Unsatisfactory (HU): The Project had no M&E system.

"M&E plan implementation" will be considered a critical parameter for the overall assessment of the M&E system. The overall rating for the M&E systems will not be higher than the rating on "M&E plan implementation."

All other ratings will be on the GEF six point scale.

GEF Performance Description	Alternative description on the same scale
HS = Highly Satisfactory	Excellent
S = Satisfactory	Well above average
MS = Moderately Satisfactory	Average
MU = Moderately Unsatisfactory	Below Average
U = Unsatisfactory	Poor
HU = Highly Unsatisfactory	Very poor

ANNEX 2: EVALUATION MATRIX

Evaluative Criteria	Questions	Indicators (information to be sought in the review)	Sources (likely origins for the required information)
Relevance: How does the project relate to environment and development priorities at the national and local levels?			
Relevance of project design to Uganda's environment and sustainable development objectives	• How does the project support the environment and sustainable development objectives of Uganda? • Is the project aligned with other donor or government projects and programmes in the project area and in which way? • Does the project adequately take into account the national realities, both in terms of institutional and policy framework in its design and its implementation? • Have the implementation strategies been appropriate (is the logframe logical and complete)? • Was the project responsive to threats and opportunities that emerged during the course of the project?	• Degree to which the project supports national environmental objectives • Degree of coherence between the project and nationals priorities, policies and strategies • Appreciation from national stakeholders with respect to adequacy of project design and implementation to national realities and existing capacities • Level of involvement of government officials and other partners in the project design process	• Project documents • National policies and strategies related to the evolution of PES • Key project partners
Is the project addressing the needs of target beneficiaries?	• Was the project properly prepared so as to support the needs of relevant stakeholders? • Were objectives and components clear and feasible? • Were the capacities of the Executing Agency and country counterparts adequately considered when the project was designed? • Has the project involved the relevant stakeholders through consultation or information-sharing during its preparation? • Are the participating partners committed (both in terms of time and financially) to the project? • Does the project have buy-in and support from all stakeholder levels, i.e. has it met stakeholder expectations and how?	• Degree to which the project supports objectives of key stakeholders (Executing Agency, DLGs) • Degree to which the project supports local aspirations • Degree to which the project meets expectations	• NEMA strategy documents • Local partners and beneficiaries
Relevant lessons and experiences for other similar projects in the future	• Has the experience of the project provided relevant lessons for other future projects targeted at similar objectives • What are the prospects for further collaboration with other GEF and non-GEF projects in the country, regionally and globally?	• Extent of lessons learned documentation	• Project document and reports • Local partners and beneficiaries

Evaluative Criteria	Questions	Indicators (information to be sought in the review)	Sources (likely origins for the required information)
Effectiveness: To what extent have the expected objective and outcomes of the project been achieved?			
Is the project approach to testing the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas in Uganda using an experimental methodology effective?	• How has the project performed against its indicators and targets (given in the logframe)? • Which have been the key factors leading to project achievements? • To what extent can observed results be attributed the project or not? • Has the project failed in any respect? • How has the project contributed to raising capacity of local governments and other partners to address aims of the project? • Have the workshops and training conducted been an effective medium to achieve the intended objective? • What are the views of the various stakeholders on the achievements of the project? • How well has the project documented is achievements?	• Achievement of milestones and targets as laid out in the logframe and monitoring plan • Extent of support from national level • Extent of support from district political staff • Extent to which DLG technical staff are actively participating in the project • Evidence of early uptake of project documentation and results within district planning/thinking	• Project reports • Minutes of Project Steering Committee Meetings and Technical Committee meetings • Local partners and beneficiaries
Lessons that can be drawn regarding effectiveness for other similar projects in the future	• What lessons have been learned from the project regarding achievement of the objective and outcomes? • What changes could have been made (if any) to the design of the project in order to improve the achievement of the project's expected results?	• Extent of lessons learned documentation • Evidence of early application of lessons learned	• Project reports • Local partners and beneficiaries
Management of risks and risk mitigation	• How well are risks and assumptions being managed? • What was the quality of risk mitigation strategies developed? Were these sufficient? • Are there clear strategies for risk mitigation related with long-term sustainability of the project?	• Extent to which project has responded to identified and emerging risks • Level of attention paid to up-dating risks log	• Project risk log (in PIRs) • Project reports
Project performance	• How effective is the payment scheme in a) reducing deforestation and biodiversity loss (including considerations of leakage) and b) covering local costs associated with maintaining biodiversity?	• Available data on forest loss rates, biodiversity population trends, etc.) • Opinions of stakeholders	• Project and partner monitoring reports

Evaluative Criteria	Questions	Indicators (information to be sought in the review)	Sources (likely origins for the required information)
Efficiency: Assess the project implementation efficiency.			
Financial efficiency	• Were the accounting and financial systems in place adequate for project financial planning and for producing accurate and timely financial reports? • Have funds been available transferred efficiently from donors to the project) to address the project objective, outcomes and planned activities? • Has the co-financial contribution from the different project partners been at the expected level (at MTR)? • Has there been diligence in the management of funds and reporting? Were funds used correctly – explain any over- or under-expenditures? • Were financial resources utilized efficiently (in particular were the amounts allocated for actual PES payments appropriate)? Could financial resources have been used more efficiently? • Were issues raised in audit reports and how efficiently were they addressed? • Was project implementation as cost effective as originally proposed (planned vs. actual)	• Extent to which funds have been converted into outcomes as per the expectations of the ProDoc (in effect, value for money of PES payments and management costs in achieving forest and biodiversity protection) • Level of transparency in the use of funds • Level of satisfaction of partners and beneficiaries in the use of funds • Opinion of non-beneficiaries of payments as to the usefulness of the PES scheme	• Project financial records • Project audit reports • Project work plans and reports
Implementing efficiency (including monitoring)	• Were structural problems of the project adequately identified by the Executing Agency? Were modifications proposed? • Are there clear reasons for any changes made to the original project work plan, logframe and budget and were these properly reviewed and approved? • Was the project was implemented as planned, including the proportion of activities in work plans implemented? • What were the reasons of delays (if any) in the implementation of the project and its components? What are the consequences? Have efforts been made to overcome these constraints? • What feasible changes are needed, in the project work plan and budgets for the remainder of the project - as against the set objective and outcomes? • Has the establishment of monitoring baseline information	• Extent to which project activities were conducted on time • Extent to which project delivery matched the expectation of the ProDoc and the expectations of partners • Level of satisfaction expressed by partners in the responsiveness (adaptive management) of the project • Level of satisfaction expressed by project Implementing Agency and PMU in regard to UNEP-GEF back-stopping and NEMA administration/management.	• Project work plans and reports • Local partners

Evaluative Criteria	Questions	Indicators (information to be sought in the review)	Sources (likely origins for the required information)
	been appropriate and sufficient? • Has monitoring data been collected as planned, analysed and used to inform project planning? • Has project implementation been responsive to issues arising (e.g. from monitoring or from interactions with stakeholders)? • What learning processes have been put in place and who has benefitted (e.g. training, exchanges with related projects) and how has this influenced project outcomes? • Were progress reports produced accurately, timely and responded to reporting requirements including adaptive management changes? • Did the project experience any capacity gaps (staffing gaps)? • Has internal and external communication been effective and efficient? Were the information services set up by the project and outreach programme adequate against the set outcomes, and to the best use of the available GEF resources. • How efficiently have resources and back-up been provided by donors, including quality assurance by UNEP-GEF? • How efficiently has the project been administered and managed by NEMA?		
Efficiency of partnership arrangements for the project	• Are the national coordination mechanisms and the institutional arrangements adequate, effective and timely to coordinate project activities at the levels required? • How efficient are the working relationships and sharing of responsibilities between project partners, including NEMA, CSWCT, Katoomba Group, IPA, Scientists, NAHI and IIED. • Has sub-contracted work been conducted to high quality standards?	• Extent to which project partners committed time and resources to the project • Extent of commitment of partners to take over project activities	• Project work plans and reports • Local partners
Lessons that can be drawn regarding efficiency for other similar projects in the future	• What lessons can be learnt from the project regarding efficiency? • How could the project have more efficiently carried out implementation (in terms of management structures and procedures, partnerships arrangements, payment scheme)? • What changes could have been made (if any) to the project in order to improve its efficiency?	• Level of satisfaction in project implementation arrangements • Suggestions put forward by partners and beneficiaries/non-beneficiaries for possible improvement	• Project reports • Local partners

Evaluative Criteria	Questions	Indicators (information to be sought in the review)	Sources (likely origins for the required information)
Sustainabiity: To what extent are there financial, institutional, socio-political and/or environmental risks to sustaining long-term project results?			
Enabling environment	• Is the social, legal and political environment conducive to sustainability? • Are there early signs of activities being taken up by project partners, and plans being developed to sustain them (e.g. uptake into the recent revision of District Environment Action Plans (DEAPs)? • To what extent has the project involved and generated interest from the private sector?	• Evidence to national and possibly district planning supporting project interventions • Extent to which existing or in-coming Government programmes are in line with and/or provide additional support to project targets	• Minutes of Technical Committee meetings • Minutes of District Council meetings • Local partners and beneficiaries
Project sustainability measures	• What project sustainability measures exist, particularly at the national level, and what factors are likely to negatively affect project sustainability? • What are the key constraints to sustainability of project interventions? • What should/can the project do to increase chances for success into the future? How can these be more inclusive? • Have partners and stakeholders successfully enhanced their capacities and do they have the required resources to make use of these capacities? • Are there clear synergies created with partner agencies, as well as other relevant programmes and projects • Does the project have a clear exit strategy (particularly in regard to maintaining payments post project)?	• Extent to which NEMA is promoting uptake of PES within national development planning (i.e. current revision of the NDP) • Extent to which partners are considering post-project actions • Extent to which district technical staff are applying new ideas outside of the immediate project context • Extent to which other districts are liaising with target districts for information sharing	• Project reports • Local partners and beneficiaries
Impact: Assess whether there are indications that the project has contributed to, or enabled progress toward, reduced environmental stress and/or improved ecological status			
Planning impact	• Is there increasing understanding of PES issues among stakeholders and the general public and strengthening of national capacity to participate effectively in global discussions on PES to strengthen national policies and promote conservation through PES schemes? • What impact has the project had on policy, legal and institutional frameworks relating to sustainable natural resource management as a whole?	• Evidence of uptake of new knowledge/ideas • Extent to which district planning supports project interventions	• Project reports • Minutes of Technical Committee meetings • Local partners

Evaluative Criteria	Questions	Indicators (information to be sought in the review)	Sources (likely origins for the required information)
On-the-ground impact	• What impacts has the project had or is it likely to have on people in the project area in terms of empowerment/ influence, livelihoods and income generation? • Has the project had any impact on gender equality and economic empowerment for women and other marginalized groups? Was it intended to?	• Level of satisfaction of project interventions re. the demand for large-scale intervention for poverty relief • Evidence of gender equity within the payment scheme	• Project reports • Local partners and beneficiaries
Lessons learned	• Is the project already documenting lessons learned?	• Evidence of documentation	• Project reports and technical documents • Local partners

ANNEX 3. LIST OF PERSONS CONSULTED

Institution	Name	Title	Contact
NEMA	Ronald Kaggwa	Environmental Economist	0772 461828
	Fred Onyai	Internal M&E Specialist	0772 517303
	Dr Evelyn Lutalo	Districts Support Officer	0772 652728
CSWCT	Lilly Ajarova	Executive Director	
	Dr Joshua Rukundo	Ag. Operations Director	0758 221529
NAHI	Byamukama Biryahwaho	Executive Director	0772 480075
IPA	Doug Parkerson	Country Director	0787 426557
IUCN	Agrippinah Namara	Researcher: Responsive Forest Government Initiative (RFGI)	
PES project	Paul Hatanga	Project Manager	0772 221540
	Annet Nambuusi	Field Assistant	
	Kasozi Nebat Atuhura	Conservation Officer	
Hoima District	Joseline Nyangoma	District Environment and Natural Resources Officer	0772 628153
	Abitegeka Wilfred	Sub-county Technical Services Provider, NAADS programme	
	Byaruhanga Ireneo	Sub-county Chief, Bugambe	0772 362928
	James Kihika	District Forest Officer	0772 643037
Kiziranfumbi Sub-county	Ntegeka Bosco	Community Monitor – Itoyha forest	
PFOs Kiziranfumbi Sub-county	Father Deo Ziina	Director, Muteme Technical Institute (Itoyha Forest)	
	Mugisa Sezi	Itoyha forest	
	Mpabaisi Boniface		
	Kaahwa Michael		
Kabwoya Sub-county	Twesige Francis Mukoto	LCIII Chairperson	
	Kyaligonza Stephen	Ag. Community Development Officer	
	Aliija Kelly Harbert	Community Monitor	
	Aheebwa Karoli	Community Monitor	
PFOs Kabwoya Sub-county	Birengeso Emmanuel		
	Irumba Christopher		
	Karukohe Martin		
	Atugonza Harriet		
Kibaale District	Balikuddembe Louis	District Environment and Natural Resources Officer	0772 496160
Kiryanga Sub-county		LCIII Chairperson	
	Birungi Edward Karali	Community Development Officer	
	Dennis K. Sserugave	Community Monitor	
PFOs Kiryanga Sub-county (control)	Mukisa Patrick		
	Joachim K. Ssenakula		
PFOs Kiryanga sub-county (treatment)	Aliganyira Bonny		
	Kitubwa Joseph		
	Kitone Andrew		
	Katabarwa Matia		
	Salon Rwebembera		

Institution	Name	Title	Contact
	Kyakuwa Sarah		
Kakindo Sub-county	Byakagaba Carol	Community Monitor – Rukunyu parish	
	Mwesigwa Ronald	Community Monitor – Rukunyu parish	
	Kihangire Godfrey	Community Monitor – Katatemwa parish	
	Sanyu Isaac	Community Monitor – Kikwaya parish	
WCS	Miguel Leal	REDD+ project officer	
UNEP	Esther Mwanji	Task Manager for GEF projects - Biodiversity Conservation Focal Area	00 254 20 7623717
IIED	Maryanne Grieg-Gran	Principal Researcher, Environmental Economics, Sustainable Markets Group	00 44 20 3463 7447

ANNEX 4. PARTICIPANTS OF THE STAKEHOLDER VALIDATION WORKSHOP

Institution	Name	Title	Contact
CSWCT	Hatanga Paul M	Project Manager	0758-221540
NAHI	Byamukama Biryahwaho	Executive Director	0772-480075
CSWCT	Lilly Ajarova	Executive Director	0759-221537
NEMA	Akello Christine	Senior Legal Council	0772-595252
Hoima District Local Government	Nyangoma Joseline	Senior Env't Officer	0772-628153
Kibaale District Local Government	Kashemeire Animate	Senior Env't Officer	0772-370725
Hoima District Local Government	Kihika James	Senior Forest Officer	0772-643037
Total E & P	Phillip Kihumuro	Biodiversity Field Officer	0781-413057
Makerere University	Gerald Eilu	Lecturer	0772-642640
Responsible Forest Governance Initiative/IUCN	Agrippinah Namara	Researcher	0392-969634
Responsible Forest Governance Initiative/IUCN	Robert Mbeche	Researcher	0750-110656
PostBank (U) LTD	Alemi William Kenyi	Manager Sales	0772-444772
WCS	Miguel Leal	REDD+ Manager	0772-266015
Tullow Oil	Barbara Nalukowe	Environment Advisor	0776-221070
UWA	Kapere Richard	Senior Planning & EIA Officer	0772-688875
PostBank (U) LTD	Benon Rukundo	Manager Projects	0772-552250
Jane Goodall Institute	Simon Akweteireho	REDD + Project Director	0782-374594
Forest Sector Support Department /Ministry of Water and Environment	Arineitwe Valence	Senior Forest Officer	0774-194705
Masindi DLG	Nabukenya Olivia	FOR. Senior Environment Officer	0775-009222
ECOTRUST	Pauline Nantongo Kalunda	Executive Director	0772-743562
NEMA	Festus Bagoora	Natural Resources Management Specialist (Land & Soil)	0772-551340
NEMA	Sabino Francis Ogwal	Natural Resources Management Specialist (Biodiversity & Rangelands)	0772-517045
Kibaale District Local Government	Balikuddembe S.M.Louis	District Natural Resource Officer	0772-496160
NEMA	Christine Kasedde	EIA Officer	0774-686013
NEMA	Fred Onyai	M & E Specialist	0772-517303
NEMA	Monique Akullo	Project Officer/Clearing House Mechanism & NBSAP	0754-837935
UNDP	Daniel Omodo Mcmondo	Programme Analyst Environmen & Energy	0716-005140
Hydromax	Ssentumbwe	General Manager	0703-666250

	Godfrey		
Ministry of Agriculture Animal Industry & Fisheries	Kagoya Sarah	Senior Agricultural Officer/FP	0772-652728
NEMA	Evelyn Lutalo	District Support Officer	0772-652728
CSWCT	Andiru Ramulat	Finance Officer	0755-221875
Economic Policy Research Centre	Francis Mwaura	Research Fellow	0793-881250

ANNEX 5. PROJECT LOGFRAME

Note. Some changes to the logframe are suggested during the MTR and some minor changes to targets are made as approved in the Project Steering Committee meeting in September 2012 (changes from the logframe given in the ProDoc are underlined)

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
Project Objective: To test the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas in Uganda using an experimental methodology	-	PPG information available on potential land owners, location and limited ecological and socio- economic data Detailed household baseline indicator data to be obtained by this project by end of year 1	Statistical analysis of relevant parameters show that the results are conclusive on whether experimental land owners performed better than the control group	PES scheme fully under way	Project result have been analyzed and provided evidence of success or failure of PES scheme as viable. Results being widely discussed with stakeholders and informing policy makers in Uganda and at the GEF.	PES mechanism reports Consultancy reports Progress reports Mid-term and Final Evaluation Reports	All relevant partners	Project is successfully implemented as per the project document
Component 1. Piloting of PES scheme(s) using a randomized design and other experimental methodologies	**Outcome**:Evidence of effectiveness of payment scheme(s) to a) reduce deforestation and biodiversity loss and b) cover local costs associated with maintaining biodiversity	No PES scheme exists in the project areas	Recognition of the PES scheme in Uganda by other stakeholders Requests by other landowners and stakeholders for a similar scheme	By end of 2 years, the scheme will be underway- and evidence of changes in ecosystem starting to show.	By end of 4th year the scheme will be completed, ecosystem gains quantifiable and discussions going on how to replicate the project in other areas.	Interviews with land owners Records at CSWCT to prove payments and records at IPA to show the evaluation results	ALL partners	Project implementation is successful
	Output: A pilot PES scheme designed and implemented	No PES scheme exists	Ongoing PES scheme- and evaluation of the same running smoothly	By end of 2 years the scheme is	By end of 4th year- the Scheme will be	Interviews with land owners	All partners	Project implementation is successful

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
				half way implemented and evaluation data available for preliminary comparison of the two groups	completed, with all 342 owners having received payments for 2 years, and evaluations completed	Records of payments, evaluation surveys and photographs of ecosystem changes		
	Activity 1.1 Determination of forest management practices/interventions for ecosystem services delivery	Some initial discussions were held at PPG on forest management practices but these were not enough for the project	Consensus reached with local stakeholders on forest management practices/interventions to be engaged by 4th month	PES scheme under way after forest management practices/interventions were agreed on-any adaptation required identified	Matured PES scheme with forest management practices/interventions working well	Progress reports Adaptive management reports in PES	IIED/CSWCT	Local stakeholders may pose difficulties in accepting the identified forest management practices/interventions.
	Activity 1.2 Determination of the payment level and payment modalities	$171 per hectare per year was identified as the upper limit for compensation during PPG	A definitive payment level identified- which is comparable to other PES schemes in similar country situations	PES scheme underway with definite payment levels agreed on with 342 land owners in the treatment group	Mature PES scheme that has been able to uphold payment levels as agreed in the project at commencement	Interviews with land owners Records kept at the paying institution Interviews with local administration officials	IIED/CSWCT	
	Activity 1. 3 MOUs with forest owners:	No MOUs exist with forest owners	400 MOUs with forest owners done- copies of the MOUs with local authorities	All 342 landowners have signed the MOUs	All 342 landowners have signed the MOUs	Availability of MOUs with Forest owners and details	CSWCT	400 forest owners will be available for signing

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
						available with local authorities		
	Activity 1.4 Baseline data collection from individual land parcels:	No ecosystem services data exist from the particular 800 land owners	Baselines collected and fed into the special data system within first 4 months	Baselines completed	Baselines completed and being used to compare with late data	Database shows baselines	IIED-CSWCT IPA-NAHI	
	Activity 1.5 Estimation of the ecosystem services changes to be delivered by the project	Not done at PPG	Estimations completed, documented and agreed on by project key stakeholders- methods used comparable to global standards in other PES schemes.	Estimations completed	Estimations being used for comparison with results from the post payment evaluations	Progress reports PIRs	IIED-CSWCT	
	Activity 1.6 Determine and put in place an appropriate institutional framework for the scheme	CSWCT has been identified as the institution to administer the PES scheme during PPG- however it may emerge that it requires to delegate some responsibilities to others depending on the amount of work and complexity of the scheme emerging	Institutional framework instituted with reasons. Separation of roles between payment and evaluation of the PES scheme between institutions.	Institutional framework in place and operational	Institutional framework working harmoniously and delivers on the scheme administration	Progress reports PSC minutes PIRs	IIED-CSWCT	Funds may not be enough to engage all the institutions required
	Activity 1.7 Promote the PES scheme to national and international buyers	Initial discussions with potential buyers held during PPG-	Concrete promotional Discussions held with factual evidence that the PES scheme has ecological and economical benefits	Results of first round with discussions with buyers – At least 1 buyers	Promotion completed and at e least a national and one international buyer ready to commit financing	Evidence of discussions with buyers local and international	IIED/CSWCT	

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
				interested to join the scheme	to the project			
	Activity 1.8: Administering the PES scheme	No PES scheme exists for the project area	PES scheme with 400 treatment and 400 control farmers in place and working well. Participants selected based on randomized control practices	At least 342 landowners have received payment for the first year and are doing Ecosystem contractual activities- ecological data evaluation being collected as per the project document	At least 342 land owners have received payment for 2 years; evaluation has undertaken 3 surveys (census, baseline, midline, satellite images, ground measurements and endline)	Interviews with landowners Interviews with local authorities Signed book showing yearly payments	CSWCT/IPA/ NAHI	
	Activity 1.9: Monitoring and Evaluation of the PES scheme)	No PES scheme exists	Evaluation data collected from more than 800 landowners shows land owners are doing their part	Data collection from 2 surveys done from 800 land owners land parcels	Data collection from 3 surveys done from more than 800 land owners land parcels completed	Availability of data from more than 800 land owners in place the data base Comparison with initial desk estimates of ecosystem change available	IPA/NAHI, IIED	
	Activity 1.10: data analysis	No PES scheme exists in the area	Complete Data available for analysis	Pre analysis for Data from 1.5 years done	Analysis for data for 3 years done	Results of analysis available and being used in publications	International and National scientists (include other partners), NAHI, CSWCT	Project implementation is successful and completed

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
Component 2. Strengthening technical and institutional capacity to design, implement and monitor PES schemes	OUTCOME: An increased number of national and community stakeholders understand the design and implementation of PES scheme using a randomized experimental design	There is limited knowledge and training on PES schemes in Uganda	Increased level of knowledge on PES and its importance in BD conservation understood by community, technocrats and private sector Number of trained people applying training during their work activities	All training sessions completed and certificates issued to trainees.	All training completed and PES methods being discussed in different forums in Uganda and globally as a result of this project	Mention of the project in other PES projects and workshops. Interviews with trainees and evidence ofhow they are using the new knowledge.	Katoomba group and all Partners	
	OUTPUTS: Local resource users trained in the application of land-uses to maximize biodiversity maintenance Monitoring schemes established and national partners trained to oversee the maintenance of biodiversity and payment compliance	No PES exists in project area	Number of trained people in community, technocrats and private sector	Updated training materials developed by Katoomba group All training sessions held with all the groups	All training completed	Evidence of training materials used. Interviews with trainees	Katoomba group Trainees from all groups	
	Activity 2.1 Development of training materials for the PES	The Katoomba Group have some training materials that need adapting to this project	Adapted training materials for communities, technocrats and private sector	All training materials prepared	All materials completed and updated following use in training	Training materials available to interested stakeholders	Katoomba Group	
	Activity 2.2 Local community training in PES	NO formal training undertaken in the project area for land owners	Knowledge of land owners about PES significantly increased after training	Training for land owners fully undertaken	Training for land owners completed	Interviews with land owners-evidence of training sessions	Katoomba Group	

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
	Activity 2.3: Training of technocrats in PES	NO formal training undertaken in the technocrats for this specific type of PES scheme	Number of Mid level managers from various sectors trained in PES issues	Training fully undertaken	Training fully completed	Middle level managers from various sectors have evidence of having been trained for PES	Katoomba group	
	Activity 2.4: Private Sector training	Some training has been done for private sector by Katoomba Group before	Number of Mid level managers from private sector companies trained in PES issues	Training fully undertaken	Training fully completed	Middle level managers from various private sector companies have evidence of having been trained for PES	Katoomba group	
Component 3. Generating, developing and disseminating a replicable PES model (s) based on lessons learned and best practices	OUTCOME: Project lessons in using PES to deliver multiple benefits including global benefits communicated nationally and internationally for wider replication	No PES scheme of this nature exists in Uganda.	Lessons & results from theproject being quoted or used widely by other PES players locally and globally	N/A	Lessons &results disseminated and being presented in different forums	Written articles Draft papers for publication Number of presentations in national or international workshops.	App partners	Project implementation is successful and completed
	OUTPUTS: Results of the PES scheme tested statistically to show whether it works or not in the project area All project reports/ written articles completed on time Identify possible sites for replication of most effective payment	No PES scheme	The GoU is utilizing the project results Other international players using the results of the project	Preliminary presentat ions about the project in scientific and development forums	Conclusive data available to compare the results of the two groups – and information being used to design other projects	Data being used by international scientists from this project Publications	All partners GoU	

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
	scheme(s) Synthesis and publication of project results in leading peer-reviewed journals Presentation of project results at key regional and global forums							
	Activity 3.1: Compilation of lessons learnt and communication on the project including : (1) Communication strategy (2) extra web-pages in the already existing NEMA website (3)Technical articles, papers and reports (4) scientific publications (national and international etc) (5) Present project results at key regional and global forums	No Lessons and best practices available in Uganda for PES. No randomized design for local farmers. No articles on PES prepared in Uganda for local media	Communication strategy is followed by project, at least 4 local articles are done by end of project and at least 2 scientific publications are in draft preparation. at least 3 presentation in workshops and meetings , web-pages fully developed in NEMA website	Communicati on strategy working, 2 presentations in workshops and one article written for local media. web-pages added to NEMA website	More than 4 articles are written on project, more than 4 presentation s in workshops done, 2 draft scientific papers underway. Website fully updated to give results of projects	Copies of the materials produced. Progress Reports Annual Reports Final Report Website	CSWCT/ NEMA	
<u>Component 4: Project management</u>	Activity 4.1: Inception workshop	In PPG Phase major stakeholders have discussed the project	Level of knowledge about PES schemes has improved by more than 30%. Evidence of adaptive management such as improved log frames	N/a	Post project survey shows a lot more people know about how to do PES schemes than baseline.	Progress Reports Annual Reports Final Report	NEMA & CSWCT	Project proceeds successfully
	Activity 4.2: Project reports and PIRs	N/a	All reports are on time, of high quality and acceptable	8 Financial reports, 4	16 financial reports, 8	Records and Emails received	NEMA/CSWC T	

COMPONENT	ACTIVITY/OUTPUTS/ OUTCOMES	BASELINE SITUATION	INDICATOR OF SUCCESS	MID-TERM TARGET	END-TERM TARGET	MEANS OF VERIFICATION	RESPONSIBILITY	RISKS AND ASSUMPTIO NS
			to UNEP 90% of the time	technical reports and one PIR have been accepted by UNEP	technical reports, 3 PIRs have successfully been submitted on time to UNEP	and sent by UNEP		
	Activity 4.3: Independent evaluations	N/a	Both MTR and TE are done on time and are acceptable to UNEP GEF and UNEP EOU. MTR gives corrective measures to any issues needing realignment.	MTR is done and completed	Both MTR and TE are successfully completed and their recommendatio ns followed by project executors	Copies of MTR and TE	NEMA. CWSCT	
	Activity 4.4-The Technical Committee (TC) and the Project Steering Committee (PSC))	During PPG the interim project PSC has been meeting physically and virtually	Number of meetings held	The TC has met 4 times and the PSC has met 2 times. Recommenda tions of the two committees have been followed by project	The TC has met 8 times and PSC has met 4 times.	Minutes of the committee meetings	CSWCT	

ANNEX 6. PROGRESS AGAINST MID-TERM TARGETS

Project objective and Outcomes	Description of indicator	Baseline level	Mid-term target	Achievement at mid-term	Progress to date
Objective To test the effectiveness of PES as a viable means for financing and procuring biodiversity conservation outside protected areas in Uganda using an experimental methodology	Statistical analysis of relevant parameters show that the results are conclusive on whether experimental landowners performed better than control group	PPG information available on potential landowners, location and limited ecological and socio-economic data. Detailed household baseline indicator data to be obtained by this project by end of year 1	PES scheme fully underway	Target achieved. PES scheme built and under implementation	All baseline data on impact indicators and contractual parameters has been collected by IPA and CSWCT respectively. NAHI is well underway to collect ecological data to complement and calibrate satellite imagery data. Project sample was effectively divided between 70 treatment and 70 control groups and scheme is now fully operational in treatment villages with 342 forest landowners signing contracts to conserve and or reforest a total of 1,590.6 ha. Compliance monitoring was undertaken in July 2012 and the first contractual payments were made in August 2012, with PostBank as the contracted financial institution.
Outcome 1: *(describe) Evidence of effectiveness of payment scheme(s) to a). Reduce deforestation and biodiversity loss and b). Cover local costs associated with maintaining biodiversity*	Recognition of PES scheme in Uganda by other stakeholders	No PES scheme exists in the project areas	By end of 2 years, the scheme will be underway and evidence of changes in ecosystem starting to show	Target partially achieved. The scheme is under way and includes enhancement of carbon stocks through reforestation processes, both natural and enrichment. Changes in the ecosystem are not yet apparent (too early)	Relevant databases for project implementation have been designed and data inputted for respective ecological and socio-economic parameters. Contract conditionalities for the scheme are now being applied to forest owners including regulating timber harvesting and halting conversion for agriculture although it's too early to say overall impact on reducing rate of deforestation. The process of recruiting forest owners through an application process has been adopted by other projects in the Murchison Semliki Landscape and discussions on appropriate approaches for REDD+ in the landscape have made reference to the already on-going scheme. The EBA project of UNDP-UNEP-IUCN at Mt Elgon has also picked up and is applying lessons from the current project.
	Request by other landowners for a similar scheme	No PES scheme exists in the project areas	By end of 2 years, the scheme will be underway and evidence of changes in ecosystem		The scheme recorded interest from 77 (18.6%) forest owners not originally in IPA baseline data list out of a total of 416 applicants for the scheme. Three private forest owners associations in Kibaale and Kyenjojo districts requested for similar approaches initiated by the scheme including forest assessment and mapping.

Project objective and Outcomes	Description of indicator	Baseline level	Mid-term target	Achievement at mid-term	Progress to date
			starting to show		WWF, which has been supporting them through the UNDP/GEF project has shared data with the PMU for integration into our database. At the time of the MTR, subsequent to the first round of payments to PFOs under the scheme, many more PFOs were requesting to be included and many of those already involved were requesting to much more forest area under the scheme.
Outcome 2: *(describe) Increased number of national and community stakeholders understand the design and implementation of PES scheme using randomized experimental design*	Increased level of knowledge on PES and its importance in BD conservation understood by community, technocrats and private sector.	There is limited knowledge and training on PES schemes in Uganda	All training sessions completed and certificates issued to trainees	Target achieved. Training courses conducted by Katoomba Group are complete and certificates issued. Funds for this component are exhausted.	The trainings under this outcome were completed and reported in the previous year (refer to; http://www.katoombagroup.org/training/pastcourses.php). However, in the second year, the project trained 24 interlocutors/community monitors in various aspects of ecological censuses, mobilization and monitoring. These, together with project field staff were able to reach close to 900 people through community consultations with information tailor made for this project. In comparison with awareness and training sessions conducted in 2010 and 2011, where a total of 293 local and national stakeholders were reached through trainings and sensitization workshops, this demonstrates 67% increased outreach to individual level. On-the-job training is continuing through existing structures as funds were exhausted by the Katoomba group training schedule. Awareness raising is continuing through the community monitors who are dissemination messages through their work. PEs approaches are also disseminated through district and sub-county technical planning meetings NARCG meetings at district level have shared early lessons on PES with districts.

Project objective and Outcomes	Description of indicator	Baseline level	Mid-term target	Achievement at mid-term	Progress to date
Outcome 3: *(describe) Project lessons in Using PES to deliver multiple benefits including global benefits communicated nationally and internationally for wider replication*	Lessons and results from the project being quoted or used widely by other PES players locally and globally	No PES scheme of this nature exists in Uganda	N/A	N/A But there is early sharing of lessons on building the scheme (e.g. with REDD+ pilot project and EBA project)	To share project lessons, the PMU has used media, publications, articles and presentation in various forums. Project is provided with a link in CSWCT website (*http://ngambaisland.com/conservation/payment_for_eco.html*.) and CSWCT monthly Bulletins; Two project newsletters have been produced; *http://ngambaisland.com/Ngamba_News_Edits/Ngamba_Edits_8-24-11/First_PES_News_letter_update_June_2011.pdf).* The project also featured in NEMA bi-annual newsletter http://www.nemaug.org/reports/June_2012_newsletter.pdf It has also featured in national media; http://www.monitor.co.ug/News/National/-/688334/1319352/-/b1bum5z/-/index.html, http://www.monitor.co.ug/News/National/-/688334/1269968/-/bhbr5iz/-/index.html http://www.sunrise.ug/news/top-stories/3530-plan-to-lure-villagers-to-conserve-forests.html Articles and Publications http://www.forest-trends.org/documents/files/doc_3015.pdf (http://darwin.defra.gov.uk/newsletter/Darwin%20News%202012-02.pdf The first draft of the communication strategy was done by the PMU, but based on comments from the Project Steering Committee it is being substantially revised. Analysis and publication of project results will be undertaken once end line data collection is completed by IPA and defensible conclusions can be drawn.

ANNEX 7. BACKGROUND DOCUMENTS REVIEWED

(Excluding project documents and reports)

Forest Trends & Katoomba Group, (2011), Introduction to payment for ecosystem services: a reference book for Uganda

Government of Uganda, (2011), REDD Readiness Preparation Proposal for Uganda, submitted to the Forest Carbon Partnership Fund, World Bank

Government of Uganda, (2012), Strategic plan for the northern Albertine Rift of Uganda, Ministry of Water and Environment, Kampala, Uganda

Leal, M., (2010), Semliki-Murchison landscape feasibility study for REDD, WWF and WCS, Kampala, Uganda

Leal, M., (2012), Reducing emissions from deforestation and degradation in the Murchison-Semliki landscape of Uganda, CCBA Project Design Document, JGI, WCS and WWF, Kampala, Uganda

Nampindo, S. *et al.* (2011), Pubic-private sector financing mechanisms to support sustainable management of forest corridors in the Murchison-Semliki landscape, WWF and WCS, Kampala, Uganda

NEMA, (2008), State of environment report for Uganda, National Environment Management Authority, Kampala, Uganda

Plumptre, A. *et al.,* (2003), The biodiversity of the Albertine Rift, Albertine Rift Technical Reports No. 3, WCS, New York, USA

ANNEX 8. EVALUATION CONSULTANT CODE OF CONDUCT AGREEMENT FORM

EVALUATION CONSULTANT CODE OF CONDUCT AGREEMENT FORM

Evaluators:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.

2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.

3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.

4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.

5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.

6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings and recommendations.

7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

Evaluation Consultant Agreement Form
Agreement to abide by the Code of Conduct for Evaluation in the UN System
Name of Consultant: Andrew Grieser Johns
Name of Consultancy Organization (where relevant): ---
I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation
Signed at Kampala on 07 January 2013

Signature:

Andrew Grieser Johns