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Sida Decentralised Evaluation

FCG Sweden

# Evaluation of Strengthening Regional Awareness and Ownership of Forest Governance Issues in the Greater Mekong and Other Regions of Asia (2014–2023)

Final Report

# Evaluation of Strengthening Regional Awareness and Ownership of Forest Governance Issues in the Greater Mekong and Other Regions of Asia (2014-2023)

**Final Report  
July 2023**

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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# Abbreviations and Acronyms

|          |                                                                                                                       |
|----------|-----------------------------------------------------------------------------------------------------------------------|
| BAAC     | Bank of Agriculture and Agricultural Cooperatives (Thailand)                                                          |
| CSO      | Civil Society Organisation                                                                                            |
| EFI      | European Forest Institute                                                                                             |
| EoS      | Embassy of Sweden in Bangkok                                                                                          |
| EU       | European Union                                                                                                        |
| FAO      | UN Food and Agriculture Organisation                                                                                  |
| FLEGT    | Forest Law Enforcement, Governance and Trade                                                                          |
| GDA      | National Gender Development Association (Lao PDR).                                                                    |
| GIZ      | Deutsche Gesellschaft für Internationale Zusammenarbeit                                                               |
| ITTO     | International Tropical Timber Organisation                                                                            |
| MDPA     | Multi-Dimensional Poverty Analysis                                                                                    |
| MSEK     | Million Swedish Crowns                                                                                                |
| MSMEs    | Micro, Small and Medium Enterprises                                                                                   |
| PAFO     | Provincial Agriculture and Forestry Office (Lao PDR)                                                                  |
| PICO     | Provincial Industry and Commerce Office (Lao PDR)                                                                     |
| PLWU     | Provincial Lao Women's Union                                                                                          |
| PMO15    | Prime Minister's Order No. 15 (Lao PDR)                                                                               |
| RECOFTC  | Regional Community Forestry Training Center (Asia & the Pacific) NGO, also known as The Center for People and Forests |
| RFD      | Royal Forestry Department (Thailand)                                                                                  |
| RT       | Reclaimed Timber (Thailand)                                                                                           |
| SD       | Self-Declaration forms (Thailand)                                                                                     |
| Sida     | The Swedish Development Cooperation Agency                                                                            |
| SMEs     | Small and Medium Enterprises                                                                                          |
| TEFSO    | Thai-EU FLEGT Secretariat Office                                                                                      |
| TLAS     | Timber Legality Assurance System (Thailand)                                                                           |
| ToC      | Theory of Change                                                                                                      |
| TOT      | Training of Trainers                                                                                                  |
| VIFORA   | Viet Nam Forest Owners Association                                                                                    |
| VIFOREST | Vietnam Timber and Forest Products Association                                                                        |
| VPA      | Voluntary Partnership Agreement                                                                                       |
| VNTLAS   | Vietnam Timber Legality Assurance System                                                                              |

# Preface

This evaluation was contracted by the Embassy of Sweden in Bangkok through the Swedish Development Cooperation Agency (Sida) Framework Agreement for Evaluation Services and conducted by FCG Swedish Development.

The team wishes to specially mention the EFI national consultants: Khamphoui Saythalat, Pham Duc Thieng, Ratchada Arpornsilp and Somporn Khongthanakrittakorn who provided professional welcome and logistical support during our country visits. Warm thanks are also due to Thomas Colonna and Wilfredo Lelis from the Kuala Lumpur office who were instrumental in providing programme documentation and context as well as facilitating stakeholder analysis, permitting processes, etc.

The Evaluation Team consisted of Björn Ternström and Ratana Pen. The Final Report was quality assured by Johanna Lindström, whose work was independent of the evaluation team. Aude Lemant provided project management support.

# Executive Summary

## Background

The evaluation object was the Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia (2014-2023) programme, implemented by the European Forest Institute, which Sida has supported since December 2014. Sweden has been the only funder, contributing almost MSEK 50. The programme has been aligned with Sweden's Regional Development Strategies during the programme period, by aiming "to contribute to poverty eradication and sustainable forest management in Asia through support to the implementation of the EU FLEGT Action Plan" by fostering engagement in forest sector governance and legal forest management in seeking to support inclusive development processes that create opportunities for employment and income for people and communities who depend on forests".

The evaluation **purpose** is:

- To provide an in-depth review of the programme's progress and achievements in relation to the programme's objectives, as well as what works well and what has not worked, and the lessons learned to the Embassy and EFI.
- To provide information on how the project implementation approach and delivery mechanisms could have been adjusted and improved, as well as which other aspects could have been improved.

The primary intended users of the evaluation are the Embassy of Sweden in Bangkok and EFI.

The Tor define the evaluation **scope** as limited to the period of 2018-2022.

The programme objectives are:

1) Strengthening regional ownership and cooperation on Forest Law Enforcement, Governance and Trade (FLEGT) in the Greater Mekong and Asian regions; 2) Defining policies and piloting support mechanisms to support small and medium sized enterprises (SMEs) to comply with changing market requirements.)

The evaluation's primary geographic scope included pilot project locations in Lao PDR, Thailand, and Vietnam. The primary target groups of the pilot projects explored were micro and small wood processing and tree growing enterprises/households, civil society organisations, national and local authorities, and industry associations.

The ToR list a series of questions to be explored. During the inception phase it was agreed to focus on fewer questions in order to allow greater depth of analysis focused on relevance, coherence, impact and sustainability.



## Methodology

The evaluation approach has been utilisation focused, theory based and considers gender. Data collection used a mixed methods approach combining document review, individual and group key informant interviews with on-site observation (at the pilot project sites). Data was collated clustering evidence around the themes identified in the ToR. The discussion of impact is framed with multi-dimensional poverty analysis terminology.

Section 3 presents the programme and its activities. The Sida support evaluated is focused on two deliverables:

- 1) Strengthening regional ownership and cooperation on FELGT in the Mekong and Asia regions: The initiative supports regional stakeholder groups, networks, processes, and dialogues that complement and strengthen ASEAN's work in developing regional policy.
- 2) Defining policies and piloting support mechanisms for SMEs to meet changing market demands.

The intervention has been working and analysing to better understand the relationship between gender inequality, SMEs, and poverty in Asia, as well as to integrate gender equality aspects at various levels. In addition to the MSME work, Sida supported regional ownership and cooperation on FELGT in the context of ASEAN, with a focus on capacity building, technical analyses, and regional dialogues on FELGT topics.

The activities undertaken may be sorted into four categories: **Research** related, **Capacity development**, **Policy Development**, and **Linking/networking**. The activities were implemented through EFI's regional office in Kuala Lumpur, supported by national consultants.

Section 3.3 presents the programme results framework and the implicit theory of change.

Section 4 presents the findings, initially by country, separately for gender, regional and sustainability.

## Limitations

The limitations section describes some of the challenges of the evaluation. Key among these is that the evaluation process has been highly interactive, with the evaluation team supported by and accompanied by, EFI staff. This has given access to stakeholders and contextual knowledge that would otherwise not have been possible. However, this also implies that stakeholders are likely to have associated the evaluators with the programme. This implies a risk of bias in sampling, documentation reviewed, and the responses of key informants, likely lowering the validity of the evaluation results. The evaluators have sought to address such risk through triangulation and by alternating between exploring causal and attribution chains/hypothesis.

## Conclusions

### *Regarding assumptions in the implicit theory of change*

The evaluation concludes that there is evidence that the assumption made in the implicit theory of change are either confirmed or, in some cases, that it is too early to confirm them. Overall, the programme logic is therefore assessed to be sound.

## Relevance

The evaluation concludes that programme relevance is high in relation to needs of the direct target groups, to national development plans for the forest sector in all three countries, and to Sweden's Regional strategies for Asia and the Pacific.

## Coherence

The evaluation concludes that the programme has been coherent with government and other key stakeholder interventions in the sector. This is assessed to be true for activities and output at regional, national, and local levels.

The evaluation team lacks sufficient data to assess whether the EFIs investment in developing results-based management has had an impact on coherence in terms of outcomes.

## Effectiveness

Programme planning overall has been adaptive with multiple examples of adaptation in the face of contextual change. This is true at overall level (changes for Covid, recognition of need to do more in gender) down to specific activity level (adjustments of training content, participant selection, choice of support for policy processes).

Programme documentation summarises activities planned and implemented. Challenges encountered and adjustments made are justified therein. The evaluation has not attempted to triangulate such reporting and cannot validate its correctness.

## Efficiency

The chosen organisational and implementation structure, emphasising collaboration and the use of local consultants, likely lowered costs. The geographical spread of the pilot projects increased logistical and coordination costs.

## Impact

The evaluation concludes that local impact for direct beneficiaries has been significant. (Section 4.6 summarises a poverty assessment using multi-dimensional poverty analysis terminology – i.e., subdivided by dimension (Access to resources, Voice and empowerment, Opportunities and choice), country, gender and direct/indirect effect summarises poverty effects).

The programme sought to influence policymaking for the forestry sector at both national and regional levels. There is evidence of regional value added but data is insufficient to assess its importance. The evaluation concludes that there is some evidence of societal level impact.

The evaluation concludes that the programme is likely to have contributed to furthering its objectives.

### **Sustainability**

The evaluation concludes that while the programme implementation structure is not sustainable without outside support, the programme effects in terms of capacity development, innovations, policy changes and network development are all likely to be sustainable.

### **Gender**

The evaluation notes that the programme has adapted to increase its emphasis on gender aspects and that there is evidence that the associated activities have influenced gender roles in pilot project MSMEs (all countries) and contributed to local empowerment of women (in Thailand).

### **Recommendations**

It is clear from the ToR that Sida funding will not be provided for any coming phase of the programme.

Sida is recommended to map regional interventions that are being funded under Sweden's Regional Development Strategies for Asia and the Pacific for 2022-2026 to identify activities that would benefit from experience gained in this programme. Areas of particular interest may be gender in MSMEs (not only the forest sector) and methodologies to improve MSME market linkages.

EFI is recommended to develop an exit strategy seeking to ensure the handover of learning from and networks developed in the pilot projects. Follow-up of emerging relations with market actors, finance institutions and local authorities should be prioritised.

EFI is recommended to design proposals for any follow-up phase around support for extension services targeting tree grower/timber processing MSMEs. Extension services should focus on entrepreneurship, sustainability of small-scale timber production and incentivising regulatory compliance. If funders can be convinced to support it, proposals should be developed with a focus on outcome goals, rather than detailed activity planning.

# 1 The Evaluation

## 1.1 BACKGROUND

The evaluation object was the Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia (2014-2023) programme, which Sida has supported since December 2014, when an agreement was signed with the European Forest Institute (EFI). Sweden has been the only funder, contributing almost MSEK 50. The programme has been aligned with Sweden's Regional Development Strategies for Asia and the Pacific during the programme period, by aiming "to contribute to poverty eradication and sustainable forest management in Asia through support to the implementation of the EU FLEGT Action Plan" by fostering engagement in forest sector governance and legal forest management in seeking to support inclusive development processes that create opportunities for employment and income for people and communities who depend on forests".

Small and informal forest sector enterprises have been in focus and the programme sought to generate lessons for the FLEGT Facility which promotes legal timber trade. The Sida contribution emphasised strengthening regional ownership and cooperation on FLEGT in the Mekong and Asia regions and defining policies and piloting support mechanisms for SMEs.

Sweden's Regional Development Strategies for Asia and the Pacific apply an integrated approach between environment, climate change, gender, and human rights. The programme has sought to support regional ownership and cooperation on FLEGT in the context of ASEAN, while the scope of the evaluation excluded the EU's bilateral interventions.

## 1.2 EVALUATION, PURPOSE AND SCOPE

The evaluation **purpose** is:

To provide an in-depth review of the Programme's progress and achievements in relation to the program's objectives, as well as what works well and what has not worked, and the lessons learned to the Embassy and EFI.

To provide information on how the project implementation approach and delivery mechanisms could have been adjusted and improved, as well as which other aspects could have been improved.

The primary intended users of the evaluation are the Embassy of Sweden in Bangkok and EFI.

The ToR define the evaluation **scope** as limited to the Programme during the period of 2018-2022.

The analysis shall include:

- A) the contribution of activities towards achieving programme objectives, which are:
- 1) *Strengthening regional ownership and cooperation on Forest Law Enforcement, Governance and Trade (FLEGT) in the Greater Mekong and Asian regions;*
  - 2) *Defining policies and piloting support mechanisms to support small and medium sized enterprises (SMEs) to comply with changing market requirements.)*

and B) approaches to monitoring and evaluation of programme progress and achievements.<sup>1</sup>

The evaluation's primary geographic scope included pilot project locations in Lao PDR, Thailand, and Vietnam. The evaluation also considers regional aspects i.e., the programme's activities as they relate to ASEAN.

The primary target groups of the pilot projects explored were micro and small wood processing and tree growing enterprises/households, civil society organisations, national and local authorities, and industry associations.

### 1.3 EVALUATION QUESTIONS

The ToR list a series of questions to be explored. During the inception phase it was agreed to focus on fewer questions in order to allow greater depth of analysis,<sup>2</sup> they are:

#### **Relevance**

R1 How well did the Program's design and objectives meet the needs of key stakeholders and beneficiaries, particularly MSMEs?

R2 To what extent has the Program been responsive to national and regional needs and priorities, within and outside of the forest sector such as compliance with laws and regulations, sustainability, MSME resilience and livelihood opportunities in rural areas, sustainability, gender equality, etc.? (Focussing on the regional perspective in relation to programme objective 1 and on the respective national/local MSME perspective in relation to programme objective 2).

R3 How is the programme placed in relation to the Swedish regional strategy context.

---

<sup>1</sup> The EFI's investment in monitoring and evaluation increased following consultant support during 2021, including development of a results framework. The evaluation team notes that during the inception phase EoS provided a prioritisation of the ToR's evaluation questions and Monitoring and Evaluation systems (B) above) was not emphasised.

<sup>2</sup> Based on explicit email from EoS dated 230227 regarding agreement concerning priorities made between EoS and EFI.

### ***Coherence***

C1 How does the programme relate to relevant interventions and institutional structures in the region.

### ***Impact***

In terms of impact, effects on poverty are emphasised. The evaluation will use Sida's Multi-Dimensional Poverty Analysis (MDPA) framework to structure the analysis.<sup>3</sup>

### ***Sustainability***

The team have addressed sustainability from the following perspectives:

- Sustainability of implementing organisational set-up (EFI)
- Sustainability of institutional/organisational capacity development of partner entities
- Sustainability of activities, and
- Sustainability of effects that there is evidence that the programme has contributed to. Focus will be on regional interaction achieved and on local level networks and participating MSMEs.

### ***Additional comments to the ToR***

The evaluation team notes that the commissioner recognised that some of the objectives are at a scale that goes beyond the reach of the programme itself. In consequence, our assessment of results, especially impact, are limited to “contribution to”.

The evaluation maps and comments on regional aspects based on stakeholders' perceptions and documentation provided. While the geographic scope is Thailand, Lao PDR and Vietnam, the evaluation has focused specifically on the pilot project areas in these countries.

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<sup>3</sup> For greater detail about MDPA please refer to : [Poverty Toolbox – Environment & Climate Change and Dimensions of Poverty, 2019. \(sida.se\)](#)

## 2 Methodology

### 2.1 EVALUATION APPROACH HAS BEEN UTILISATION FOCUSED.

A utilisation-focused approach has guided the interaction with EFI/Embassy of Sweden (EoS). This approach to evaluation was requested in the Terms of Reference and was welcomed by the team. We have applied all of the steps presented by Patton (2012)<sup>4</sup> but emphasise that some steps have been “checklist” in character. The list has allowed systematic checking that relevant stakeholders understand the process and their role in it. Please refer to the table in Annex 4 for details of the steps.

### 2.2 EVALUATION APPROACH HAS BEEN THEORY BASED.

The evaluation has been Theory based. We have used the existing EFI Theory of Change (ToC)/results matrix to complement the Evaluation Matrix,<sup>5</sup> which is the ToR-questions-based framework which guided our data collection.

A ToC is a strategic analysis and programming tool designed to support a results-focused approach that describes the logical change pathways that are embedded in the programming. The approach is concerned with overall programme outcomes and synergies between the different programme areas, targeting different challenges for different target groups.

The validity of the assumptions confirms or rejects the theory of change as a guide to how beneficiaries’ needs may best be addressed: Is the ToC logic confirmed by the evidence and is there evidence that the programme activities are having, or are likely to have, an impact on the core challenges that need to be addressed.

The programme’s results matrix (Theory of Change, ToC) was developed in the second half of 2021 after a coaching by the gender helpdesk. It was used for the 2-year cost extension. On the gender topic, the 2021 ToC goes beyond what they were doing before the coaching. On non-gender related aspects, the results matrix is a formalisation of what there were doing before (the implicit ToC). The ToC has therefore been used for the program as a whole and the assumptions as described therein were used in the theory-based analysis.

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<sup>4</sup> Patton, 2012, Essentials of Utilization-Focused Evaluation: A Primer. Thousand Oaks, CA: SAGE.

<sup>5</sup> The matrix is presented in Annex 5.

## 2.3 EVALUATION APPROACH CONSIDERS GENDER.

Although both men and women are actively engaged in the pilot projects, women producers/growers face different challenges and bring different strengths than men. Our approach to the evaluation has been to consider gender to the extent feasible given data accessibility/availability. This implies that we pay attention to gender and how it mediates the practice of and benefits from the interventions. We examine how gender was considered in the project rationale, design and implementation. We assess how project activities affected the beneficiaries based on gender groups. Key informant interviews probe, among other things, gendered outcomes of project activities. Results are disaggregated by gender, where feasible. The analysis seeks to address the different experiences of forestry product producers and tree growers based on their gender roles and gender. In interactions with policy-level stakeholders and local authorities we sought to explore their awareness of and perspectives on gender differentials in needs, capacities, resources, and choices.

## 2.4 DATA COLLECTION METHODS

The evaluation has used a mixed methods approach for data collection; document review, individual and group key informant interviews (KII) have been combined with on-site observation (at the pilot project sites). The latter involved visits to workshops, showrooms, vocational training institutions, plantations/demonstration sites. MSME owners and staff practically demonstrated changes in silvicultural methods, workshop layout and work processes, including health and safety measures and waste management efforts. Programme participants also demonstrated new marketing materials, new computer systems, new storage methodologies as well as product design changes they identified as resulting from programme interventions.

### 2.4.1 Document review

The team reviewed project documentation, agreements, relevant government policies and line ministry guidelines as well as Swedish government documents pertinent to the task (primarily the three relevant regional strategies). In addition, documentation published by other stakeholders (mainly ASEAN, APEC, and concerned UN agencies) of direct relevance to the programme and its effects. No detailed mapping of current sector research or similar has been attempted. A list of documentation received may be found in Annex 2.

### *Key informant interviews and sampling*

Key informant interviews, individual or group, have allowed the team to capture qualitative data. These were semi-structured, guided by the evaluation matrix (see Annex 5). The evaluators adapted the interviews to the context as well as the role and mandate of each respondent. The team used a purposive stratified sample, considering gender, to ensure that key informants represent both programme-internal and -external stakeholder groups, but the selection was strongly influenced by EFI whose national consultants were invaluable for introductions and obtaining access and permits. A list of the number of key informants, based on the stakeholder mapping done in dialogue



with EFI, may be found below. The corresponding names and their locations are shared confidentially with EoS (refer section 3.6 below).

| Category                            | Lao PDR        | Thailand         | Vietnam         | Total            |
|-------------------------------------|----------------|------------------|-----------------|------------------|
| National Government                 | 1♂ / ♀         | 2♂ / ♀           | 0♂ / 1♀         | 3♂ / 1♀          |
| Local government                    | 2♂ / 1♀        | 1♂ / 1♀          | 4♂ / 2♀         | 7♂ / 4♀          |
| MSME owner                          | 2♂ / 2♀        | 5♂ / 3♀          | 9♂ / 3♀         | 16♂ / 8♀         |
| Other (academia, CSO, organisation) | 2♂ / 4♀        | 5♂ / 6♀          | 7♂ / 3♀         | 14♂ / 13♀        |
| <b>Total</b>                        | <b>7♂ / 7♀</b> | <b>13♂ / 10♀</b> | <b>20♂ / 9♀</b> | <b>40♂ / 26♀</b> |

#### 2.4.2 Additional data collection comments

We have triangulated data between sources (for example individual beneficiaries) as well as between source types (beneficiaries versus local authorities, programme staff versus policymakers' responses). Where data made this feasible, we have explored gender-based perspectives.

The data has been collated in an excel document, clustering data around the themes of the evaluation matrix (presented in Annex 5).

The data collection combined visits to central functions in capital cities (Line ministries etc.) with field visits to pilot project sites in each of the three countries.

## 2.5 DATA ANALYSIS

Data was collated in an excel document based on the evaluation matrix presented in Annex 5 within which evidence was clustered around the themes identified in the ToR.<sup>6</sup> The team has used this as the framework for the analysis. The excel document is intended for internal use, allowing team members to document openly what has been observed and/or shared by stakeholders. Sources of such information may be identifiable, and the raw data will therefore not be shared outside the evaluation team.

The discussion of impact is framed with MDPA terminology. Please note that an MDPA requires much greater resources than are available for this evaluation. Nevertheless, the terminology and structure were useful in assuring nuance and allowing a systematic discussion.<sup>7</sup>

<sup>6</sup> A focus on a selection of the ToR questions was agreed in the inception phase. For details see Annex 5.

<sup>7</sup> For greater detail about MDPA please refer to : [Poverty Toolbox – Environment & Climate Change and Dimensions of Poverty, 2019. \(sida.se\)](#)

## 2.6 ETHICS AND PARTICIPATION

Some of the issues explored are sensitive. Representing contrarian views may imply socio-economic, or even physical, risk for key informants. This implies both that the evaluation has not been able to openly seek out opposition views nor reveal the source of specific points of view. The evaluation report does not quote respondents by name nor publish the list of individuals who have shared their views. A list of interviewees will not be published but has been shared confidentially with EoS. Section 2.4.1 above contains an enumeration of the respondents by stakeholder category.

## 2.7 LIMITATIONS

**Limitation:** the evaluation has been dependent on the EFI and its Field Staff to facilitate the process of stakeholder consultation during the field visits. Facilitation has included introductions and pre-informing stakeholders about the purpose of the team's visit as well as accompanying the members of the team and introducing them to stakeholders at National, provincial, district, and/or village levels, not to mention accessing required permits for visits/data collection where such permits are needed.

*Consequence:* this implies that the evaluators have been closely associated with EFI during the field visits, making biased answers likely.

*Risk management:* the evaluation team has sought to limit respondents' tendency to give the answers they think EFI (or their own authorities) want, by taking the time to explain the evaluation background and purpose, including emphasising that the report will not influence future Swedish funding for the pilot projects visited.

**Limitation:** most respondents were not fluent in English and the consultants do not speak the local languages. The evaluators have therefore depended on translators, mostly from EFI's local structures.

*Consequence:* there is a risk of mistranslation and/or of the translator purposely influencing answers.

*Risk management:* both evaluators have long experience of working through translators and shifted between asking for literal and contextual translation depending on context. Furthermore, individuals' answers have been triangulated among respondents from different stakeholder categories and by requesting the same information from different angles, for example by asking a participant *why* a particular change was made in his/her MSME ("because of the training received in March") while asking a line ministry official *when* a particular change was noticed ("before the rainy season" i.e., May).

**Limitation:** No systematic data on household income or profitability of MSMEs has been collected.

*Consequence: Comments on effectiveness in terms of impact on enterprise profitability in the MSMEs or household incomes are therefore based on stakeholder perceptions or EFI documentation, implying a risk of bias and lower validity.*

*Risk management: the text seeks to clearly distinguish between direct effects (i.e., on target population participating in pilot projects) where perceptions, not figures, are reported and indirect effects (i.e., through for example policy changes) where only potential/likely contribution to effects on poverty dimensions are mentioned and no attempt is made to quantify.*

## 3 Evaluation Object

### 3.1 PROGRAMME BACKGROUND AND SIDA SUPPORT

Sida has supported the Programme on "Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia" through the Swedish Embassy in Bangkok. Through the EU FLEGT Action Plan, the intervention aims to combat illegal logging in Asia while also increasing regional awareness and ownership of forest governance issues in the Greater Mekong and other regions in Asia. The overall objective of the EU Action Plan in Asia is to contribute to poverty eradication and sustainable forest management in Asia.<sup>8</sup>

The evaluation object is the "Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia" (2014-2023) programme, which Sida has supported since December 2014, when it signed an agreement with the European Forest Institute (EFI). The Agreement is valid until 30 September 2024, but the Activity Period is valid until 31 December 2023. The total budget for the duration of the intervention is SEK 49 865 000, which includes gender support in 2019 and cost-extension in 2021. Sweden is the sole financial contributor to this intervention.

The evaluation has focused on the period from 2018 to 2022. The programme is mainly relevant to Sweden's Regional Development Strategies for Asia and the Pacific for 2016-2022 and partly to Sweden's Regional Development Strategies for Asia and the Pacific for 2010-2015 and 2022-2026.

The Sida contribution to EFI focuses on two deliverables:

- 1) Strengthening regional ownership and cooperation on FELGT in the Mekong and Asia regions: The initiative supports regional stakeholder groups, networks, processes, and dialogues that complement and strengthen ASEAN's work in developing regional policy.
- 2) Defining policies and piloting support mechanisms for SMEs to meet changing market demands.

The intervention has been working and analysing to better understand the relationship between gender inequality, SMEs, and poverty in Asia, as well as to integrate gender equality aspects at various levels.

In addition to the MSME work, Sida supported regional ownership and cooperation on FELGT in the context of ASEAN, with a focus on capacity building, technical analyses, and regional dialogues on FELGT topics.

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<sup>8</sup> For detail about the Action Plan please refer: [About FLEGT – FLEGT.org](https://www.flegt.org/about-flegt)

## 3.2 REGIONALLY FOCUSED ACTIVITIES OF THE PROGRAMME

All three countries are involved in either negotiating or implementing VPA processes. A sub-objective of the MSME work has been to get smallholders' perspective to be included in ASEAN and other regional policy making processes and experience sharing (e.g., APEC, World Forestry conference).

Activities have included conducting and disseminating research, participating in policy fora and processes in observer, and at times advisory, roles. EFI has also facilitated meetings and exchange visits as well as organised side events to broader conferences, highlighting MSME challenges and issues.<sup>9</sup>

## 3.3 PROGRAMME COMMONALITIES ACROSS THE THREE COUNTRY CONTEXTS

The description below seeks to summarise common elements of how the programme has addressed deliverable 2) in Section 3.1 above. This, the bulk of the programme, focused on a series of pilot projects exploring forest sector MSME strengths and weaknesses and testing concrete capacity -, policy – and institutional development interventions to support recognition for, and greater contribution from, such enterprises. The description seeks to give an overview of what the programme activities in the different countries have in common and synthesises data from programme documentation,<sup>10</sup> key informant interviews,<sup>11</sup> and evaluation team observations during the pilot project site visits.<sup>12</sup>

The programme history and implementation varies between the three countries. It has adapted over time and in reaction to the specific legal, forest sector and governance context in each country. Nevertheless, objectives applicable to all countries include: addressing poverty, supporting the development of sustainable forestry (biodiversity, climate change adaptation, profitability), better governance (timber traceability and legality, improved administration and taxation, including addressing corruption), gender equality (awareness raising, capacity building, resource and opportunity access), human rights (not directly addressed but land and tenure rights, participation, non-discrimination, accountability aspects covered).

Similarly, while institutional structures differed significantly, there were functions/stakeholder categories involved in all three countries, including:

- Micro, Small, Medium Enterprises (MSMEs, mostly household based)
- MSME organisations or networks
- Vocational training institutions and Academia
- Forestry sector organisations or networks
- Commercial (large scale) forestry sector entities

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<sup>9</sup> Based on programme annual reporting and conference reports.

<sup>10</sup> Primarily proposals to, agreements with and annual reports to Sida.

<sup>11</sup> A categorisation of key informants is available in Section 2.4.1

<sup>12</sup> These are listed in Annex 3.

- Banks and financial institutions
- National level governance and line ministry technical experts (policy makers)
- Local level governance and line ministry technical experts (policy implementors)
- Policy enforcers (licencing, policing, standards, taxation)
- Other donors or national partners (GIZ, FAO, various ASEAN)

MSMEs were a key target group in all three countries. A clear majority of the MSMEs are micro scale household enterprises, operating without formal registration and without being organised in industry networks or associations. The reasons for this lack of formalisation vary but are rational from a cost benefit perspective when comparing the cost of achieving compliance in opaque and bureaucratic systems with the cost of bypassing regulations through petty bribery at local level. There are two types of bureaucratic obstacles: insufficient, unclear or unnecessarily burdensome legal frameworks; and improper or inadequate monitoring and enforcement of compliance. These two factors frequently overlap. Market incentives (in terms of client requirements or willingness to pay) are largely lacking.<sup>13</sup>

The wood processing MSMEs play a key role in supplying local markets with wood products and provide employment and livelihoods for a large number of the local population. The tree growers meanwhile supply a significant and growing proportion of domestic timber.<sup>14</sup>

The activities undertaken may be sorted into four categories:

1. **Research** related, including mapping MSMEs and their strengths and challenges (such as low productivity and poor operational capacity, access to legal timber, compliance with regulatory requirements and poor representation in policy processes), identifying competency, technical, gender, policy and market gaps.
2. **Capacity development**, including:
  - a. Legal/regulatory
  - b. Technical -plantation related (e.g., measuring standing timber volume, species selection, culling, large-diameter profitability)
  - c. Technical – production process related (e.g., workshop layout, waste management, safety)
  - d. Technical – rights related (e.g., MSME rights, accountability, non-discrimination including gender)
  - e. Technical – organisational/institutional development (e.g., supporting SME associations/networks)
  - f. Policy related (e.g., dissemination of regulations, training local authorities, administrative process improvement, how to approach duty bearers)

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<sup>13</sup> 2018 SMES brief internal paper, p 6, confirmed in key informant interviews.

<sup>14</sup> Ibid.

EFI conducted 32 trainings in 4 countries, where MSMEs, industry associations and local authorities were the beneficiaries.<sup>15</sup>

3. **Policy Development**, including feeding learning from research and MSME activities into policy making processes at regional, national, and local levels.
4. **Linking/networking**, including support to MSMEs in presenting their challenges in policy making and support for accessing finance and developing value chains.

The activities were implemented through EFI's regional office in Kuala Lumpur. On site implementation of the pilot projects were ensured by national partners and EFI contracted national consultants in the three country programmes.

### 3.3.1 The results framework and implicit Theory of Change

While the programme lacks an explicit theory of change, the results framework below, developed in connection with capacity development training from the Sida gender help desk in 2019, illustrates the implicit theory of change on which the programme design is built.

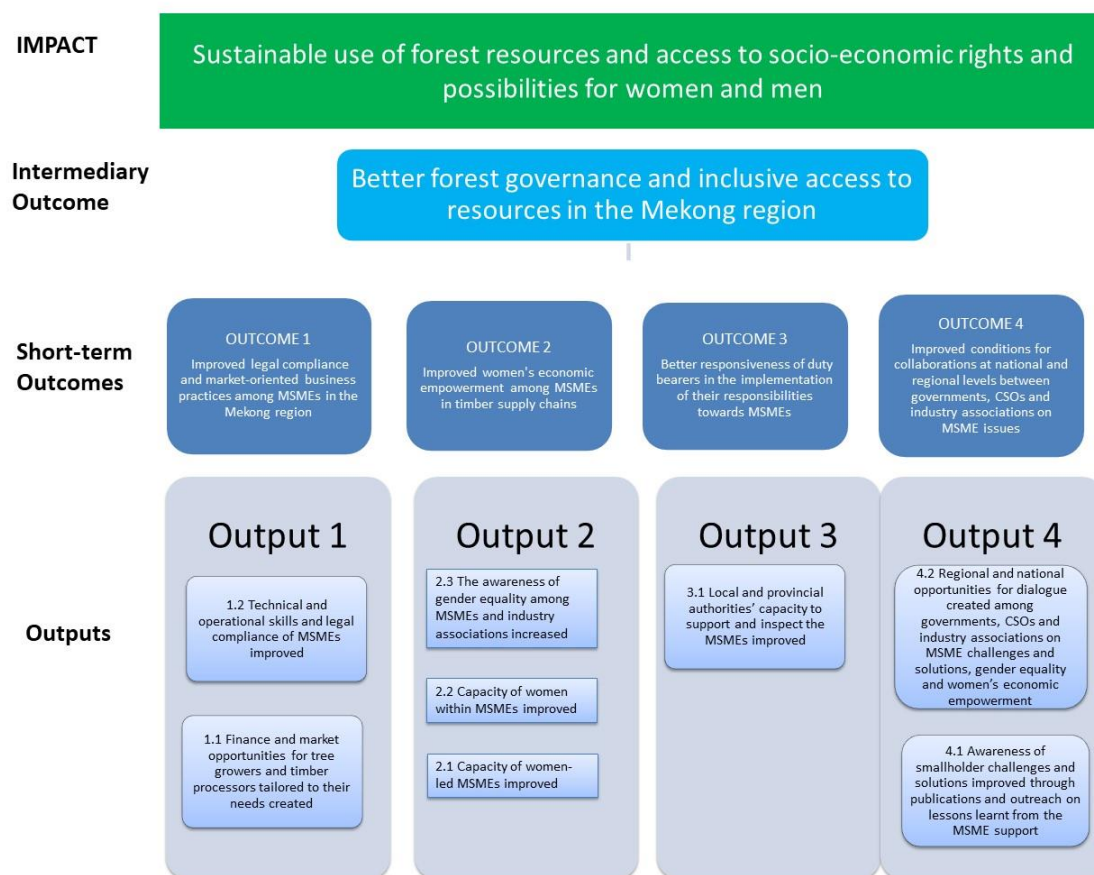


Figure 1: Results framework of the programme. Source: EFI programme documentation

<sup>15</sup> EU FLEGT Facility annual report 2021-2022

### 3.3.2 The assumptions

The above illustrates the programme's very high level of complexity. It seeks to influence a broad range of stakeholders, at system levels ranging from the micro-local level to regional-global. The interventions are interdependent, opening up for synergies but also for programme delays due to factors beyond management control. Underlying assumptions, mainly derived from the programme's own risk analysis,<sup>16</sup> include:

- Government, private sector and civil society stakeholders' differing interests converge sufficiently for the pilot projects to generate:
  - improved understanding of MSMEs' challenges
  - constructive solutions to some of these
  - willingness to address some of these through policy changes, value chain adjustments or support such as capacity development.
- Government, private sector and civil society stakeholders have, or develop, an awareness of and a willingness to address:
  - gender equality,
  - poverty alleviation and
  - inclusive development
 in the processes in which the regional debate on forest governance is emerging.
- It proves possible to disseminate and implement solutions found to an extent that the welfare of forest-dependent people in the region is actually affected.
- There are, or it is possible to develop, partnerships with networks, organisations and/or institutions that are willing and capable to jointly influence the forest sector regionally, nationally and locally.

### 3.3.3 Results reporting

After capacity development by the Sida gender desk, which included training on results-based management, the above results framework was developed (Table 1). EFI work planning and reporting remains activity and output focused.

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<sup>16</sup> EFI The proposal for continuation of support for FELGT\_ 26 July 2021, pp 26-31.



# 4 Findings

## 4.1 OVERALL FINDINGS

### **Relevance and Coherence**

The programme aligns well with Sweden's regional development strategy for Asia and the Pacific (2016-2022) as well as with partner countries development and forestry plans.

Multiple key informants describe pilot projects as designed with input from and implemented in close collaboration with national and local authorities. They have been adjusted to context and to contextual changes over time.

Most activities undertaken have been complementary to the efforts of other stakeholders or implemented in collaboration with them. Examples include EFIs observer role in Thai policy working groups, complimentary target groups with GIZ efforts in Attapeu, Laos, multiple examples of collaboration with technical experts from line ministries in implementing capacity development, joint planning with networks and associations, etc.

Pilot project participants in all three countries show pride and satisfaction with the effects of the changes they have undertaken and/or contributed to. Activities have, over the programme implementation period, been adapted to learning about effects and focused on participant perceived needs. Most involve capacity developed, improved work processes, changed awareness and/or improved profitability. In consequence, key informants see changes made, and their effects, as either permanent or as steps on the way to further changes/improvements. The effects are therefore likely to be sustainable even if activities are not.

All three countries show establishment or capacity strengthening of organisations, associations and/or networks representing MSME interests. Structures and capacities are likely to remain while capacity development and level of activity may decline without outside support.

### **Effectiveness**

Despite serious challenges, especially during Covid restrictions, much of the planned activities have been possible to implement. Virtual trainings and training of trainers focused design has been emphasised more than originally planned and the role of the national consultant has been crucial.

Programme planning overall has been adaptive with multiple examples of adaptation in the face of contextual change. This is true at overall level (changes for Covid, recognition of need to do more in gender) down to specific activity level (adjustments of training content, participant selection, choice of support for policy processes).

Programme documentation summarises activities planned and implemented. Challenges encountered and adjustments made are justified therein. The evaluation has not attempted to triangulate such reporting and cannot validate its correctness.

### **Efficiency and cost effectiveness**

The evaluation notes likely positive effects of an implementation structure that was built on the use of local consultants and creatively and systematically collaborating with existing institutions and initiatives (associations, projects, ongoing processes).

On the other hand, costs are likely to have been raised by the wide geographical spread of the pilot projects. While this allowed a more nuanced understanding of local variations, it also increased logistical and coordination costs.

The evaluation team lacks suitable benchmarking data enabling a deeper analysis of programme efficiency.

## **4.2 COUNTRY LEVEL FINDINGS**

### **4.2.1 Lao PDR context**

Lao PDR was committed to increasing forest cover to 70% by 2020 by planting 500,000 hectares of forest. In 2016, the planting goal was seen as achieved, with over half of the area under rubber trees, giving a forest cover at 62%.<sup>17</sup> To achieve the desired forest cover, the government has been exploring new approaches for the restoration of degraded forest lands and the promotion of plantations to encourage investment in wood processing industries is seen as a part of that as is the FLEGT process.<sup>18</sup>

The Prime Minister's Order No. 15 (PMO15) was designed to tighten the control and oversight of timber-related operations such as harvesting, transportation, and trade.<sup>19</sup> This measure seeks to end the illegal trade of logs and semi-finished products to neighbouring countries.<sup>20</sup> The small-scale timber processors who are not registered are facing the most impact, with 40 of 106 identified having to close operations for lack of licences/operating permits granted by the Ministry of Industry and Commerce (MOIC).<sup>21</sup>

### **4.2.2 The Lao pilot project MSMEs**

#### **Activities**

The programme activities were designed to strengthen MSME compliance capacity. At the provincial level, EFI provided support for workshops focusing on timber input/output management and monitoring, workshop safety, wood waste management,

<sup>17</sup> Lao PDR Press Release 2016 ([https://data.opendevelopmentmekong.net/dataset/d03d6a18-62d9-4111-847b-16e3d89863e0/resource/124b16f3-ff40-420f-b913-db866ba060c6/download/2016-07-12-pr\\_2nd-nsc-meeting\\_final\\_en\\_final-1\\_2.pdf](https://data.opendevelopmentmekong.net/dataset/d03d6a18-62d9-4111-847b-16e3d89863e0/resource/124b16f3-ff40-420f-b913-db866ba060c6/download/2016-07-12-pr_2nd-nsc-meeting_final_en_final-1_2.pdf))

<sup>18</sup> <https://data.laos.opendevelopmentmekong.net/dataset/15>

<sup>19</sup> Ibid.

<sup>20</sup> FLEGT Report: the EU-Lao PDR FLEGT VPA Negotiations: The roles of non-state actors

<sup>21</sup> No 0697/MOIC PM Vientiane Capital, 27 July 2020 Report on the 2020 first 6 months implementation of PMO15 and summaries 4 years PMO15 Dissemination. MOIC Vientiane.

bookkeeping/accounting skills, and marketing.<sup>22</sup> This work took place in collaboration with the district and provincial authorities including the Provincial Agriculture and Forestry Office (PAFO). Training of trainers (TOT) was conducted as well as on-site coaching sessions for the technical staff to enable them to better support and inspect the MSMEs under their jurisdiction.

The pilot also sought to cultivate collaboration between various players in the value chain, such as growers, traders, primary processors, and manufacturers. EFI conducted national consultation workshops to assist family-based or smallholder wood processors in getting their challenges heard in policy making for the timber processing industry. EFI has also offered additional training opportunities for national and provincial levels to attend and share updated laws and policies related to FLEGT/VPA. Gender-focused training activities involving men and women from local authorities and wood processors in Attapeu were implemented in collaboration with the Provincial Lao Women's Union (PLWU) and the Gender Development Association (GDA). Gender leaders from the Department of Forest Inspection and Department of Forestry were also involved. Field visits to Attapeu helped convey the MSMEs' situation to national-level authorities and policymakers, and, vice versa, government regulations to MSMEs.

Through working with EFI, the workshop production is better in term of safety, and new skills are applied to production and products. The district governor is giving more support to such workshops, allowing them to operate although formal licenses have not been granted yet.

### ***Relevance and coherence***

EFI has supported the woodwork of smallholders on building the capacity of outputs and inputs, export and imports, knowledge and understanding of forest management and management of their workshop, and business as MSME. In Attapeu, the number of smallholders in woodwork decreased from 37 to 19, and only one got the permit to operate after the government released the PMO15.<sup>23</sup>

EFI's approach to training is aligned with Ministry of Industry and Commerce MOIC/PICO<sup>24</sup> work, as seen in the 5-year planning of PICO. MOIC/PICO is focusing on ensuring the employment of local people. MOIC/PICO is seeking more support from donors and/or EFI. EFI has provided much knowledge to support SMEs under the PICO supervision i.e., display workshop, design, and management of workshops. However, MSME are still very basic and there is consensus among key informants that they need regular support.

### ***Impact***

The team visited several of the MSME workshops and a training session on bookkeeping. Interviewees showed physical changes in their workshops and spoke with confidence and pride of changes in work processes, waste management, relations with local authorities, regulatory compliance, financial management and internal gender relations within the MSMEs. Local authority technical experts confirmed that the changes described were apparent to them in their interaction with the participants

<sup>22</sup> Interview the PICO and PAFO, April 2023, Lao.

<sup>23</sup> Interview the PICO and PDoF, April 2023, Lao.

<sup>24</sup> PICO Provincial Industry and Commerce Office

and that such changes had allowed the granting of permits to operate to unlicensed MSMEs. Through the collaboration of EFI with the local authorities, the project's beneficiaries had a greater understanding of and were more compliant with the government regulations. This was particularly true of wood processors in family-based enterprises. However, as the EFI works directly with the smallholders and their activities to support the local authorities are limited. The local authorities did not complain or raise any issues when inspecting participants' workshop activities (as they did before). Participant MSME workshops are looking better in term of sanitation, safety and waste wood management.

The local authority's perspective on the EFI activities is that they cost more than the Lao government could cover. However, EFI work has provided them with new ideas, knowledge and skills in wood management, design, inputs and outputs management, bookkeeping and other skill, which are very new things for them. In addition, MSMEs still need to improve in term of performance in their business. PICO has facilitated SMEs in wood processing industries to operate without a license to collect the leftover timber before PMO15 to process furniture and wood products exclusively for local market demand (authorities' procurement and customers in their district jurisdiction). If they want to transport their wood products outside the district or province, a license is required.

The PMO15 rules also apply to the family-based wood processors in the pilot project area of Attapeu. However, 19 of 21 MSMEs involved in the pilot have been allowed to operate with the support of five District Governors. Key informants (participants, local authorities, EFI staff) stated that this was only possible as they were compliant with regulations - thanks to the EFI capacity building program. Some (few) stakeholders stated that local authority improved understanding of MSME context was being referred to in national policy discussions.

The programme activities were designed to strengthen MSME compliance capacity. Tree growing participants acquired knowledge of preferred species, superior quality seedlings, and efficient log management techniques to achieve desired sizes and qualities.

The pilot also sought to cultivate collaboration between various players in the value chain, such as growers, traders, primary processors, and manufacturers. EFI conducted national consultation workshops to assist family-based or smallholder wood processors in getting their challenges heard in policy making for the timber processing industry. Before EFI's involvement, GIZ, WWF, and FAO had already collaborated on pilot

**Summary:** Lao activities clearly focused on Attapeu MSMEs. High local relevance based on needs focused design and close alignment with local authority priorities, including complementarity with other stakeholder interventions. Clear effects for participating MSME and local authority technical knowledge levels and MSME regulatory compliance. Some (limited) evidence of raised awareness of MSMEs potential in policy making.

activities in this province.<sup>25</sup> Additionally, participating MSMEs have received pricing information on different types of logs and products from FAO, GIZ, EFI, and others.<sup>26</sup>

#### 4.2.3 Thailand context

The FLEGT program in Thailand has promoted sustainable and legal trade in timber and wood products since 2010.<sup>27</sup> It seeks to enhance forest governance and supports smallholders in the industry.

Regional Community Forestry Training Center (RECOFTC) reports that Thailand's implementation of the Timber Legality Assurance System (TLAS) as part of the FLEGT program has positively impacted the timber and wood products trade. TLAS seeks to ensure that all domestic and international trading of timber and wood products is legal, providing a comprehensive system that includes licensing of timber and wood processing facilities, verifying sources and supply chains, and regular monitoring to enforce the legal framework. However, the country has encountered several challenges, such as illegal logging, deforestation, and corruption in the timber industry.<sup>28</sup> Nevertheless, the country has taken action by implementing various policies and initiatives to promote sustainable forest management practices and improve forest governance.

The Thai government has implemented stringent measures to promote sustainable forest management and combat illegal logging. These measures seek to ensure a reliable supply of legal and sustainable timber resources. However, the industry's lack of standardisation and certification is a significant problem.<sup>29</sup> Despite the availability of certification schemes for sustainable forest management and reclaimed timber, they are rarely enforced or implemented in Thailand. As a result, it is extremely difficult for consumers to verify the authenticity and worth of wood products.

The market for reclaimed timber and small wood product producers in Thailand is driven by a growing demand for environmentally friendly, sustainable products and limited access to natural timbers.<sup>30</sup> Several interviewees noted that the markets for reclaimed timber and small wood products producers in Thailand are niche markets that are growing in popularity. Reclaimed timber refers to wood that has been salvaged from old buildings, bridges, and other structures and repurposed for new construction or furniture making.<sup>31</sup> Many consumers are looking for alternatives to mass-produced, synthetic products and are willing to pay a premium for high-quality, handmade wood products.<sup>32</sup> Additionally, there is a trend towards using reclaimed timber in construction and furniture making, as it is seen as a way to reduce waste and also to preserve the history and character of old buildings and structures.

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<sup>25</sup> Interview the PICO and PDof

<sup>26</sup> Ibid.

<sup>27</sup> <https://tefso.org/en/flegt/>

<sup>28</sup> <https://www.recoftc.org/sites/default/files/publications/resources/recoftc-0000404-0001-en.pdf> page 48 and 51.

<sup>29</sup> <https://www.recoftc.org/sites/default/files/publications/resources/recoftc-0000404-0001-en.pdf> page 50.

<sup>30</sup> Reclaimed Timber Network member interviewed on April 06, 2023

<sup>31</sup> Interview with Reclaimed Timber Association and members in Chiang Mai and Nakhon Si Thammarat, April 2023.

<sup>32</sup> Interview with reclaimed timber Member and the Network Members, April 04-05, 2023

Meanwhile, reclaimed timber was not recognised in regulations as a legitimate source of legal timber. Producers were therefore not able to cross provincial boundaries with it and constantly encountered harassment and requests for bribes when using it in timber product production.

Small wood product producers are individuals or small businesses that produce wood products using locally sourced timber. Small wood product producers faced similar timber use difficulties as small-scale tree growers. Both groups faced long, opaque and petty corruption ridden processes. Producers with traceability and growers with getting timber from their land legally registered. Smallholders in timber and wood processing can expand their reach by participating in TLAS under FLEGT. TLAS grants access to new markets and customers prioritizing legal and sustainable products.

#### 4.2.4 The Thai pilot projects

##### *Activities*

Thai pilot projects focused on the use of reclaimed timber, capacity building of wood products producers and tree growers, on improving value chains and links to financial institutions, and on gender equity.

To support small-scale tree growers and wood products producers and reclaimed timber groups, the government, financing institutions<sup>33</sup> and CSOs have organised training and workshops focused on capacity building on finance management, improving their product design, marketing, and certification skills.<sup>34</sup> The training provided by EFI included skills and knowledge aimed at reducing administrative and compliance costs (minimising corruption opportunities) that can be overwhelming for smallholders.

In 2021, the Reclaimed Timber Network (RTN) was established after consulting with stakeholders. A pilot program was then launched to support the development of the RTN's organisational structure, mission statement, regulations, and the appointment of its secretariat. Additionally, the pilot program helped the RTN communicate with the Ministry of Natural Resources and Environment (MNRE) to express their interests and concerns about simplifying the processing and transportation permits for reclaimed timber. As a result of these efforts, there were high-level meetings and regulatory revisions in 2023 that will affect all operators of reclaimed timber.<sup>35</sup>

The reclaimed timber association (RTA) also became a dialogue partner for the Royal Forestry Department in policy development. The association became a member of the Ad Hoc Working Group in December 2019 and has since been selected to lead the reclaimed timber subgroup. The dialogues led to policy changes establishing reclaimed timber as a legitimate source of timber regulated in policy under TLAS.<sup>36</sup>

Nineteen local government officials from various departments, including the Forest Resources Management Office, the Protected Area Regional Office, and the Natural Resources and Environment Office, were chosen to participate in training in Lampang. These trainings were carefully crafted to pilot a support model that has caught the

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<sup>33</sup> With the Bank for Agriculture and Agricultural Cooperatives taking a lead role.

<sup>34</sup> Interview with BAAC Representative at BAAC Head Office, Bangkok, Thailand, April 03, 2023.

<sup>35</sup> Sida draft Narrative report on progress of work in 2022

<sup>36</sup> Based on interviews with RFD, with RTA and programme documentation.

attention of local and district government officials in Nakhon Sri Thammarat and Lampang, who are eager to replicate the model in other areas.<sup>37</sup>

Two local and one national gender workshops have been held, described by participants as useful in awareness raising and influencing male/female mandates and responsibilities in the MSMEs. Both male and female MSME owners (wood product producers and tree growers) could give examples of how gender relations had changed. This included formal changes (who took the lead in what) and awareness/attitudinal changes (greater recognition of women's contribution, greater self-esteem expressed by women).

### ***Relevance and coherence***

There was consensus among key informants that the programme was relevant and addressed real needs. All stakeholder groups could exemplify adaptations in programme implementation based on contextual changes (ranging from Covid to policy regulatory changes) and learning over time.

The program supported small-scale tree growers and wood products producers by imparting essential training on sustainable forest management practices, including harvesting techniques, reforestation, marketing, financial resources, and law and policy framework in supporting their business. Training needs were identified in dialogue with participating MSMEs and experts from local authorities/CSOs/associations and/or national authorities such as the Royal Forestry Department.

### ***Impact***

Key informants highlight increased productivity, better cost control and better understanding of marketing, including identification of new markets, development of new products and innovative use of the internet for market development. The increased importance given to marketing, design and use of the internet was cited as changing gender roles and increasing youth interest in the sector, although the effects on youth interest were debated.<sup>38</sup>

The pilot connected smallholders with improved practices with new markets and with financial institutions – primarily the Bank of Agriculture and Agricultural Cooperatives (BAAC). This gave access to existing capacity development programming and allowed EFI to collaborate with the bank in developing training and increasing the bank's understanding of smallholder (specifically tree grower) challenges. Some tree growers have now been integrated into BAAC “tree bank” systems and joint efforts are underway to find ways of using growing trees as collateral for loans.<sup>39</sup>

With CSO and EFI's supported activities, the Forest Act has been amended. It now grants smallholders in the forestry sector the ability to issue Self-Declaration forms (SD).<sup>40</sup> This is a simplified form of tracing timber origin. Under the new system the

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<sup>37</sup> Sida draft Narrative report on progress of work in 2022

<sup>38</sup> Interviews with Royal Forest Department, Recoftc, and communities April 03 to 07, 2023

<sup>39</sup> Interviews with BAAC provincial and national representatives and programme documentation.

<sup>40</sup> <https://tefso.org/en/adoption-of-guidelines-for-self-declaration-2/>



tree growers and wood product producers may, based on agreed guidelines with the Royal Forestry Department (RFD), <sup>41</sup> self-declare the origins of timber inputs.

The local community gained a better understanding and increased comfort in utilizing SD form, thanks to the project's efforts. This was achieved through the visit of the Director of RFD's Legal Office, who presented the SD form and various regulatory requirements to tree growers at EFI's pilot site in Nakhon Sri Thammarat. In addition, the Bank for Agriculture and Agricultural Cooperatives (BAAC) played a crucial role in the training as the SD presents an opportunity for BAAC's Treebank communities to engage in the legal timber trade.

Key informants repeatedly highlighted the importance of the new system which reduces the number of local authority attestations needed to certify timber origin. Informants cited significant decreases in petty bribes needed to operate following its introduction. One quantified monthly decreases from 12,000 Baht to almost zero. Several highlighted the management time saved and the decreased harassment by traffic police during transportation of timber and timber products.

Programme documentation identifies five women who have subsequently taken on leadership roles and 11 female-led MSMEs collaborating to promote women-led businesses.

**Summary:** Thai activities focused on formalising reclaimed timber as a legal input source and raising awareness of MSME potential and challenges. Policy changes implemented to recognise this, and evidence indicates that the programme contributed to the change. Capacity development of MSMEs in wood product processing and tree growing had a direct impact on MSME value chain development and relations with local authorities. High local relevance based on needs focused design and close collaboration with local authorities and civil society. Clear effects for participating MSME and local authority technical knowledge levels and MSME regulatory compliance. Clear evidence of close collaboration with RFD and contribution to regulatory development.

#### 4.2.5 Vietnam context

Vietnam's forest cover has increased from 28% to 41.9% due to government programs, with household-owned plantations making up 37%.<sup>42</sup> Vietnam and the EU concluded negotiations on Voluntary Partnership Agreement (VPA) under FLEGT in May 2017.<sup>43</sup> The VPA was ratified in May 2019. Vietnam is now working on developing its TLAS infrastructure and promoting awareness of VPA/FLEGT.<sup>44</sup> The forestry sector is witnessing the implementation of new laws and regulations, which include the creation

<sup>41</sup> Seventh Regional Training Workshop on Timber Legality Assurance, 19-21 November 2019, JAKARTA, INDONESIA. page 12. *"Self-declaration for supply chain controls for timber from private lands is also a new topic in Thailand. The recent legal reform has allowed all timber from private lands to enter the controlled supply chain. The Royal Forest Department is exploring solutions through participatory consultations with stakeholders on how to document the legality of such timber."*

<sup>42</sup> Australia Center for International Agriculture Research, Final report: Policy analysis for forest plantations in Lao PDR and Viet Nam, 2022

<sup>43</sup> Seventh Regional Training Workshop on Timber Legality Assurance 19 - 21 November 2019, JAKARTA, INDONESIA

<sup>44</sup> Ibid.



of the Vietnam Timber Legality Assurance System (VNTLAS) and a heightened emphasis on import/export matters via a Decree and a Circular on Forest Product Management. Vietnam's TLAS system monitors the entire timber supply chain for households and businesses, from harvesting to selling domestically or for export.

The Vietnamese government aims to supply bigger (greater diameter) and more valuable logs to help smallholder wood or furniture producers. At present, smallholder-owned trees are usually sold for woodchip exports when they are only 3-5 years old.<sup>45</sup> However, more production of larger and more valuable logs, would bring greater benefits to regional economies. This would require improved extension services higher-quality seedling sources and robust technical capacity building.

#### **4.2.6 The Vietnam pilot projects**

EFI has been working closely with the Vietnam Timber and Forest Products Association (VIFOREST) and the Vietnam Forest Owners Association (VIFORA) to support the capacity building of the tree grower and wood processors industry in wood villages and processors. They have also provided analysis on the impact of TLAS-related Decree on MSMEs within the context of import controls and traceability, which has indirectly contributed to the professionalisation of VIFOREST.

Work with tree growers has drawn heavily on experience from the Thai pilot projects. Training materials developed there have been reused after contextual adaptation (e.g., plantation management including planting, culling, measuring timber volume growth, gender roles etc).

The pilot projects in Vietnam have also worked with furniture makers based in “wood villages”, focused on processing and market-oriented capacity development. Shifting production techniques away from high-risk timber species, encouraging collaboration to achieve economies of scale and improving links to larger timber industries and new markets.

The capacity building program supported by EFI included on workshop safety, efficient layout design workshop, and waste management. The evaluator visited several workshops where changes in work processes were apparent.

Other training programs cover essential accounting, product costing, and business development skills, including creating a business model canvas and online marketing and a wide range of soft-skills training to help tree growers and wood processors succeed. For the tree grower and wood processors industry, it is crucial to get collaboration and support in order to lower production costs and improve access to technology, high-value timber markets, and financing.<sup>46</sup> MSME owners interviewed proudly demonstrated marketing materials, new designs allowing more efficient storage (IKEA principles) and a new financial (internet based) system allowing joint follow-up among collaborating MSMEs. The latter was also described as the foundation for improved timber origin tracing laying, groundwork for future certification.

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<sup>45</sup> Ibid.

<sup>46</sup> VIFORES key informant, interview

The tree grower training activities focused on building skills and addressed financial issues. Programme interaction with them, reportedly revealed the need for more cooperation among the growers, seeking ways to fund short-term expenses when prolonging growth cycles to achieve higher profitability through better quality.

In the very short term the growers' required small, short-term loans in addition to the ones provided by banks. As a result, VIFORA and EFI proposed the concept of a mutual fund, a micro-credit fund managed by community members. The fund aims to provide small loans in emergencies without requiring any collateral and encourage better connections among tree growers. The tree growers from the same area agreed to contribute small amounts to the fund, which is managed by the group. The groups are reported to be functioning.

EFI co-organised VIFORA's national General Assembly at the national level, which included a workshop on solutions for forest smallholders in Viet Nam. It allowed the tree growers to discuss their problems and propose solutions to support smallholders in VIFORA's chapters in cooperation with EFI.

Key informant opinions that policy-makers awareness of MSME potential and challenges had improved were not possible to triangulate.

### ***Relevance and coherence***

The Vietnamese government's aims to increase timber supply includes efforts to lengthen the growth cycle in plantations (greater diameter). This is intended to lessen imports and increase domestic production, as well as the timber value through more valuable logs. At present, smallholder-owned trees are usually sold for woodchip exports when they are only 3-5 years old.<sup>47</sup> However, more production of larger and more valuable logs is seen as bringing greater benefits to regional economies. This would require improved extension services, higher-quality seedling sources and robust technical capacity building. Programme efforts to improve tree grower plantation management capacity are well in line with government planning for the forest sector. Currently, the regulations in Vietnam regarding traceability and timber legality assurance are not being fully met by MSMEs as required by law. Additionally, the new Circular 26 was published in December 2022 and outlines regulations for the management and traceability of forest products. However, its effectiveness has yet to be seen. EFI works in Vietnam is reportedly helping to design well-grounded training activities with the support of the local authorities and the close engagement of VIFORA.<sup>48</sup>

### ***Impact***

Furniture making MSMEs from "wood villages" that were provided training and mentoring on processing and market-oriented skills, have clearly developed their capacity and applied new skills to processing and business. Improvements in workshop layout, work processes as well as working environment are evident from documentation and on-site presentations.

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<sup>47</sup> Ibid.

<sup>48</sup> Sida draft Narrative report on progress of work in 2022

Several MSME owners described that they have, or are in the process of, a shift away from using high-risk timber species. There is visible evidence from inventory and marketing material to support this change.

The programme encouraged MSME collaboration seeking to achieve economies of scale. One joint venture involving eight companies has been formed and new models of collaboration are being tested. Owners report that this has improved connections to larger timber industries and opened up new markets. This is also true of the input market where improved supplier relations have resulted in reduced costs (and material waste) through changes in standard size of fiberboard deliveries.

Four communes received on-site training to improve tree growers' volume estimation skills using phone applications. This is seen as crucial to increasing tree growers understanding of plantation value with effects on growth cycles and negotiating power in relation to timber buyers. Programme documentation and off-site interviews<sup>49</sup> with participating tree growers indicate increased understanding of plantation management, improved business understanding and ongoing dialogue about gender issues.

Gender inequalities are prevalent among MSMEs in the timber processing sector, with a wage gap of 51% in timber-based household businesses compared to the forest product processing sector's average of 37% in Vietnam. Efforts are being made to promote gender equality in this industry. Key informants also described MSME internal shifts in gender relations, including greater recognition of women's capacity and related changes in division of responsibilities with MSMEs participating.

**Summary:** Vietnam activities focused wood processing villages, small-scale plantation tree growers and associations supporting them. There was clear evidence of improved processing, lower risk product mix (in terms of tree species use), and better market access for the processing MSMEs. Some (weak) evidence of improved policymaker awareness of MSME issues. High local relevance based on needs focused design and close collaboration with local authorities and civil society. Work process change based evidence of raised gender awareness.

## 4.3 REGIONAL LEVEL FINDINGS

### *Activities*

In the period 2020-2023, the Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia (2014-2023) Programme's main focus has been to work with key stakeholders in the ASEAN Member States engaged in VPA processes. The programme builds on the work EFI did on FLEGT in Asia under the EU FLEGT Facility, indicating continuity. Its management is with the EU Delegation to Indonesia, and on EFI's side with the regional office in Kuala Lumpur.<sup>50</sup>

Building on the EU FLEGT Action plan activities in previous years the programme has continued to collaborate with stakeholders such as the ASEAN secretariat, FAO, the

<sup>49</sup> Vietnamese did not grant permission for the evaluator to visit tree grower communes.

<sup>50</sup> EFI The proposal for continuation of support for FELGT\_ 26 July 2021.

International Tropical Timber Organisation (ITTO) to support regional interaction through research, arranging and facilitating regional meetings and MSME focused side events at such meetings.

### ***Relevance***

EFI identified key challenges faced by MSMEs to operate legally and sustainably. These include low productivity and poor operational capacity, access to legal timber, compliance with regulatory requirements and poor representation in policy processes. EFI then tested solutions to these challenges in six pilot projects in the abovementioned countries.<sup>51</sup>

In Lao, Thailand and Viet Nam, Voluntary Partnership Agreement (VPA) negotiation with the EU to address illegal logging and related timber trade provided an opportunity for MSMEs to connect with policymakers. As part of EFI's pilot program, two industry associations were established raising awareness of MSME issues in policy making circles.

The programme has been well aligned with Sweden's regional strategies for Asia.

### ***Coherence***

All regional activities have been undertaken in collaboration with partners be they the ASEAN secretariat, APEC, other donors or UN agencies. As such, although this complicates attribution of achievements, they have engaged a broad range of stakeholders in multiple initiatives. While individual initiatives are not sustainable, the level of engagement in regional and national forest sectors and the debate surrounding trade and sustainability issues is described as robust and growing both by key informants and in the documentation reviewed.

### ***Impact***

The ASEAN Regional Workshops on Timber Legality Assurance organised by EFI and ASEAN through the EU FLEGT Facility are described (by EFI) as instrumental for an increase in exchanges among ASEAN Member States on FLEGT related topics. They also note a greater engagement on the part of Japan, the Republic of Korea and China.<sup>52</sup>

The MSME perspective is repeatedly referred to in the summary of the APEC EGILAT Dec 21 meeting, indicating an increased awareness of MSME role and challenges. This increased awareness is likely linked to EFI presentations at the meeting.<sup>53</sup>

The evaluation notes a series of initiatives targeting regional interaction but does not have sufficient data to assess overall effects. Policy level participation in MSME focused events as well as examples of MSME inclusion in regional forest related policy documents, such as the APEC EGILAT policy theme, indicate that the programme has contributed to regional policy development on forestry issues.

### ***Value added***

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<sup>51</sup> [https://forestsmallholders.org/wp-content/uploads/2023/04/Poster-XV-WFC\\_EFI.pdf](https://forestsmallholders.org/wp-content/uploads/2023/04/Poster-XV-WFC_EFI.pdf)

<sup>52</sup> proposal for continuation of support for FELGT\_ 26 July 2021

<sup>53</sup> APEC EGILAT Policy Theme: Advancing the Trade and Distribution of Legally Harvested Forest Products, Final Report Dec 2021.

There is evidence of influence on regional processes, primarily from agendas and meeting documentation. However, highlighting such influence is not in the interest of stakeholders being influenced.

The stakeholders consulted were focused on local and national effects and we do not have data allowing a comparison of the degree of influence compared to other processes.

Furthermore, we have not been able to triangulate influence with non-EFI sources. In conclusion: we see evidence of regional value added but are not able to assess its importance.

## 4.4 GENDER

Regulatory frameworks in all three countries highlight the participation and empowerment of women, through equal opportunities and equal wages. However, the implementation of, and general compliance with, such legal ambitions is limited.<sup>54</sup>

The Vietnam gender study found that roles assigned to men and women in the wood processing sector are strongly influenced by the socio-cultural context and norms and traditions. Women in the sector earn lower wages than men because men play the main roles in key production activities while business owners assign women to tasks seen as “lighter”, activities which are paid much less. Women’s opportunities for vocational training are limited and men generally have better opportunities to access production resources than women. Women’s contributions are not always visible and tend to be unrecognised. Furthermore, women are more vulnerable to crises, such as market declines and material shortages, because their employment is more tenuous than men’s.<sup>55</sup>

In recognition of the importance of the issue, EFI added a part time gender expert to the management structure in the latest phase of the programme. Gender focused activities, focused on training and awareness raising, mostly in collaboration with gender focused local institutions, have been implemented in all three countries. In Laos, the Women’s Union had not been in touch with the timber/wood processing sector before. Their stated intention was to continue work in the sector now that they were aware of the number of women active within it. In Thailand a number of key informants attested to greater recognition of women’s contributions to MSME production. Local authorities noted greater female participation in the form of women taking on/being selected for leadership positions in groups representing reclaimed timber enterprises.

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<sup>54</sup> 2018 SMES brief internal paper, p 10.

<sup>55</sup> 2021; Shanks, E. Situation analysis of gender in Vietnam’s forest sector. 2021

**Summary:** Formal research (such as the Vietnam gender study) and practical experience from the pilot projects have increased MSME participants and local authorities/ institutions awareness of the development potential of addressing gender issues in the forestry sector. There is evidence of women’s empowerment in MSME work processes and evidence of limited women’s empowerment in local decision-making fora (in Thailand).

## 4.5 SUSTAINABILITY

Overall, programme activities are not sustainable without external support. Nor is the EFI implementation structure.

In some cases, such as relations with BAAC in Thailand, with the Provincial Lao Women’s Union in Attapeu or in relations with local authority technical departments, the awareness raising that has taken place in EFI counterpart institutions is strong enough that key informants state that they will continue activities with their own resources or will actively seek alternative resources to continue.<sup>56</sup>

Other changes attributed to the programme, such as workshop reconfigurations, improved waste management, developed value chains or changed division of labour in terms of gender roles, are described as having proved themselves by raising profitability. They are described as permanent by key informants.

Industrial associations established with programme mentoring are likely to be sustainable, at least in the medium term.

Finally, policy and regulatory changes made, such as recognition of reclaimed timber and the introduction of self-declaration forms in Thailand, have been formalised legally and are sustainable in the current con

<sup>56</sup> Based on Key informant responses when asked about a future without EFI input.

## 4.6 EFFECTS ON POVERTY

Sida's Multi-Dimensional Poverty Analysis seeks to nuance the poverty perspective. A full analysis requires much more detailed data than this evaluation has generated. However, using the terminology to structure our comments allows us to consider whether the programme is likely to have contributed to alleviating poverty. The table below summarises the evaluation team's assessment of where there is evidence that the programme has contributed to affecting poverty.

| Target group<br>Dimension | Lao<br>male<br>Direct | Lao<br>female<br>Direct | Lao<br>male<br>Indirect | Lao<br>female<br>Direct | Thai<br>male<br>Direct | Thai<br>female<br>Direct | Thai male<br>Indirect | Thai female<br>Indirect | Viet Nam<br>male<br>Direct | Viet Nam<br>female<br>Direct | Viet Nam<br>male<br>Indirect | Viet Nam<br>female<br>Indirect |
|---------------------------|-----------------------|-------------------------|-------------------------|-------------------------|------------------------|--------------------------|-----------------------|-------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|
| Access to resources       | ++                    | +++                     | ?                       | ?                       | ++                     | +++                      | ++                    | ++                      | +++                        | ++                           | ?                            | ?                              |
| Voice and empowerment     | +                     | +                       | ?                       | +?                      | ++                     | +++                      | ++                    | ++                      | +?                         | ++?                          | ?                            | ?                              |
| Opportunities and Choice  | +                     | ++                      | ?                       | +?                      | ++                     | +++                      | ++                    | ++                      | +                          | +                            | +?                           | +?                             |
| Human Security            | N.a.                  | N.a.                    | N.a.                    | N.a.                    | N.a.                   | N.a.                     | N.a.                  | N.a.                    | N.a.                       | N.a.                         | N.a.                         | N.a.                           |

Table 2: MDPA;

The **direct** target group in each country are people participating in one on the pilot projects (MSME owners; husband/wife).

The **indirect** target groups are MSME owners not affected by a pilot project but potentially affected by policy changes or increased awareness among line ministry technical staff or national network/ banks etc.

+ Limited, positive effect reported/assessed

++ Positive effect reported/assessed

+++Clear positive effect reported/assessed

? No evidence

+? Some evidence but not well triangulated

N.a. Not applicable/assessed

# 5 Conclusions

## 5.1 VALIDITY OF ASSUMPTIONS MADE IN THE THEORY OF CHANGE

The evaluation concludes that there is ample evidence from documentation and interviews that stakeholders have engaged sufficiently to achieve raised awareness of MSME challenges and develop work process and regulatory adjustments and/or practical support to address some of these.

Although with varying levels of engagement and understanding, stakeholders have shown willingness to address gender and poverty in the processes in which the regional debate on forest governance is emerging.

It is too early to assess whether lessons learned, and solutions developed, in the pilots will be possible to disseminate and implement to an extent that the welfare of forest-dependent people in the region are actually affected.

There are partnerships with networks, organisations and/or institutions that are willing to jointly influence the forest sector regionally, nationally, and locally. Resource and capacity constraints vary and commonly limit their effectiveness.

Overall, the programme logic is therefore assessed to be sound.

## 5.2 RELEVANCE

The evaluation concludes that programme relevance is high in relation to needs of the direct target groups, to national development plans for the forest sector in all three countries, and to Sweden's Regional strategies for Asia and the Pacific.

## 5.3 COHERENCE

The evaluation concludes that the programme has been coherent with government and other key stakeholder interventions in the sector. This is assessed to be true for activities and output at regional, national, and local levels.

The evaluation team lacks sufficient data to assess whether the EFIs investment in developing results-based management has had an impact on coherence in terms of outcomes.

## 5.4 EFFECTIVENESS

Programme planning overall has been adaptive with multiple examples of adaptation in the face of contextual change. This is true at overall level (changes for Covid, recognition of need to do more in gender) down to specific activity level (adjustments of training content, participant selection, choice of support for policy processes).



Programme documentation summarises activities planned and implemented. Challenges encountered and adjustments made are justified therein. The evaluation has not attempted to triangulate such reporting and cannot validate its correctness.

### 5.5 IMPACT

The evaluation concludes that local impact for direct beneficiaries has been significant.

The programme sought to influence policy-making for the forestry sector at both national and regional levels. Multiple stakeholders have an interest in influencing such processes and work to do so. The evaluation has not had access to these stakeholders in order to triangulate interview respondents' views and documentation reviewed. With that caveat, the evaluation concludes that there is some evidence of societal level impact such as improved regulatory routines in Thailand (SD process) and greater policy awareness of MSME potential and challenges (recognition in policy making processes at national and regional levels).

There is evidence of regional value added but data is insufficient to assess its importance.

As the outputs have generally been delivered and the assumptions are assessed to be valid (to the extent possible to assess at this stage), the evaluation concludes that the programme is likely to have contributed to furthering its objectives.

### 5.6 SUSTAINABILITY

The programme implementation structure is not sustainable without outside support. Programme effects in terms of capacity development, innovations, policy changes and network development are all likely to be sustainable.

### 5.7 GENDER

The evaluation notes that the programme has adapted to increase its emphasis on gender aspects and that there is evidence that the associated activities have influenced gender roles in pilot project MSMEs (all countries) and contributed to local empowerment of women (in Thailand).

## 6 Recommendations

It is clear from the ToR that Sida funding will not be provided for any coming phase of the programme.

Sida is recommended to map regional interventions that are being funded under Sweden's Regional Development Strategies for Asia and the Pacific for 2022-2026 to identify activities that would benefit from experience gained in this programme. Areas of particular interest maybe gender in MSMEs (not only forest sector) and methodologies to improve MSME market linkages.

EFI is recommended to develop an exit strategy seeking to ensure the handover of learning from, and the networks developed in the pilot projects. Follow-up of emerging relations with market actors, finance institutions and local authorities should be prioritised.

EFI is recommended to design proposals for any follow-up phase around support for extension services targeting tree grower/timber processing MSMEs. Extension services should focus on entrepreneurship, sustainability of small-scale timber production and incentivising regulatory compliance. If funders can be convinced to support it, proposals should be developed with a focus on outcome goals, not detailed activity planning.

# Annex 1 – Terms of Reference

Nota Bene: During the inception phase dialogue with EoS/EFI it was agreed to focus the evaluation further as detailed in an email from EoS dated 230227.

It was agreed to focus on: Relevance: the first two bullet points [*of the ToR*] can be the focus of the evaluation, coherence, impact: emphasizing that “the results on the ground is important related to poverty aspect, so we could focus on what are the most significant impacts on the target groups/beneficiaries”, and sustainability with a focus on organisations or MSMEs (for example, tree growers and furniture small businesses).



## **Terms of Reference for the Evaluation of the European Union Forest Law Enforcement, Governance and Trade (FLEGT) Programme (2014-2023)**

Date: 9 January 2023

### **1. General information**

#### **1.1 Introduction**

The Swedish Development Cooperation Agency (Sida) has supported the European Union (EU) Forest Law Enforcement, Governance, and Trade (FLEGT) Programme on "Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia" through the Development Cooperation Section at the Swedish Embassy in Bangkok. Through the EU FLEGT Action Plan, the intervention aims to combat illegal logging in Asia while also increasing regional awareness and ownership of forest governance issues in the Greater Mekong and other regions in Asia. In Asia, illegal logging is a problem with significant negative economic, environmental and social impact. In economic terms illegal logging results in lost revenues and other foregone benefits. In environmental terms, illegal logging is associated with deforestation, climate change and a loss of biodiversity. In social terms illegal logging can be linked to conflicts over land and resources, the disempowerment of local and indigenous communities, corruption and armed conflicts. Illegal activities also undermine the efforts of responsible operators by making available cheaper but illegal timber and timber products in the market place. This has been the result of weak law enforcement and poor governance in forest countries, and of failure of timber markets to distinguish between legally and illegally produced products.

The EU Timber regulation and Voluntary Partnership Agreements (VPAs) are two parts of the FLEGT Action Plan, the EU initiative to combat illegal logging and improve forest governance. In 2013, the EU Timber regulation entered into operation, prohibits the placing of illegal timber on the EU market. The VPAs are treaties with timber-producing countries that export timber and timber products to the EU. FLEGT Asia supports the development and implementation of VPAs, wherever feasible, but also assists partner country policies towards sustainable forest management and good forest governance, in countries where VPAs are less appropriate. The approach is that all countries have specific 'FLEGT' realities and require tailored approaches.

The overall objective of the EU Action Plan in Asia is to contribute to poverty eradication and sustainable forest management in Asia through improved forest governance and increased trade in legal timber and timber products, within Asia and between Asian countries and outside (e.g., the EU), through strengthened regional cooperation. Regional cooperation enables countries to benefit from sharing lessons and experiences relating to VPAs. FELGT Asia has experience that regional and bilateral activities are mutually reinforcing: Regional activities often result in action at national and sub-national level. Similarly, national actions often reinforce regional policy dialogue and cooperation.

## **1.2 Evaluation object: Intervention to be evaluated.**

The evaluation object is the EU Forest Law Enforcement, Governance and Trade (FLEGT) (2014-2023) programme, which Sida has supported since December 2014, when it signed an agreement with the European Forest Institute (EFI).

The Agreement is valid until 30 September 2024, but the Activity Period is valid until 31 December 2023. The total budget for the duration of the intervention is SEK 49 865 000, which includes gender support in 2019 and cost-extension in 2021. Sweden is the sole financial contributor to this intervention.

The programme has been implemented within three of Sweden's Regional Development Strategies for Asia and the Pacific for 2010-2015, 2016-2021 and 2022- 2026, respectively. The evaluation will focus on the previous five years, from 2018 to 2022, to capture the majority of the work in the pilots. The programme is mainly relevant to Sweden's Regional Development Strategies for Asia and the Pacific for 2016-2022 and partly to Sweden's Regional Development Strategies for Asia and the Pacific for 2010-2015 and 2022-2026. The programme aims “to contribute to poverty eradication and sustainable forest management in Asia through support to the implementation of the EU FLEGT Action Plan”. Its particular purpose is “to foster private and public engagement in forest sector governance and legal forest management in South East Asia, particularly in the Greater Mekong Sub-region, in order to support inclusive development processes that create opportunities for employment and income for people and communities who depend on forests”.

The work supported should increase understanding of issues faced by the small and informal forest sector enterprises and avoid situations where FLEGT instruments exclude these enterprises from markets thereby exacerbating poverty. It should also generate lessons for the FLEGT Facility for its work with VPAs in Asia, and in other regions.

The EU FLEGT Facility promotes legal timber trade by supporting activities related to the implementation of the EU FLEGT Action Plan. The Facility operates in two areas:

- Supporting the preparation and implementation of Voluntary Partnership Agreements (VPAs) between timber-producing countries and the EU
- Guiding the development of the overall FLEGT process and mechanisms

In particular, the Sida contribution focuses on two deliverables, namely:

- 1) Strengthening regional ownership and cooperation on FELGT in the Mekong and Asia regions: The initiative supports regional stakeholder groups, networks, processes, and dialogues that complement and strengthen ASEAN's work in developing regional policy.
- 2) Defining policies and piloting support mechanisms for SMEs to meet changing market demands: Millions of families live in Asia's forests. Many of these families rely on forests for subsistence. Many others are also directly or indirectly dependent on earnings from timber sales or jobs in the timber sector. Engaging with largely family-owned small and medium-sized timber enterprises and the people who rely on them is critical to combating poverty, respecting tenure and use rights, reducing the environmental impact of the timber sector, and maximizing business-to-business relationships for change.

The method that applies to all contributions within Sweden's Regional Development Strategies for Asia and the Pacific is an integrated approach between environment, climate change, gender, and human rights. There is, however, insufficient information on gender impacts in the region's forest sector. Women provide a significant portion of the workforce of small businesses in the forest and timber sector in the Mekong region, but few analyses of gender-differentiation or gender-specific impacts of regulations on women's participation have been carried out. The intervention has been working and analysing to better understand the relationship between gender inequality, SMEs, and poverty in Asia, as well as to integrate gender equality aspects at various levels.

In addition to the MSME work, Sida supported regional ownership and cooperation on FELGT in the context of ASEAN, with a focus on capacity building, technical analyses, and regional dialogues on FELGT topics. Sida's contribution did not support bilateral VPA processes between the EU and VPA countries, the scope of the evaluation should exclude the EU's bilateral interventions funded through the EU FLEGT Facility, primarily in the context of VPAs.

### **1.3 Evaluation rationale**

The evaluation is to be carried out now because the EU FLEGT programme is concluding its current phase of implementation. In addition, the EU FLEGT programme has not previously been the object of a fully independent evaluation.

## **2. The assignment**

### **2.1 Evaluation purpose:**

The evaluation will use an interactive methodology to engage with the EU FLEGT programme. It will collect and analyse lessons learned, challenges faced and best practices during the implementation of the current phase that could inform a next phase of the programme.

The purpose or intended use of the evaluation is:

- 1) to provide foundation for an in-depth review of the EU FLEGT Programme's progress to the Embassy/Sida and EFI in order to learn what works well and what has not work, and to inform how project implementation and delivery mechanisms can be adjusted and improved, and which aspects can be improved, and;
- 2) to provide the Embassy/Sida and EFI with input to the upcoming discussion concerning the preparation of a possible next phase of the Forest Smallholders Project.

The primary intended users of the evaluation are the Embassy of Sweden in Bangkok and EFI.

The evaluation is to be designed, conducted and reported to meet the needs of the intended users and tenderers shall elaborate in the tender how this will be ensured during the evaluation process.

Other stakeholders that should be kept informed about the evaluation include the European Commission, ASEAN, and policymakers in implementing countries.

During the inception phase, the evaluator and the users will agree on who will be responsible for keeping the various stakeholders informed about the evaluation.

## **2.2 Evaluation scope**

The evaluation scope is limited to the EU FELGT Programme during the period of 2018-2022.

The analysis shall include 1) the contribution of activities towards achieving programme objectives, 2) approaches to monitoring and evaluation of programme progress and achievements.

The evaluation's primary geographic scope will include Lao PDR, Thailand, and Vietnam. The evaluation should have a regional coverage that includes analysis of EU FLEGT's work as it relates to ASEAN, and could include other regional

The target groups to be included in the evaluation are micro and small wood processing enterprises, tree growers, civil society organizations, national and local authorities and industry associations.

If needed, the scope of the evaluation may be further elaborated by the evaluator in the inception report.

### 2.3 Evaluation objective: Criteria and questions

The objective of this evaluation is to evaluate the program's relevance, coherence, effectiveness, efficiency, impact and sustainability and provide recommendations for discussions between the Embassy and EFI, as well as and inputs for the possible next phase.

More specifically, the evaluation should answer the following questions:

*Relevance:*

- How well did the Program's design and objectives meet the needs of key stakeholders and beneficiaries, particularly MSMEs?
- To what extent has the Program been responsive to national and regional needs and priorities, within and outside of the forest sector such as compliance with laws and regulations, sustainability, MSME resilience and livelihood opportunities in rural areas, sustainability, gender equality, etc.?
- What are the most significant contributions to the implementation of Sweden's Regional Development Strategy for Asia and the Pacific for 2016-2022 (mainly) and for 2022-2026 (partly)?

*Coherence:*

- How compatible has the intervention been with other interventions in the Laos and Vietnam, in forest sector or organisation where it is being implemented?

*Effectiveness:*

- To what extent has the Program achieved its objectives? And what factors contributed or prevented the achievement of the Program objectives?
- How and to what extent has the Program monitoring and evaluation system delivered robust, accurate and relevant information that could be used to assess and improve progress towards objectives?

*Efficiency:*

- To what extent has the intervention delivered results in a timely and cost efficient way?

*Impact:*

- What results (expected and unexpected; direct and indirect) and high-level effects were produced by the Program?
- What are the most significant impacts on the target groups/beneficiaries? And what might those impacts be?

*Sustainability:*

- To what extent, and how, will the intervention benefit MSMEs in participated countries and contribute to timber legality in ASEAN beyond the end of the current agreement with Sida?

Questions are expected to be developed in the tender by the tenderer and further refined during the inception phase of the evaluation.



## 2.4 Evaluation approach and methods

It is expected that the evaluator describes and justifies an appropriate evaluation approach/methodology and methods for data collection in the tender. The evaluation design, methodology and methods for data collection and analysis are expected to be fully developed and presented in the inception report. Given the situation with Covid-19, innovative and flexible approaches/methodologies and methods for remote data collection should be suggested when appropriate and the risk of doing harm managed.

The evaluator is to suggest an approach/methodology that provides credible answers (evidence) to the evaluation questions. Limitations to the chosen approach/methodology and methods shall be made explicit by the evaluator and the consequences of these limitations discussed in the tender. The evaluator shall to the extent possible, present mitigation measures to address them. A clear distinction is to be made between evaluation approach/methodology and methods.

A *gender-responsive* approach/methodology, methods, tools and data analysis techniques should be used.<sup>57</sup>

Sida's approach to evaluation is *utilization-focused*, which means the evaluator should facilitate the *entire evaluation process* with careful consideration of how everything that is done will affect the use of the evaluation. It is therefore expected that the evaluators, in their tender, present i) how intended users are to participate in and contribute to the evaluation process and ii) methodology and methods for data collection that create space for reflection, discussion and learning between the intended users of the evaluation.

Qualitative methods such as interviews, focus group discussions, and/or participatory workshops should be used. The evaluation shall include input from the EFI, and other persons/organizations identified by the evaluators as being of relevance for the evaluation.

In cases where sensitive or confidential issues are to be addressed in the evaluation, evaluators should ensure an evaluation design that do not put informants and stakeholders at risk during the data collection phase or the dissemination phase.

## 2.5 Organisation of evaluation management

This evaluation is commissioned by The Embassy of Sweden in Bangkok. The intended users are The Embassy of Sweden in Bangkok, the EFI and their stakeholders, such as, European Commission, ASEAN and policymakers in forestry at implemented countries. The ealuand EFI has contributed to the ToR and will be provided with an opportunity to comment on the inception report as well as the final report, but will not be involved in the management of evaluation.

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<sup>57</sup> See for example UNEG United Nations Evaluation Group (2014) Integrating Human Rights and Gender Equality in Evaluations <http://uneval.org/document/detail/1616>

Hence the commissioner will evaluate tenders, approve the inception report and the final report of the evaluation. The start-up meeting and the debriefing/validation workshop will be held with the commissioner and with EFI.

## 2.6 Evaluation quality

All Sida's evaluations shall conform to OECD/DAC's Quality Standards for Development Evaluation<sup>58</sup>. The evaluators shall use the Sida OECD/DAC Glossary of Key Terms in Evaluation<sup>59</sup> and the OECD/DAC Better criteria for Better Evaluation<sup>60</sup>. The evaluations shall specify how quality assurance will be handled by them during the evaluation process.

## 2.7 Time schedule and deliverables

It is expected that a time and work plan is presented in the tender and further detailed in the inception report. Given the situation with Covid-19, the time and work plan must allow flexibility in implementation. The evaluation shall be carried out February until June 2023. The timing of any field visits, surveys and interviews need to be settled by the evaluator in dialogue with the main stakeholders during the inception phase.

The table below lists key deliverables for the evaluation process. Alternative deadlines for deliverables may be suggested by the consultant and negotiated during the inception phase.

| Deliverables                                                              | Participants                                                  | Deadlines                               |
|---------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------|
| 1. Start-up meeting at the Embassy of Sweden in Bangkok and/or virtually  | Evaluators, EFI Programme Manager, Embassy of Sweden, Bangkok | Tentative Week 7, (13-17 February 2023) |
| 2. Draft inception report                                                 |                                                               | Tentative Week 8-10                     |
| 3. Inception meeting at the Embassy of Sweden in Bangkok and/or virtually | Evaluators, EFI, Embassy of Sweden                            | Tentative Week 11 (13-17 March 2023)    |
| 4. Comments from intended users to evaluators                             |                                                               | Tentative 24 March 2023                 |

<sup>58</sup>OECD (2010) DAC Quality Standards for Development Evaluation.

<sup>59</sup>Sida (2014) Glossary of Key Terms in Evaluation and Results Based Management.

<sup>60</sup>OECD/DAC (2019) Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use.

|                                                                                |                                                        |                                      |
|--------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------|
| (alternatively these may be sent to evaluators ahead of the inception meeting) |                                                        |                                      |
| 5. Data collection, analysis, report writing and quality assurance             | Evaluators                                             | Week 9-12                            |
| 6. Debriefing/validation workshop (meeting)                                    | Evaluators, EFI, Embassy of Sweden                     | Week 13 (27-31 March 2023)           |
| 7. Draft evaluation report                                                     |                                                        | Tentative Week 16 (17-21 April 2023) |
| 8. Comments from intended users to evaluators                                  |                                                        | Tentative 3 May 2023                 |
| 9. Final evaluation report                                                     |                                                        | Tentative 19 May 2023                |
| 10. Seminar (in Bangkok and/or virtual)                                        | Evaluator, EFI, Embassy of Sweden and Key stakeholders | Tentative 29 May – 2 June 2023       |

**The inception report** will form the basis for the continued evaluation process and shall be approved by Sida before the evaluation proceeds to implementation. The inception report should be written in English and cover evaluability issues and interpretations of evaluation questions, present the evaluation approach/methodology *including how a utilization-focused and gender-responsive approach will be ensured*, methods for data collection and analysis as well as the full evaluation design, including an *evaluation matrix* and a *stakeholder mapping/analysis*. A clear distinction between the evaluation approach/methodology and methods for data collection shall be made. All limitations to the methodology and methods shall be made explicit and the consequences of these limitations discussed.

A specific time and work plan, including number of hours/working days for each team member, for the remainder of the evaluation should be presented. The

time plan shall allow space for reflection and learning between the intended users of the evaluation.

**The final report** shall be written in English and be professionally proof read. The final report should have clear structure and follow the layout format of Sida's template for decentralised evaluations (see Annex C). The executive summary should be maximum 3 pages.

The report shall clearly and in detail describe the evaluation approach/methodology and methods for data collection and analysis and make a clear distinction between the two. The report shall describe how the utilization-focused approach has been implemented i.e. how intended users have participated in and contributed to the evaluation process and how methodology and methods for data collection have created space for reflection, discussion and learning between the intended users. Furthermore, the gender-responsive approach shall be described and reflected in the findings, conclusions and recommendations along with other identified and relevant cross-cutting issues. Limitations to the methodology and methods and the consequences of these limitations for findings and conclusions shall be described.

Evaluation findings shall flow logically from the data, showing a clear line of evidence to support the conclusions. Conclusions should be substantiated by findings and analysis. Evaluation questions shall be clearly stated and answered in the executive summary and in the conclusions. Recommendations and lessons learned should flow logically from conclusions and be specific, directed to relevant intended users and categorised as a short-term, medium-term and long-term.

The report should be no more than 40 pages excluding annexes (including Terms of Reference and Inception Report). If the methods section is extensive, it could be placed in an annex to the report. Annexes shall always include the Terms of Reference, the Inception Report, the stakeholder mapping/analysis and the Evaluation Matrix. Lists of key informants/interviewees shall only include personal data if deemed relevant (i.e. when it is contributing to the credibility of the evaluation) based on a case based assessment by the evaluator and the commissioning unit/embassy. The inclusion of personal data in the report must always be based on a written consent. The evaluator shall adhere to the Sida OECD/DAC Glossary of Key Terms in Evaluation<sup>61</sup>.

The evaluator shall, upon approval by Sida/Embassy of the final report, insert the report into Sida's template for decentralised evaluations (see Annex C) and submit it to Nordic Morning (in pdf-format) for publication and release in the Sida publication database. The order is placed by sending the approved report to Nordic Morning ([sida@atta45.se](mailto:sida@atta45.se)), with a copy to the responsible Sida Programme Officer as well as Sida's Evaluation Unit ([evaluation@sida.se](mailto:evaluation@sida.se)).

<sup>61</sup>Sida OECD/DAC (2014) Glossary of Key Terms in Evaluation and Results Based Management.

Write “Sida decentralised evaluations” in the email subject field. The following information must always be included in the order to Nordic Morning:

The name of the consulting company.

1. The full evaluation title.
2. The invoice reference “ZZ980601”.
3. Type of allocation: "sakanslag".
4. Type of order: "digital publicering/publikationsdatabas.

## 2.8 Evaluation team qualification

In addition to the qualifications already stated in the framework agreement for evaluation services, the evaluation team shall include the following competencies:

- At least one team member should hold a master degree or professional competencies in the field related to forestry, natural resource management and/or environmental sustainability.
- Experience and knowledge of governance, political, economic, and institutional issues related to sustainable forestry management and social well-being in Southeast Asia region, particularly the Mekong countries.
- Ability to assess complex situations, succinctly distilling critical issues and drawing forward-looking conclusions and recommendations.

It is desirable that the evaluation team includes the following competencies:

- Familiarity with the issues, challenges and priorities in developing countries within the region in the area of environmental sustainability, which also addresses gender inclusion and poverty reduction.

A CV for each team member shall be included in the call-off response. It should contain a full description of relevant qualifications and professional work experience.

It is important that the competencies of the individual team members are complimentary. It is highly recommended that local evaluation consultants are included in the team, as they often have contextual knowledge that is of great value to the evaluation. In addition, and in a situation with Covid-19, the inclusion of local evaluators may also enhance the understanding of feasible ways to conduct the evaluation

The evaluators must be independent from the evaluation object and evaluated activities, and have no stake in the outcome of the evaluation.

Please note that in the tender, the tenderers must propose a team leader that takes part in the evaluation by at least 30% of the total evaluation team time including core team members, specialists and all support functions, but excluding time for the quality assurance expert.

## 2.9 Financial and human resources

The maximum budget amount available for the evaluation is SEK 500 000.

Invoicing and payment shall be managed according to the following: The Consultant may invoice a maximum of 50 % of the total amount after approval by Sida/Embassy of the Inception Report and a maximum of 100 % after approval by Sida/Embassy of the Final Report and when the assignment is completed.

The contact person at Sida/Swedish Embassy is Kriangkrai Thitimakorn, Programme Officer, Section for Development Cooperation, Embassy of Sweden, Bangkok. The contact person should be consulted if any problems arise during the evaluation process.

Relevant Sida documentation will be provided by Kriangkrai Thitimakorn, Programme Officer, Section for Development Cooperation.

Contact details to intended users (cooperation partners, Swedish Embassies, other donors etc.) will be provided by Kriangkrai Thitimakorn, Programme Officer, Section for Development Cooperation.

The evaluator will be required to arrange all logistics (including bookings, interview bookings, virtual meetings, preparation of meetings) including any necessary security arrangements.

### 3. Annexes

#### Annex A: List of key documentation

##### Agreement and Application

- Grant Agreement
- Funding Proposal

##### Annual Narrative and Financial Reports

- 2018 Annual Report
- 2019 Annual Report
- 2020 Annual Report
- 2021 Annual Report

##### Swedish Strategies

- Strategy for Sweden's Regional development cooperation in Asia and the Pacific region 2010-2015
- Strategy for Sweden's Regional development cooperation in Asia and the Pacific region 2016-2021
- Strategy for Sweden's Regional Development Cooperation with Asia and the Pacific Region in 2022–2026

#### Annex B: Data sheet on the evaluation object

| Information on the evaluation object (i.e. intervention) |                                                                                                                             |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Title of the evaluation object                           | Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia: |

|                                                          |                                                                             |
|----------------------------------------------------------|-----------------------------------------------------------------------------|
| ID no. in PLANIt                                         | <a href="#">51020150</a>                                                    |
| Dox no./Archive case no.                                 | UF2013/14870/BANG                                                           |
| Activity period (if applicable)                          | 2014-12-01 - 2024-09-30                                                     |
| Agreed budget (if applicable)                            | SEK 49 865 000                                                              |
| Main sector <sup>62</sup>                                | Environment/Climate                                                         |
| Name and type of implementing organisation <sup>63</sup> | European Forest Institutes (EFI)                                            |
| Aid type <sup>64</sup>                                   | Project                                                                     |
| Swedish strategy                                         | Sweden's Regional Development Strategies for Asia and the Pacific 2016-2022 |

| Information on the evaluation assignment                             |                                                                        |
|----------------------------------------------------------------------|------------------------------------------------------------------------|
| Commissioning unit/Swedish Embassy                                   | Regional Development Cooperation Section, Embassy of Sweden in Bangkok |
| Contact person at unit/Swedish Embassy                               | Kriangkrai Thitimakorn                                                 |
| Timing of evaluation (mid-term, end-of-programme, ex-post, or other) | End-of-programme                                                       |
| ID no. in PLANIt (if other than above).                              |                                                                        |

Annex C: Decentralised evaluation report template  
*Enclosed as a separate file*

Annex D: Project/Programme document  
*Enclosed as a separate file*

<sup>62</sup> Choose from Sida's twelve main sectors: education; research; democracy, human rights and gender equality; health; conflict, peace and security; humanitarian aid; sustainable infrastructure and services; market development; environment; agriculture and forestry; budget support; or other (e.g. multi-sector).

<sup>63</sup> Choose from the five OECD/DAC-categories: public sector institutions; NGO or civil society; public-private partnerships and networks; multilateral organisations; and other (e.g. universities, consultancy firms).

<sup>64</sup> Choose from the eight OECD/DAC-categories: budget/sector support; core contributions/pooled funds; project type; experts/technical assistance; scholarships/student costs in donor countries; debt relief; admin costs not included elsewhere; and other in-donor expenditures.]

## Annex 2 – Documentation

2018 Annex 5 Status of Facility output delivery by deliverable  
2018 SMES brief internal paper  
2019 Annex 3. Facility deliverables implementation  
2019 Annex 4. Status of Facility output delivery by deliverable  
2019 Annual Report for SIDA\_Asia Regional and SmE  
2020 Annex 1. EU FLEGT Facility contribution and update  
2020 Annual Report for SIDA\_Asia Regional and MSME\_revised 9 April.  
8th TLA Workshop Summary\_2022 - VN  
Agreement FLEGT  
Amendment no. 4 to the Agreement EFI 51020150  
Appraisal of Contribution Amendment (51020150)  
Appraisal of Intervention, final (51020150)  
EU FLEGT Facility Annual Report 2018  
EU FLEGT Facility Annual Report 2019  
EU FLEGT Facility annual report 2020  
EU FLEGT Facility annual report 2021-2022  
EU FLEGT Facility proposal to Sida final  
EU\_FLEGT Start-up notes meeting 20230222 w BT edits.  
For Sida\_MSME workplan 2022\_additions 7.12.2021  
Gender-study-Vietnam-executive-summary  
Improving occupational health and safety among micro, small and medium wood processing enterprises EFI 2022  
Multiple scanned: [Publications - Forest Smallholders](#)  
Promoting gender equality among micro and small enterprises in the wood-processing industry: Findings and recommendations from Viet Nam EFI 2023  
Promoting gender equality and women's economic empowerment in the Mekong region's small-scale forest sector EFDI 2022  
Promoting legality within the private forest sector: obstacles and incentives to formalization EFI 2021  
SIDA Annual Progress Report 2018\_final\_for publication clean



Sida\_2021 EFI Annual Report revised after Annual meeting.

Strengthening the operations of micro, small and medium wood processing enterprises through Good Manufacturing Practices EFI 2022

The proposal for continuation of support for FLEGT\_ 26 July 2021

TLA Workshop 2019 Summary JKT

TLA Workshop Summary Chiang Mai 3-5 Jul 2018. FINAL

ToR for Evaluations of EFI EU FLEGT\_update\_14022023

## Annex 3 – Pilot projects visited

|                 |                                                                                                                                        |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Thailand</b> | Lamphun, Lampang, Nakhon Sri Thammarat                                                                                                 |
| <b>Vietnam</b>  | Van Diem wood village, Lien Ha wood village + Hanoi based meetings with stakeholders from Phu Tho (as denied visit permit to Phu Tho). |
| <b>Lao PDR</b>  | Phuvong, Samakkhixay, Saysetha and Sanamxay                                                                                            |

## Annex 4– Utilisation focused approach

Below, the twelve-step version of utilisation-focused evaluation (UFE), complemented with step no 8 from Patton<sup>65</sup>, is presented with a brief description of the contribution of EoS/SNV and the team to the respective steps. Steps 1 – 9 are part of the inception phase, Step 10 is communication and considerations during the data collection phase and Steps 10 - 13 depict interactions during the analysis and reporting phase.<sup>66</sup>

| Step in Utilisation-focused evaluation               | Embassy, SNV involvement                                                                      | Team considerations and actions                                                                                                                                          | To date                                                                         |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Step 1</b><br>Assessing program readiness         | To what extent do users (managers) at EFI understand UFE and are willing to contribute to it? | Present UFE, describe implications for users, discuss and assess users' degree of involvement and commitment at start-up meeting.                                        | Done                                                                            |
| <b>Step 2</b><br>Assessing evaluator readiness       | Evaluation managers' willingness and ability to commit to UFE clarified                       | The evaluation Team Leader and the Sr consultant, have substantial facilitation skills, a requisite for UFE.                                                             | Done                                                                            |
| <b>Step 3</b><br>Identifying primary intended users. | Embassy of Sweden, EFI, and others as relevant                                                | Identify primary users' objectives and needs during start-up meeting and workshop.                                                                                       | Done                                                                            |
| <b>Step 4</b><br>Situational analysis                | Contribute information and participate in facilitated discussions.                            | Review of organisational aspects i.e. previous experience from evaluations, resources available for, and priority given to the evaluation (e.g. time). Agree on context. | Ongoing.<br>Virtual briefings organised<br>230309<br>230322<br>230327<br>230330 |

<sup>65</sup> Patton, 2012, Essentials of Utilization-Focused Evaluation: A Primer. Thousand Oaks, CA: SAGE.

<sup>66</sup> The steps and descriptions are based on Ramírez and Brodhead, 2013: Utilization Focused Evaluation A primer for evaluators.

|                                                                                                                    |                                                                                                                                                                 |                                                                                                                                                                                           |                                                 |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Step 5</b><br>Identification of primary intended uses                                                           | Identified in the Terms of Reference.<br>Additional information on <i>how</i> results will be used (in addition to for <i>what</i> )                            | Facilitation of discussion around intended use.<br>Perceptions; threat or opportunity? Or both?<br>Develop agreement on which stakeholders to be involved/informed by whom.               | Done                                            |
| <b>Step 6</b><br>Focusing the evaluation.                                                                          | Contribute to fine-tuning evaluation questions and discuss analytical frameworks to use.<br>This is a step where the involvement of EFI is key.                 | Adaptation of evaluation methods and questions to information surfaced in above steps, discussions with primary users on what is being assessed; how define success and challenges?       | Done                                            |
| <b>Step 7</b><br>Evaluation design                                                                                 | Mainly feedback on inception report.                                                                                                                            | Adapt suggested approach and development of detailed methods and tools to ensure that findings respond to the intended uses and users.                                                    | Done. EFI shown active involvement at all steps |
| <b>Step 8</b><br>Make sure intended users understand potential controversies about methods and their implications. | Active participation in meeting to discuss potential controversies about methods and their implications.<br>Analytical process to prepare active participation. | Explain and discuss potential controversies about methods and their implications with primary users.<br>Facilitate process to ensure these are really understood.<br>Mental preparedness. | Not done in depth, not felt to be necessary.    |
| <b>Step 9</b><br>Simulation of use of findings                                                                     | Facilitated discussion of use based on fabricated data, to verify that the evaluation will lead to findings that are useable to EFI.                            | Produce fabricated findings, facilitate discussion with about the usefulness of these. If needed, modify methods or evaluation questions.                                                 | Not done.                                       |

|                                                                     |                                                                                                                                                                                                |                                                                                                                                                                                                                 |                                                                                                    |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Step 10</b><br>Data collection                                   | Be prepared to discuss urgent issues or changes with the team.                                                                                                                                 | Introduce relevant members of the EFI team to UFE and keep attention to issues re use throughout data collection phase. Inform primary users of urgent issues or changes.                                       | April 3-21                                                                                         |
| <b>Step 11</b><br>Data analysis                                     | Participate in and contribute to joint analysis workshop to discuss and interpret initial findings. Suggest areas of additional analysis, if unexpected findings surface.                      | Prepare and facilitate joint analysis workshop, for presentation of initial findings, discussion of possible conclusions and recommendations.                                                                   | Feedback session with limited discussion held April 28 <sup>th</sup>                               |
| <b>Step 12</b><br>Facilitation of use                               | Develop a dissemination strategy for the evaluation to facilitate use, including planning for the resources needed.                                                                            | Prepare a final report and communicate findings and conclusions that are closely linked to the evaluation purpose, criteria and questions, and prioritise and present recommendations that facilitate use.      | This report is presented. Presentation is booked for May 26 <sup>th</sup> .                        |
| <b>Step 13</b><br>Meta-evaluation of use Optional, suggest informal | Participate in and contribute to concluding workshop to assess the evaluation process and especially the users' involvement in the process and potential use of the results of the evaluation. | Prepare and facilitate concluding workshop. Present the team's perceptions regarding the evaluation process, especially regarding the utilisation focus of the evaluation. Summarise learning from the process. | Booked for May 26 <sup>th</sup> . Interrupted by connection difficulties. Rescheduled for 23.06.22 |

## Annex 5 – Evaluation matrix

**Nota Bene:** During the inception phase dialogue with EoS/EFI it was agreed to focus the evaluation further as detailed in an email from EoS dated 230227.

It was agreed to focus on: Relevance: the first two bullet points [*of the ToR*] can be the focus of the evaluation, coherence, impact: emphasising that “the results on the ground is important related to poverty aspect, so we could focus on what are the most significant impacts on the target groups/beneficiaries”, and sustainability with a focus on organisations or MSMEs (for example, tree growers and furniture small businesses).

| Evaluation criteria | Evaluation questions                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Indicators                                                                                                | Sources of information                                                                                                                                | Data analysis                                                                                                                                                      |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Relevance</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                           |                                                                                                                                                       |                                                                                                                                                                    |
|                     | How well did the Program's design and objectives meet the needs of key stakeholders and beneficiaries, particularly MSMEs?                                                                                                                                                                                                                                                                                                                                                         | Alignment with national policies                                                                          | Key informant interviews with MSME owners<br>Views of local authority technical experts and sector industrial associations<br>Programme documentation | Data collected clustered in themes and assessed.<br>For poverty effects, MDPA terminology used                                                                     |
|                     | To what extent has the Programme been responsive to national and regional needs and priorities, within and outside of the forest sector such as compliance with laws and regulations, sustainability, MSME resilience and livelihood opportunities in rural areas, sustainability, gender equality, etc.? (Focussing on the regional perspective in relation to programme objective 1 and on the respective national/local MSME perspective in relation to programme objective 2). | Alignment with policies and regulations.<br>Evidence of programme adaptation.<br>Stakeholder perceptions. | Programme documentation<br>National policies and regulatory documents<br>Key informant interviews                                                     | Data collected clustered in themes and assessed.<br>For poverty effects, MDPA terminology used<br><br>Views of technical experts triangulated with MSME narratives |

| Coherence      |                                                                                                                                                                                      |                                                                                                                                     |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                              |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | How compatible has the intervention been with other interventions in the Laos and Vietnam, in forest sector or organisation where it is being implemented?                           | Alignment with policy. Evidence of coordination and/or collaboration                                                                | Programme documentation<br>Key informant interview with local and national authorities and industry associations                                                                                                                               | Assessing whether collaboration has been regular and participation indicative of joint interest/ understanding/ ambition on the part of the involved institutional structures                                                                |
| Impact         |                                                                                                                                                                                      |                                                                                                                                     |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                              |
|                | To what extent has the Program achieved its objectives? And what factors contributed or prevented the achievement of the Program objectives?                                         | Evidence of attitudinal change, work process changes, value chain development, organisational development of targeted associations  | Local: Programme documentation<br>Key informant interviews<br>On site demonstration of physical changes made and stakeholders' use of system/work processes introduced<br>Regional:<br>Documentation of increased awareness highlighted by EFI | Tracing causal chains as described by programme staff and documentation, triangulation of the same against other stakeholder perceptions and available documentation. For effects on poverty; use of MDPA terminology to structure analysis. |
| Sustainability |                                                                                                                                                                                      |                                                                                                                                     |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                              |
|                | To what extent, and how, will the intervention benefit MSMEs in participated countries and contribute to timber legality in ASEAN beyond the end of the current agreement with Sida? | Evidence of MSME commitment and awareness of profitability consequences. Evidence of MSME representation in policy-making processes | Key informant interviews<br>Programme documentation<br>Adjustments of external stakeholders' interaction with MSMEs (authorities, finance sector, commercial counterparts)                                                                     | Assessment of stakeholders' awareness of/commitment to issues raised by programme activities.                                                                                                                                                |



## Evaluation of Strengthening Regional Awareness and Ownership of Forest Governance Issues in the Greater Mekong and Other Regions of Asia (2014–2023)

The evaluation assessed the project “Strengthening regional awareness and ownership of forest governance issues in the Greater Mekong and other regions of Asia” implemented by the European Forest Institute and supported by Sida through the Embassy of Sweden in Bangkok. The purpose of the evaluation was to provide an in-depth review of the programme’s progress, achievements, and lessons learned. The evaluation found that the programme aligned well with the relevant regional and thematic strategies and that despite challenges including Covid restrictions, most of the planned activities have been possible to implement. The evaluation concludes that the programme effects are likely to be sustainable, however, the programme implementation structure is not sustainable without outside support, EFI was hence recommended to develop an exit strategy seeking to ensure the handover of learning and networks developed. Sida was recommended to map the other regional interventions funded under Sweden’s Regional Development Strategies for Asia and the Pacific for 2022–2026, that could benefit from the experience gained in this programme.

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