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VIETNAM FORESTS AND DELTAS ACTIVITY PHASE II EVALUATION

FINAL REPORT

Significant Changes and Lessons Learned

July 2021

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ABSTRACT

The second phase of the USAID Vietnam Forests and Deltas (VFD) Program (2018 – March 2021) focused on supporting the Government of Vietnam (GVN) with its payment for forest environmental services (PFES) system. This evaluation is intended to inform the closeout of the program and to inform future USAID activities in the sector. The evaluation focused on five research questions covering the significant changes from the program, the key challenges faced, the lessons learned, the factors affecting the successes and challenges, the program’s contributions to policy change and implementation to provide recommendations for future USAID activities.

A mixed methods approach (including desk review, interviews, focus group discussions, observations, and field validation etc.) was conducted with a variety of stakeholders purposely selected based on their involvement with and/or knowledge of the activity. Field validation was conducted in Son La and Thanh Hoa provinces (validation events in Thanh Hoa were conducted remotely due to the COVID-19 pandemic). A national-level learning workshop was held after the end of fieldwork to share lessons learned and obtain stakeholder feedback.

The evaluation concludes that the achievements of the VFD program resulted from (i) strong cooperation among the national partners and between Vietnam partners and the international implementing agencies, (ii) strong political support and the commitment of GVN and local authorities are necessary, (iii) ownership of the project initiatives and results by the Vietnamese stakeholders was key, and (iv) flexibility, as well as adaptive and participatory planning and budgeting.

Based on the lesson learned from the successes and challenges of the activity’s implementation, the evaluation provides eight recommendations for future activities.

VIETNAM FORESTS AND DELTAS PROJECT PERFORMANCE EVALUATION

FINAL REPORT

Significant Changes and Lessons Learned

USAID Learns

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TABLE OF CONTENTS

Abstract	ii
Acronyms	vi
Executive Summary	vii
Background and Purpose.....	vii
Methods.....	vii
Findings and Conclusions.....	vii
Recommendations.....	ix
Introduction	I
Context.....	I
Background.....	I
Purpose and Audience.....	2
Research Questions.....	2
Ethical Considerations.....	4
Gender and Social Analysis Plan.....	5
Limitations.....	5
Findings and Conclusions	6
RQ1: What have been the significant changes as a result of VFD focusing on Phase 2 from 2018 to 2020?.....	6
RQ2: What have been the key challenges of program implementation at different levels?.....	10
RQ3: What lessons can be drawn from overcoming these challenges for future USAID-funded activities?.....	13
RQ4: What are the contributing factors to the successes and challenges of VFD?.....	15
RQ5: How has VFD contributed to policy change and implementation in Vietnam?.....	17
Recommendations	18
Dissemination and Utilization	19
Annex I: References and Reports Utilized	20
Annex II: Full Listing of Persons Interviewed	21
Annex III: Data Collection Tools	22
Annex IV: Research Methods and Limitations	28
Annex V: Statement of Work (SOW)	31
Annex VI: Stories Told by Different KIIs	35
Annex VII: Stories about Significant Change Identified by Stakeholder Group	39
Annex VIII: Lessons Learned by Stakeholder Group	42
Annex IX: Post-Evaluation Action Plan	44

TABLE OF TABLES

Table 1: KII Distribution	3
Table 2: FGD Distribution.....	3
Table 3: Potential Biases and Mitigation Strategies.....	5
Table 4: Implementation Challenges	10
Table 5: Lessons Learned from VFD Implementation	13

TABLE OF FIGURES

Figure 1: Assessment of Seven Significant Changes.....	9
Figure 2: Assessment on Four Pillars of Each Change Identified.....	9

ACRONYMS

CLA	Collaborating, Learning, and Adapting
CPMU	Central Project Management Unit
C-PFES	Carbon – Payment for Forest Environmental Services
CSOs	Civil Society Organizations
DARD	Department of Agriculture and Rural Development
DONRE	Department of Natural Resources and Environment
FGD	Focus Group Discussion
FPMB	Forest Project Management Board
GVN	Government of Vietnam
HHs	Households
IRB	Institutional Review Board
KII	Key Informant Interview
MARD	Ministry of Agriculture and Rural Development
M&E	Monitoring and Evaluation
MPI	Ministry of Planning and Investment
PFES	Payment for Forest Environmental Services
PFF	Provincial Forest protection and development Fund
PRA	Participatory Rural Appraisal
SFM	Sustainable Forest Management
SI	Social Impact, Inc.
SNV	Netherlands Development Organization
SRD	Centre for Sustainable Rural Development
SWOT	Strengths, Weaknesses, Opportunities, and Threats
USAID	United States Agency for International Development
USD	United States Dollars
USG	United States Government
VFD	Vietnam Forestry and Delta
VNFF	Vietnam Forest Protection and Development Fund
VNFOREST	Vietnam Administration of Forestry
WI	Winrock International

EXECUTIVE SUMMARY

BACKGROUND AND PURPOSE

The USAID Vietnam Forests and Deltas (VFD) Program (2012–2021) supports Vietnam’s transition to more resilient and sustainable development. The first phase of the program (2012–2018, including the preparatory phase) helped put national policies and strategies into practice to respond to climate change, focusing on the forestry and agriculture sectors, disaster risk reduction, and strengthening rural livelihoods. Since 2018, the program’s second phase has focused on supporting the Government of Vietnam (GVN) to ensure that the payment for forest environmental services (PFES) system—a critical mechanism helping to conserve Vietnam’s forests—is effective in supporting the country’s environmental and socio-economic goals.

As the VFD program comes to a close, this evaluation aims to inform the closeout of the program and future USAID activities in the sector. To this end, the evaluation focused on the following research questions:

1. What have been the significant changes as a result of VFD focusing on phase 2 from 2018-2020?
2. What have been the key challenges of program implementation at different levels?
3. What lessons can be drawn from overcoming these challenges for future USAID-funded activities?
4. What are the contributing factors to the successes and challenges of VFD?
5. How has VFD contributed to policy change and implementation in Vietnam?

METHODS

The Evaluation Team (ET) used a mixed-methods approach consisting of desk review, interviews, focus group discussions (FGDs), observations, and field validation to answer these research questions. The desk review covered all available program documents related to implementation, including annual and quarterly reports, monitoring data, and governmental reporting related to VFD activities.

The ET conducted key informant interviews (KIIs) with various stakeholders, including GVN officials, policy makers, project management staff, private sector representatives, households, USAID and VFD staff, and external stakeholders (including civil society organizations). The ET purposively selected KII respondents based on their involvement with or knowledge of the activity.

In the Son La province, eight FGDs with VFD stakeholders at different levels (Project Management Unit, Vietnam Forest Protection and Development Fund [VNFF], district leaders and district Department of Agriculture and Rural Development [DARD], communes, and individual forest owners at the village level) provided a wide range of views and perspectives. In the FGDs, stakeholders shared stories of “significant changes” that they perceived from VFD. FGD participants were randomly selected.

Site visits and observations took place in the Son La province. Although the team planned site visits in a second province, the COVID-19 pandemic and increased case counts in Vietnam necessitated canceling this set of visits.

To obtain ongoing feedback regarding data collected and emergent findings, the ET conducted frequent check-ins with stakeholders, including a learning event. These validation activities helped ensure that the evaluation findings were accurate, timely, and reflective of stakeholder input.

FINDINGS AND CONCLUSIONS

Research Question I: The Significant Changes

Through KIIs, FGDs, and field observations, the ET identified 31 changes, falling into seven “themes”: (i) improved forest management and protection, (ii) increased transparency of PFES through e-

payments, (iii) forest reallocation and more accurate forest ownership records, (iv) an improved PFES monitoring and evaluation (M&E) system, (v) improved participation and inclusion, (vi) changes in stakeholder perceptions, and (vii) improved implementation of sector and government policies and strategies.

A panel of experts reviewed and scored the reported changes based on four criteria: (i) depth of the change; (ii) breadth of the change; (iii) sustainability; and (iv) contribution of USAID programming to the change. Based on this expert assessment, improvements related to the reallocation of forestland and improvements in the accuracy of forest ownership records scored the highest overall. Regarding sustainability, improvements in forest protections, changes in stakeholder perceptions, and improved participation and inclusion scored highest. USAID's activities contributed the most to forestland reallocation and clear forest ownership, as well as improved implementation of GVN policies and strategies.

VFD has contributed to important changes in stakeholder participation and perceptions, as well as local ownership. The changes identified and experts' assessment also provide evidence and suggestions for future USAID-funded activities.

Research Question 2: Key Challenges

The KIs revealed four main types of challenges encountered during implementation, including: (i) difficulties in attracting the participation of businesses in implementing environmental initiatives, (ii) difficulties in implementing forest protection and development-related policies, (iii) incomplete monitoring and evaluation systems and tools, and (iv) difficulties in building solidarity and consensus in forest management and protection.

VFD overcame many of these challenges to achieve the many successes discussed above.

Research Question 3: Lessons Learned

The evaluation found four main lessons learned from VFD: (i) strong cooperation among the national partners and between Vietnam partners and the international implementing agencies (Winrock International and others) was crucial for success, (ii) strong political support and the commitment of GVN and local authorities are necessary, (iii) ownership of the project initiatives and results by the Vietnamese stakeholders was key, and (iv) flexibility, as well as adaptive and participatory planning and budgeting, was vital to achieving VFD's goals.

The achievements of VFD would not have been possible without the active participation, support, and consensus of forest owners, especially small forest owner households and ethnic minority communities and beneficiaries. The adaptive, participatory, and flexible management and planning lessons from VFD yielded success even in the face of the COVID-19 pandemic.

Similarly, mutually respectful partners built strong relationships, serving as a foundation for negotiation, dialogue, and compromise. By participating in annual activity planning and budgeting processes, local stakeholders gained accountability and a sense of ownership.

Put another way, collaborating, learning, and adapting (CLA) were key to the success of the activity.

Research Question 4: Contributing Factors to Successes and Challenges

Evaluation respondents reported several factors affecting the successes and challenges of VFD.

Four main types of factors contributed to VFD's successes: (i) the effects of improved M&E capacity among VNFF staff at all levels (national, provincial, and district), (ii) improved technical tools (data management, online checking platform, etc.) established through PFFs, (iii) a collaborative, multi-stakeholder implementation approach based on consensus building among stakeholders, (iv) flexibility in annual planning and budgeting, which promoted result-based motivation for stakeholder participation and investment in forest protection and development.

VFD experienced four main challenges during implementation: (i) staffing and capacity challenges (including weak PFES M&E capacity, high staff turnover rates, and poor capacity at the community level for PFES-related management within the VNFF system), (ii) a lack of appropriate technical and

management tools, including appropriate M&E indicators, (iii) a lack of active participation and consensus among local stakeholders and beneficiaries, and (iv) a lack of incentives in attracting stakeholder participation and contributions to forest protection and PFES policy implementation.

These factors contributed to the successes and challenges of VFD's implementation during Phase 2 (2018–2021). Early awareness of these factors helped the VFD program to adapt and take appropriate actions to improve implementation over the course of the program.

Research Question 5: VFD Contributions to Policy Change and Implementation

A review of policies related to PFES payment and sustainable forest management policies and strategies shows that VFD, directly and indirectly, supports the implementation of GVN and MARD policies and strategies. For example, VFD supported the Law on Forestry 2017, the Sustainable Forestry Development Program, the Development Strategy, the National reduce emissions from deforestation and forest degradation and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks (REDD+), the National Determined Contribution (NDC) of Vietnam, and the Non-Cash Payment Development Scheme of GVN in Vietnam (the Prime Minister's Decision No. 2545/QD-TTg/2016).

VFD has contributed technically and financially to the successful implementation of forest protection and development-related strategies and policies. VFD has also contributed to capacity building among PFES stakeholders. VFD provided this support by piloting policy initiatives, such as new policies on expanding PFES revenues (Carbon-PFES [C-PFES] and others), cashless business transaction policies, and more sustainable, self-reliant, and effective resource mobilization for forest protection and development.

RECOMMENDATIONS

1. Future USAID-funded activities should continue to provide funding and technical support for the review, reallocation, and retitling of red books for forest lands. Priority should go to households eligible for PFES but whose land records contain inaccuracies, such as discrepancies in location, land area, forest status, and so on. Priority should also go to households planning to convert from individual household forest ownership to village/community forest ownership.
2. VNFF should draft guidelines to allow forest owners to use a proportion of their PFES money to contribute to forest reallocation activities in their commune/village.
3. USAID-funded activities should continue to support sustainable forest protection and management-related policies (such as the decree on investment policies for sustainable forest development and protection, wood processing and trade, C-PFES, forest carbon credits, etc.).
4. VNFF should invest in synchronizing and further improving PFES monitoring indicators and the PFES M&E manual for application in all 44 PPFs.
5. Future USAID implementing partners and Vietnamese counterparts should start working together as soon as possible after award to establish a coordination mechanism. This mechanism will help support enhanced, multi-stakeholder (donors, contractors, national stakeholders, public and private sectors, beneficiaries, etc.) cooperation that will be a foundation for implementation throughout the activity lifecycle.
6. When developing activity documents and plans, USAID and other stakeholders should allow flexibility in the overall workplan and budget allocations. This will allow for adaptation and course correction in later annual workplans and budgets (beginning in the second year).
7. Future USAID implementing partners should work closely with Vietnamese counterparts in addressing the needs and concerns of national implementing partners and beneficiaries. These stakeholders should be encouraged to take ownership of the activity initiatives and results.
8. Future USAID implementing partners should encourage direct engagement from local communities in the activities like livelihood improvement where there is appropriate capacity. Communities could also contribute to activity resources and costs.

INTRODUCTION

Social Impact (SI) is a global development management consulting firm that provides monitoring, evaluation, strategic planning, and capacity building services to advance development effectiveness. In Vietnam, SI is implementing the United States Agency for International Development (USAID) Learns activity to support USAID staff and partners to implement more efficient, effective, and transparent programs.

CONTEXT

Vietnam is growing rapidly, both in its population and economy. Vietnam's population quadrupled from 1950 to 2019 to more than 96.2 million people, with the current population growth rate at about 1.1 percent per year. The population density is about 290 people per square kilometer, increasing the demand for natural resources (land, water, forests, etc.). The country's annual growth in gross domestic product places it among the fastest growing economies in the world (increasing six to seven percent per year). However, about 5.7 percent of the population still lives below the national poverty line (GSO, 2020).

Vietnam's forested land area was about 14.6 million hectares (ha) as of 2019. Forest cover increased from 37.7 percent in 2006 to 41.89 percent in 2019. However, forest quality remains a challenge; the diversity of natural forests has degraded, leading to the loss of flora and fauna biodiversity in those forests. The rapid loss of primary natural forests is a serious threat both to biodiversity and the protective capacity of Vietnam's watershed forests.

After a series of pilots in Lam Dong and Son La provinces in 2006–2008, with the support of the Asia Regional Biodiversity Conservation Program (ARBCP-USAID), the payment for forest environmental services (PFES) was institutionalized into a national policy in 2010 under Decree 99/2010 / ND-CP. Decree 156/2019 / ND-CP (detailing the implementation of the Law on Forestry/2017) has further articulated terms and conditions for PFES. The objectives of PFES are to improve the quality and area of forested land, to increase the forestry sector's contribution to the national economy, and to reduce the state's financial burden for forest protection, management, and social welfare. Under the GVN's PFES, large emitters must make a payment for forest carbon¹ sequestration services (C-PFES) provided by forest owners. The Prime Minister approved the new forest development strategy of Vietnam for 2021–2030, with a vision to 2050, on April 1, 2021.

BACKGROUND

USAID awarded VFD to Winrock International (WI) as a Cooperative Agreement on September 25, 2012. WI implemented the first phase of the activity (2012–2018) in direct partnership with Vietnam's Ministry of Agriculture and Rural Development (MARD) and through sub-awards with the American Red Cross, the Center for Sustainable Rural Development (SRD), the Netherlands Development Organization (SNV), and the Vietnam Red Cross. This first phase of VFD supported the acceleration of Vietnam's transition to climate-resilient, low-emission, sustainable development by improving forest and natural resource management and engaging communities in developing action plans to address climate risks and vulnerabilities. Phase I included three components:

- Component 1: Sustainable Landscapes (Thanh Hoa and Nghe An provinces),
- Component 2: Adaptation (Long An and Nam Dinh provinces), and
- Component 3: National Policy and Coordination.

In June 2018, USAID approved an extension of VFD through May 2021, with a technical focus on improving the effectiveness and efficiency of Vietnam's PFES mechanism through three main innovations:

¹ The payment for C-PFES is not subjected to the Law of fees and public charges (the Law No 97/2015/QH13)

- Developing e-payment solutions for PFES payments to reduce transaction costs, security issues, and opportunities for corruption (Son La and Lam Dong provinces);
- Strengthening monitoring and evaluation (M&E) systems for PFES to build an evidence base through which to measure success and inform policy improvements (Son La, Lam Dong, and Thanh Hoa provinces); and
- Expanding PFES to other sectors, focusing on carbon PFES but also considering PFES for ecotourism and PFES for industrial water use (Thanh Hoa and Quang Ninh provinces).

PURPOSE AND AUDIENCE

The VFD program is in the final stages of implementation. USAID requested this final evaluation to review the second phase of VFD's implementation to provide lessons learned for program closeout and to inform new activities implementing in the sector. This evaluation will also support the Management Board of Forestry Projects (MBFP) under Vietnam's MARD to fulfill the Decree 56 evaluation requirements.

RESEARCH QUESTIONS

This VFD evaluation addressed the following Research Questions (RQs):

1. What have been the significant changes as a result of VFD focusing on phase 2 from 2018-2020?
2. What have been the key challenges of program implementation at different levels?
3. What lessons can be drawn from overcoming these challenges for future USAID-funded activities?
4. What are the contributing factors to the successes and challenges of VFD?
5. How has VFD contributed to policy change and implementation in Vietnam?

EVALUATION APPROACH

The evaluation included four key steps:

1. Desk Review;
2. Data Collection and Validation;
3. Analysis, Feedback, and Consultation; and
4. Final Findings, Conclusions, and Recommendations.

This study used a mixed-methods approach consisting of desk reviews, interviews, focus group discussions (FGDs), observations, and field validation.

DESK REVIEW

In this step, the ET reviewed VFD implementation documents and indicators. Sources included activity design and planning documents, periodic reports (annual reports, work plans, and budgets), financial reports, and activity handover documents (between the participating provinces and VFD). In addition, the team also reviewed the VFD program policy and regulation documents (such as on PFES payment mechanisms, Sustainable Forest Management [SFM], relevant decrees, Vietnam Forest Protection and Development Fund [VNFF] guidelines, etc.), local and national statistics, and relevant reports from other organizations and donors.

The preliminary results of the desk review informed the evaluation design by suggesting content, approaches, stakeholder identification, locations for field visits, and the design of data collection tools. The desk review results also formed a foundation for a policy-oriented strengths, weaknesses, opportunities, and threats (SWOT) matrix analysis to inform policy recommendations for future USAID-supported activities.

DATA COLLECTION AND VALIDATION

Key Informant Interviews

The ET conducted key informant interviews (KIIs) with a wide range of stakeholders from VNFF, VFD staff and implementing partners, MBFP, VFD, the Central Project Management Unit (CPMU), the private sector, and VFD-related GVN staff and officials in the Son La and Thanh Hoa² provinces (from the provincial, district, commune, and village levels). Interviews examined VFD's impacts (including positive, negative, and spill-over effects), activity effectiveness, efficiency, sustainability, and gender considerations.

KII respondents were purposively sampled based on their role, involvement in, contributions to, and benefits received from the VFD program. Table 1 displays the final distribution of interviews conducted.

Table 1: KII Distribution

KIIS	NATIONAL	PROVINCE	COMMUNE	HOUSEHOLD	TOTAL
PFES-related GVN officials	13	6	3	-	22
Policymakers	2	4	-	-	6
Project management	2	6	4	-	12
Private sector/households	-	5	-	33	38
USAID and VFD	5	7	-	-	12
External Stakeholders (including CSOs)	-	-	4	-	4
Total	22	28	11	33	94

Source: ET consolidated KIIs and field survey, March 2021

Note: Some respondents participated in both KIIs and FGDs.

Focus Group Discussions

In Son La province, the ET conducted eight FGDs with VFD stakeholders at different levels (Project Management Unit, VNFF, district leaders and district DARDs, communes, and individual forest owners at the village level) to obtain a wide range of views and perspectives. In the FGDs, stakeholders shared stories of "significant changes" resulting from VFD. They also discussed challenges faced, the factors affecting VFD successes and challenges, and lessons learned regarding program implementation.

Table 2: FGD Distribution

	NATIONAL*	PROVINCE	COMMUNE	HOUSEHOLD	TOTAL
FGDs Organized	3	-	4	-	7
FGD Participants*	15	-	26	-	41

Source: Consolidated by the ET, March 2021

*National group discussions included VNFF, CPMU, and VFD staff

Note: Some respondents participated in both KIIs and FGDs.

Observations

² Because of the third wave of the COVID-19 pandemic spreading over Vietnam, the field visit to Thanh Hoa province was cancelled, and the ET conducted an online assessment and phone interviews instead.

The ET conducted observations during field visits to VFD program sites in Son La. Unfortunately, the planned site visits in Thanh Hoa province had to be canceled because of the third wave of COVID-19 cases in Vietnam; nonetheless, the team conducted virtual interviews and stakeholder consultations in Thanh Hoa. During these visits, the ET observed the current status of forest cover in Moc Chau district and Phuc village, Muong Khoa commune, the new red books for village forests that were reallocated to communities in Muong Khoa commune, the PFES M&E guidelines prepared by VNFF, and Viettel-pay user guides.

Field Validation

Consultations and cross-checking of information obtained from the storytellers (separate group discussion with marginalized groups: women, ethnics, small forest owners, observations, site visits) were used to validate the initial findings.

DATA ANALYSIS, FEEDBACK, AND CONSULTATION

During analysis, the ET assessed the stories shared during the KIs and group discussions. These stories are reflected in the seven main types of changes described in this report's findings.

The ET invited ten independent experts and key stakeholders at the national level to assess the individual stories and categories using an online assessment tool developed by the research team. The tool asked experts to evaluate the stories across four criteria: (i) depth of the change; (ii) breadth of the change; (iii) sustainability; and (iv) contribution of USAID programming to the change. This resulted in a new way of assessing the "significance" of the changes reflected in the stories.

The ET also conducted SWOT analyses of positive/negative changes resulting from the VFD program to identify lessons learned for future USAID-funded activities.

During this phase, a series of stakeholder consultations (at the provincial, district, and commune levels) allowed the ET to clarify and validate the findings, conclusions, and develop recommendations. These consultations included emails, phone calls, in-person meetings, and collaboration during other VFD-related events.³ A validation/consultation event took place on March 26 with key stakeholders from all levels. In this learning workshop, the team presented the preliminary results of the evaluation and sought feedback and additional insights from the stakeholders. This helped the team fine-tune and reaffirm the changes identified, lessons learned, and recommendations proposed.

FINAL FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

The results of the above analyses served as the basis:

- Writing the final report,
- Drawing lessons learned and recommendations for future USAID-supported activities/programs, and
- Dissemination of results through a final out-brief presentation.

ETHICAL CONSIDERATIONS

Although this study did not require Institutional Review Board review, the ET thoroughly considered ethical implications during the design of the evaluation tools, the selection of respondents, and the facilitation and management of the KIs and FGDs. These considerations included gender sensitivity and consideration of marginalized groups, including ethnic minority groups and poor forest owners.

³ Other VFD-related events included: a newly-funded USAID activity's document consultation workshop with the participation of 3 VFD provinces: Son La, Thanh Hoa and Lam Dong, organized in Hanoi on the January 19, 2021, and an internal project closing workshop in Moc Chau town, Son La province on the January 22, 2021.

GENDER AND SOCIAL ANALYSIS PLAN

Respondent selection took into account gender and marginalized groups (ethnic minorities and poor forest owners). This included some separate FGDs for women and other facilitation methods designed to ensure that women and marginalized groups could openly contribute their ideas and perspectives.

LIMITATIONS

This evaluation faced two major challenges: timeline pressures related to compliance with Vietnamese government reporting requirements and COVID-19. There was also the potential for some types of bias to influence the data. This section discusses these limitations, along with strategies the team used to mitigate their potential effects.

GVN Decree No 56/2020/ND-CP requires submission of a Vietnamese-language evaluation report to the GVN when an activity ends (before the closing workshop is organized). MBFP initially advised that the evaluation report should be submitted to GVN by the end of April. To comply with the requirement, the evaluation was condensed into approximately two months (including seven days for Tet holidays). This short timeline was further challenged by the effects of the COVID-19 pandemic (discussed below). Despite the challenges, the ET worked diligently to conduct as thorough and rigorous an evaluation as possible, ensuring that the final findings, conclusions, and recommendations were robust and would meet the learning needs of evaluation users.

The COVID-19 pandemic affected the evaluation in several ways. First, it further complicated existing challenges regarding the short timeline for the evaluation. As COVID-19 has changed the ways in which people interact, as well as the need for additional precautions and scheduling considerations, this compounded the short timeline. Second, though the ET intended to visit two provinces, the arrival of a new wave of COVID-19 infections caused the ET to cancel the field visit to Thanh Hoa province. To mitigate this, the ET conducted virtual interviews and used an online assessment tool instead.

Table 3: Potential Biases and Mitigation Strategies

BIAS	MITIGATION STRATEGIES
Respondent views may not be representative of the views of all stakeholders.	Virtual interviews and consultations were conducted with stakeholders in non-visited VFD provinces. Extensive consultation and validation of results with key stakeholders
Respondent views are subjective and may reflect biases internal to the respondents (for example, only wanting to share positive stories or experiences).	Crosschecking/validation across respondents Use of multiple tools Random selection for FGDs

FINDINGS AND CONCLUSIONS

RQ1: WHAT HAVE BEEN THE SIGNIFICANT CHANGES AS A RESULT OF VFD FOCUSING ON PHASE 2 FROM 2018 TO 2020?

FINDINGS

Thirty-one stories collected through the KIIs and FGDs reflected seven main categories of changes below (the changes are listed in no particular order) (see Annex VII for more details).

- Improved forest management and protection,
- Increased transparency of PFES through e-payments,
- Forest reallocation and more accurate forest ownership records,
- An improved PFES monitoring and evaluation (M&E) system,
- Improved participation and inclusion,
- Changes in stakeholder perceptions
- Improved implementation of sector and government policies and strategies.

Improved forest management and protection

Annual monitoring reports show that the VFD contributed to the sequestration of more than 35 million tons of carbon dioxide equivalent (CO₂-eq) over the last three years across the three participating provinces as a result of improved forest management and protection (measured by using the USAID Agriculture, Forestry, and Other Land Use [AFOLU] Carbon Calculator, 2021). The activity has supported the completion of forest management regulations, including regulations on forest protection and development, benefit sharing of community/village responsibilities, demonstrating the role of coordination, and implementing forest patrol and protection plans.

The community allocated forests have been better managed and protected thanks to the forest fire fighting tools and village forest protection teams formed to conduct regular monitoring and patrols. Villages have paid for both of these measures through PFES funds (Story 1, Annex VI).

Improvements in transparency (particularly through e-payments), making PFES more efficient, accurate, and transparent

VFD helped establish a new M&E system for PFES, with a set of clear indicators and non-cash payment methods for PFES (Viettel-pay, Viet Post, or bank accounts). As a result of these efforts, PFES money has been managed and used more transparently and effectively (Story 1, Annex VI). Regarding e-payments, villagers, including ethnic H'Mong women living in remote areas, have been able to confidently conduct their PFES business without cash (Story 2, Annex VI). E-pay options have attracted more than 60 percent of forest owners, representing more than 8,000 accounts within the activity provinces (Son La, Thanh Hoa, and Lam Dong; VFD, 2020). E-payments were gradually introduced to replace direct cash payments and have satisfied PFES recipients. The electronic methods have also helped minimize financial fraud risks and disputes (Story 2, Annex VI).

Forest reallocation and enhanced forest ownership

Initial forest land allocation was carried out nearly 20 years ago, when mapping methods were not as advanced as today. This resulted in records with flawed data and inaccuracies. In addition, after 20 years, there have been many changes in the size, ownership, boundaries, and status of many forest areas⁴ (Story 3, Annex VI). The resulting inaccuracies and outdated information in land records form a major obstacle both for PFES implementation and the PFES M&E system. The VFD program, therefore, collaborated with the U.S. Forest Service to conduct a comprehensive assessment of 22,000

⁴ Article 5 of Decree 02/ND-CP/1994 says that the following entities were eligible to receive allocated forestlands: Organizations (Forest Management Boards, forest, agriculture and aquaculture enterprises, nursery stations, schools, socio-economic organizations, etc.), households, and individuals.

ha of forestland allocation in five communes of Bac Yen district, Son La province to update the land records using more advanced and accurate methods (GPS mapping, forest owner consultation, field validation, etc.). According to an official in Bac Yen, three communes have received their new red books (forestland titles) for their forests. In many cases, there was a conversion from individual forest owners to community/village forest owners (VFD, 2020).

Improved PFES M&E system

Although PFES has been quite successful in mobilizing money and payments to forest owners, there had been almost no data available to assess the impacts of PFES on improved forest quality and locally small forest owners' livelihoods (VFD proposal, 2018). Therefore, one of the three initiatives of VFD's second phase was to strengthen the PFES M&E system. As a part of this effort, VFD supported the development of a new monitoring platform that allows the collection of accurate, systematic, and efficient data and which provides timely analytical results for assessing PFES implementation (Story 5 in Annex VI). VNFF has since institutionalized the new PFES M&E manual for use in all 44 Provincial Forest Protection and Development Funds (PFFs) (VFD's handover documents, 2021).

Improved participation and inclusion

VFD engaged villagers (as reported by 13 forest village owners in Thanh Hoa and Son La) to actively participate in the development of village regulations and PFES money using regulations (on forest protection, harvesting non-timber forest products, forming forest patrol groups, etc.), making choices about e-payment methods, and using village PFES money for other economic development and social welfare activities (VFD, 2020).

Also, as a part of the Village Regulations, some villages (12 out of 13 villages covered by the activity) have established self-managed women's revolving funds (with the allocation of about 20 percent of the PFES paid for their village forests) to provide loans to women in the village to invest in livelihood development and other income generation activities (chicken and pig raising, redecorating homestay facilities, etc.; Story 6, Annex VI).

Changes in stakeholder perceptions

VFD focused on capacity building for Vietnamese partners at all levels. In addition, the activity conducted a series of awareness-raising activities for partners at different levels. These events included a study tour to Canada and the United States for the Vietnam Administration of Forestry (VNFOREST) and province leaders, cross-province exchange visits, and a multi-stakeholder planning workshop. These activities have contributed to positive changes in stakeholder perceptions of PFES (Story 7, Annex VI). This change in perceptions is also exemplified in the broad acceptance of VFD's new PFES M&E guidelines. At the start of the VFD program, most VNFF staff and officials had considered M&E an audit tool rather than a management tool. The new PFES M&E guidelines helped stakeholders realize how useful the M&E system could be for managing the PFES (Story 7, Annex VI). These guidelines are being implemented in all 44 PFES provinces to ensure consistent monitoring, evaluation, and reporting processes. Openness to the updated guidelines reflects openness to adopting advanced methods for systematically measuring and evaluating the effectiveness of PFES (VFD, 2021).

Additionally, for the first time in an Official Development Aid (ODA) program, there was a handover event organized with the participation of three signatory representatives: CPMU of VFD, WI (VFD's implementing partner), and beneficiaries. During the event, beneficiaries reaffirmed their intention to use and sustain what VFD has started. This active engagement also reflects beneficiaries' changing perceptions, which has resulted in greater beneficiary ownership and engagement (CPMU.a-f, 2021).

Furthermore, by promoting private sector participation (four cement producers and four thermal power companies in Thanh Hoa and Quang Ninh province participated in the evaluation process)⁵ in the Payment for Forest Carbon Sequestration Services (C-PFES) piloting process (where CO₂ emitters can buy CO₂-eq from forest owners), the program has increased private sector participation.

⁵ In the proposed C-PFES piloting Decision endorsed by MARD and sent to GVN, nine thermal power plants and eleven cements companies have been enlisted

Through this participation, VFD was able to identify possible solutions for the private sector in carbon credits (carbon credits provide economic incentives worldwide to reduce pollutants and global warming, creating a market where businesses are buying and selling at prevailing prices) in general and C-PFES in particular (CPMU.a, CPMU.d & CPMU.f, 2021).

Improving the implementation of policies and strategies

VFD has contributed to improved policy and strategy implementation in several ways. By promoting and piloting new PFES revenue sources (such as C-PFES), the VFD program has contributed to the implementation of the Law on Forestry (2017) and Decree No 156/ND-CP/2018. Through efforts to improve the PFES M&E system as well as forest protection in the activity areas, VFD has also indirectly promoted the implementation of Prime Minister Decision No 886/QD-TTg/2016 on Sustainable Forestry Development Programs, the Forest Development Strategy, and the National REDD+ Program (Decision No. 419/QD-TTg/2017 of the Prime Minister; Stories 7 and 8, Annex VI).

As previously noted, VFD has contributed to the sequestration of more than 35 million tons of CO₂-eq (cumulatively), which represents significant progress toward Vietnam's greenhouse gas (GHG) mitigation target of 38 million tons of CO₂-eq by 2025 for the land use, land-use change, and forestry (LULUCF) sector.

VFD has also substantially contributed to the piloting of PFES e-payment systems. As a result, VNFF is institutionalizing e-payments and has requested 44 branches nationwide to make non-cash payments for PFES starting in 2020. This has contributed to promoting the GVN's Non-Cash Payment Development policy initiative (Story 8, Annex VI).

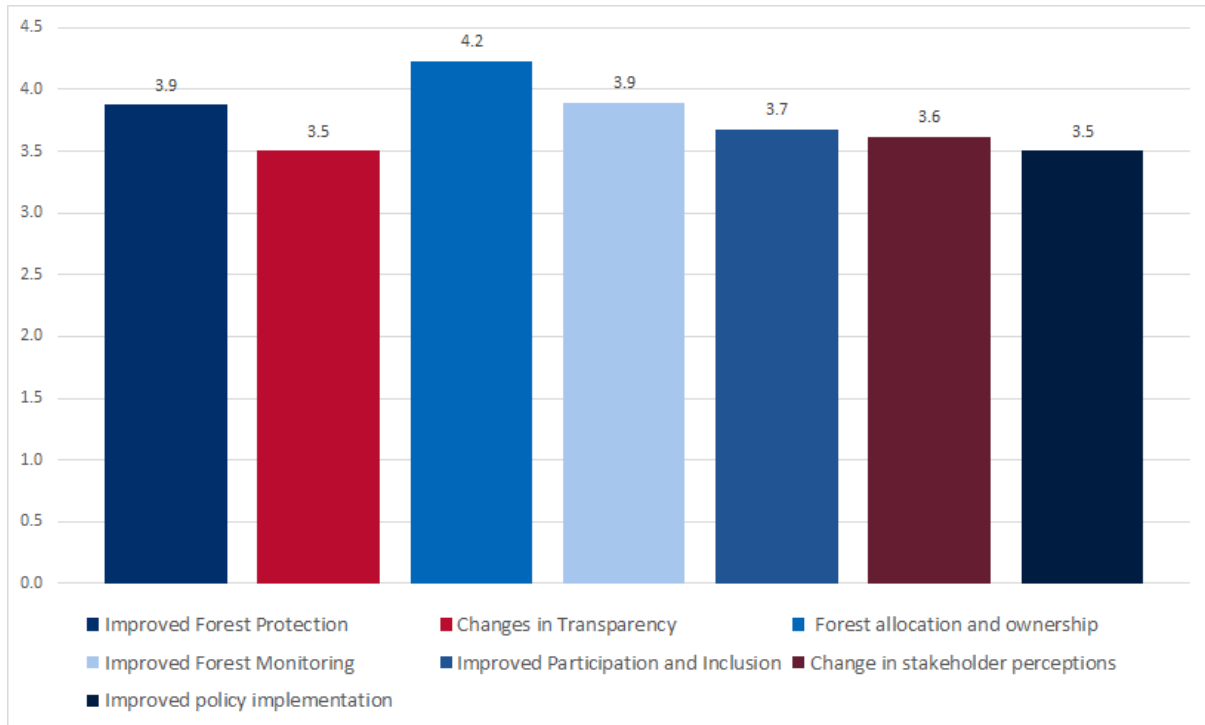
EQ5 will elaborate this significant change in a greater level of detail.

Expert assessment of change stories

Ten independent experts scored (using Likert scales from one to five) the stories collected from the KIIIs and FGDs based on four criteria (see Annex III for more details). The four criteria are: (i) the depth of the change, (ii) the breadth of the change, (iii) sustainability, and (iv) the contribution of USAID's activities to the change.

The combined scores across all criteria are shown in Figure I. Based on the overall scoring, all seven types of changes are rated as "significant" to "very significant" (with an average score of 3.5 to 4.5). The highest overall score was given to the reallocation of forestland and clarification of forest ownership (Figure I).

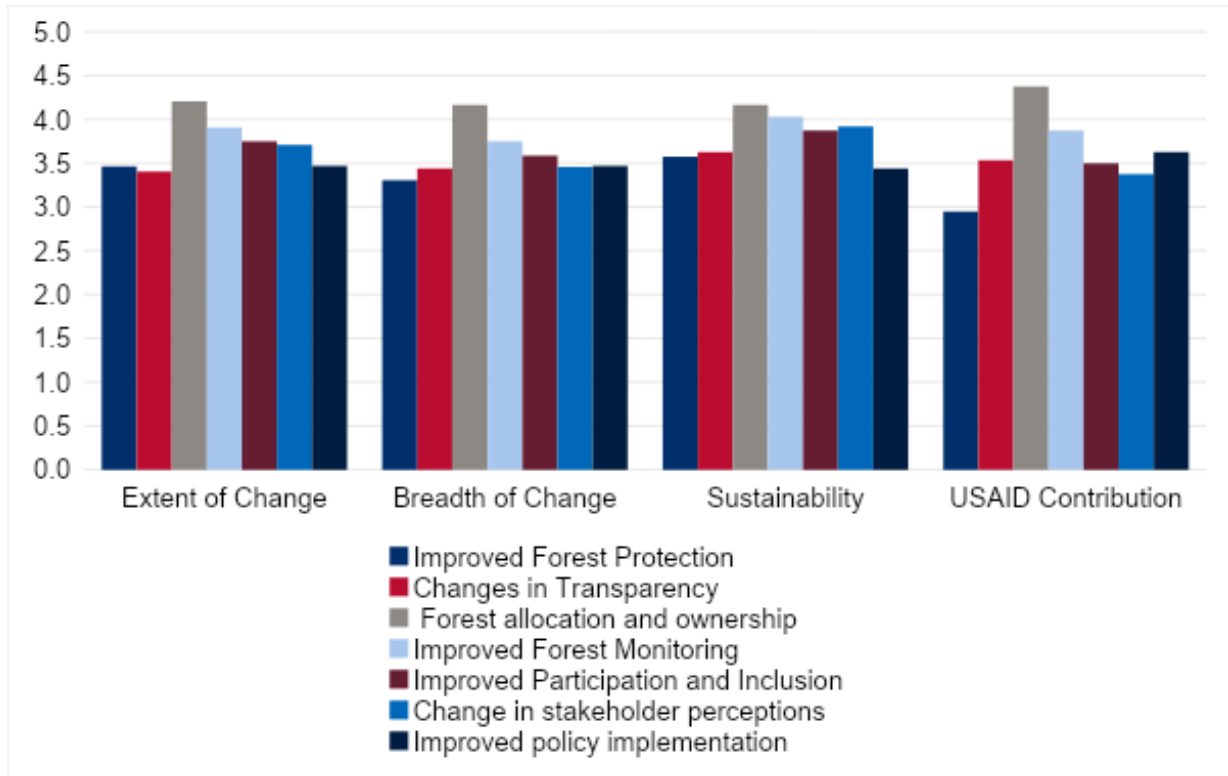
Figure 1: Assessment of Seven Significant Changes



Source: consolidated by the ET, March 2021

In addition to providing an overall score, the experts also provided scores for each criterion. Figure 2 shows the detailed scores by criterion.

Figure 2: Assessment on Four Pillars of Each Change Identified



Source: consolidated by the ET, March 2021

The following changes scored the highest on sustainability: (i) improved forest protections, (ii) changes in stakeholders' perceptions, and (iii) improved participation and inclusion. Meanwhile, the experts identified VFD as contributing most highly to (i) forestland reallocation and clarification of forest ownership and (ii) improved implementation of GVN policies and strategies.

CONCLUSIONS

The VFD program contributed to many significant changes, most notably: (i) improved forest management and protection, (ii) increased transparency of PFES through e-payments, (iii) forest reallocation and more accurate forest ownership records, (iv) an improved PFES monitoring and evaluation (M&E) system, (v) improved participation and inclusion, (vi) changes in stakeholder perceptions, (vii) improved implementation of sector and government policies and strategies.

The changes that VFD helped bring about not only affect the PFES and other forest protection and development efforts but also impact other GVN initiatives and commitments (such as contributing to building the non-cash economy and addressing Vietnam's nationally determined contribution for mitigating climate change).

The VFD also led to important changes in stakeholders' participation and perceptions regarding PFES and led them to take on more ownership over activities, outputs, and results. Greater local ownership can contribute to greater sustainability.

RQ2: WHAT HAVE BEEN THE KEY CHALLENGES OF PROGRAM IMPLEMENTATION AT DIFFERENT LEVELS?

FINDINGS

During KIs and FGDs with stakeholder representatives, respondents noted twelve distinct challenges, falling into four main types, as outlined in the table below.

Table 4: Implementation Challenges

CATEGORY	SPECIFIC CHALLENGES
Difficulties in attracting the participation of businesses in implementing initiatives	Negative effects of PFES on businesses' competitiveness, prices, and market share for the companies pioneering in C-PFES
	No specific benefits/incentives for participating businesses
	Unfavorable conditions caused by global issues (e.g., COVID-19)
Difficulties in policy implementation	Short-term vision and reluctance to change at some management levels
	Multiple, conflicting priorities in the development agenda, both at the national and sub-national levels
	Limited human resources and capacity for implementing policies
Incomplete monitoring and evaluation system and tools	Monitoring and evaluation system and tools are incomplete and not yet widely disseminated
	Equipment to measure emissions is insufficient

CATEGORY	SPECIFIC CHALLENGES
	Inconsistencies between the data reviewed and mapped data
Difficulties in building solidarity and consensus in forest management and protection	Lack of specific mechanism/regulations for using and managing the PFES fund
	Lack of consensus among forest owners regarding forest protections, reallocations, etc.
	Differences in perspectives based on cultural diversity, ethnicity, and family relationships

Source: Synthesized by the ET from KIs, March 2021.

Difficulties in attracting the participation of businesses

It has sometimes been hard to attract potential e-pay providers in rural areas. Since forest owner households and communities in remote areas often do not have smartphones or network coverage, it is not attractive to e-pay providers to invest in network infrastructure development or expand their services. Furthermore, the small payment amounts (approximately 100,000 to 200,000 VND per household per year in Muong Lat district, Thanh Hoa province), as well as the highly dispersed population of forest owners (approximately 10,000 households spread over 810 square kilometers in Muong Lat district) are also challenges that disincentivize the participation of the private sector, according to multiple respondents. Due to these challenges, the necessary economies of scale are hard to achieve in these circumstances.

A primary component of Vietnam's PFES is C-PFES, which polluting companies pay to offset the CO₂-eq that they produce. The results from the KIs reveal that the main challenge for the companies/industries who participated in piloting the C-PFES is that the added costs of the C-PFES negatively affected their price competitiveness (about 126 VND or 4 VND was added to the price for 1 ton of cement or 1-KWh of electricity, respectively, among pilot companies), which could in turn affect their market share. Under the pilot, participating firms received compensation for any reduction in revenue experienced due to the payments for C-PFES and their participation in the pilot program. Nonetheless, the firms still reported that participation made them less competitive because they had already increased their prices.

Additionally, there were no clear benefits to businesses for the cement and thermal energy companies participating in the C-PFES pilot. The C-PFES payments for pilot companies were 210 VDN per ton of clinkers⁶ used in cement production or 4 VDN per kWh of electricity produced. But, according to interviewees, these fees did not incentivize companies to invest in improving production technologies to increase productivity and reduce GHG emissions.

In addition, due to the COVID-19 pandemic, many companies have faced added difficulties and, often, reduced revenues. Thus, the GVN has tentatively put on hold any additional policy measure that may create an additional financial obligation or companies, interviewees reported.

Difficulties in policy implementation

According to a VNFF staff member, some stakeholders only take a short-term view, which de-emphasizes the need for change. And there has also been resistance by some management stakeholders to change. One example of this is the reluctance of the Provincial Forest Protection Sub-Department (PFP-SD) in Quang Ninh province to conduct consultation activities with thermal power plants in the province for the C-PFES pilot. Since the PFES fund in Quang Ninh province is very small

⁶ Clinkers are a primary input for cement production and account for about 60 percent of the price of cement.

(only one million VND per year), there is only one officer at the PFP-SD. As a result, action or inaction is highly dependent on the beliefs (and hesitancy or reluctance) of one person.

As discussed above, the COVID-19 pandemic also posed a significant challenge to expanding implementation of policies related to PFES revenue generation. In addition to the challenges posed to private sector entities engaged in C-PFES pilots, the pandemic also exacerbated the already competing priorities within the GVN at both the national and sub-national levels. The government always has many competing priorities, which can lead to some initiatives being deprioritized over others. But, the COVID-19 pandemic exacerbated this, leading new initiatives like C-PFES piloting to lose priority in the face of other, urgent needs.

Until recently, there was no separate M&E body within VNFF and no M&E staff at the PFFs. This constraint on human resources and capacity was also a big challenge to effectively implementing PFES policies, according to VNFF staff.

Monitoring and evaluation systems and tools were not complete

According to several respondents, in addition to the lack of human resources for M&E noted above, the PFES M&E system is also hampered by incomplete systems and tools, such as poor methods for measuring emissions and inconsistent indicators, baselines, and PFES payment data. Training in M&E has also been lacking, and there is not an appropriate capacity-building program. There have also been discrepancies between the actual forest management status and what is described in forest owners' red books; the PFES online platform and software are also not yet complete.

To remedy some of these issues, Phase 2 of the VFD program aimed to improve M&E systems and tools. Although the PFES M&E system and a set of indicators were recently finalized and institutionalized, the capacity building and M&E training program for all 44 PFFs is not yet implemented, according to VNFF staff. The lack of accurate tools for measuring GHG emissions from a large emitter causes challenges in determining appropriate C-PFES payment rates (Story 7, Annex VI). In addition, the existence of inconsistent forest land data has been a big challenge for improving the PFES M&E system, according to respondents.

Difficulties in building solidarity and consensus for forest management and protection

The reallocation of forestlands from individual households to community and village ownership has always been a challenge. Conflicts between the old forest owners and the new forest owners and between an individual's interest and a whole community's or village's interests are common. These conflicts can be prevalent in villages with diverse cultures, ethnicities, and family or tribal relationships. The reallocation of forestland from individual ownership into village forest ownership can only be possible if there is consensus among villagers (regardless of whether individual households own forestland).

Once forestland is allocated to a village, other challenges can arise. According to some community leaders, village-level ownership relies on building solidarity and consensus upon norms and regulations for managing and protecting the forests, for violation penalties, and for how to use the PFES monies paid to the village's PFES account. Achieving this consensus can be difficult.

CONCLUSIONS

Despite the many successes for VFD outlined under RQI, there were also several challenges encountered during the activity implementation. The varied challenges respondents highlighted fell into four main categories: (i) challenges in attracting the participation of the private sector, (ii) challenges in expanding policy implementation for PFES revenue generation, (iii) challenges relating to an incomplete M&E system and tools, and (iv) challenges in building solidarity and consensus in forest management and protection.

RQ3: WHAT LESSONS CAN BE DRAWN FROM OVERCOMING THESE CHALLENGES FOR FUTURE USAID-FUNDED ACTIVITIES?

Despite the challenges discussed above, the activity was still successful and achieved good results. The following lessons learned result from how VFD overcame some of the challenges it faced.

FINDINGS

Based on KIIs, FGDs, field validation discussions, and a stakeholder consultation workshop (organized by USAID and LEARNS on April 26, 2021), the ET identified 25 lessons learned (additional details are in Annex VIII). These 25 lessons learned span four themes (see table below).

Table 5: Lessons Learned from VFD Implementation

CATEGORY	SPECIFIC CHALLENGES
Cooperation among and between Vietnamese partners and international implementing agencies	Incorporate straightforward dialogues to resolve differences between Vietnam counterparts and the implementing partners (Winrock International) from the planning stage through to acceptance of the results
	Respect Vietnamese counterparts' opinions, needs, and priorities, especially urgent needs
	Balance the interests of all parties to achieve the ultimate activity goals
	Set up clear norms and processes for communication and collaboration between stakeholders (VFD Office, PMU, VNFF, PPMUs, etc.)
Strong political support and commitment by GVN and local authorities	Get political support whenever appropriate (policy dialogues, in-person meetings, mutual communications, handing over activity ownership, study tours, etc.)
	Have a well-coordinated plan and working mechanisms to engage local authorities in supporting activity implementation and pushing initiatives forward
Building local ownership and handing responsibility over to Vietnamese stakeholders	Enhance the roles and responsibilities of Vietnamese partners (at all levels) throughout the activity cycle
	Strengthen beneficiary participation in decision making processes
	Empower beneficiary/stakeholder ownership of activities and products, which can increase the accountability of implementing agencies
Flexible, adaptive, and participatory planning and budgeting	Overall implementation plans should allow some flexibility when developing an annual plan and budget.

CATEGORY	SPECIFIC CHALLENGES
	From Year 2 onward, annual activity planning and budgeting should incorporate changes and adjustments based on the actions of partners/provinces to keep the activity aligned with reality on the ground.

Source: Synthesized by the ET from KIs, March 2021.

Cooperation among and between national partners and international implementing partners (WI, etc.)

Based on their experiences building partnerships with different stakeholders in implementing Phase 1, the VFD staff worked closely with authorities from VNFF, DARD, VNFF’s provincial branches, district and commune committees, and the private sector (cement and thermal power plants). VFD staff encouraged partners to engage in activities and dialogue to bolster their support of VFD activities and initiatives (C-PFES piloting, e-payments, forestland reallocation, etc.) from the beginning of Phase 2. VFD staff coordinated closely with VNFOREST, VNFF and Provincial People’s Committees at different levels in the activity provinces not only during annual planning and budgeting, but also with respect to policy development and planning, so that the activity could adjust its support to best align with GVN priorities, according to one stakeholder interviewee. The PFFs could then incorporate the outcomes of these discussions and plans before submitting their plans to Provincial People’s Committees for approval (Story 7, Annex VI; Thanh Hoa’s Sharing presentation). For example, when working closely with VNFF staff at the provincial level, VFD staff observed incorrect/inconsistent data in the current PFES database system and in forest owners’ red books. These inconsistencies made PFES payment difficult and increased the workload for local VNFF staff. To help VNFF fix this problem, VFD supported the development of tools to automatically check for and flag data inconsistencies (Story 4, Annex VI). VFD then helped set up systems for correcting forestland data and re-issuing titles and, where needed, reallocating individual lands to the community level in five communes of Bac Yen district, Son La province (Story 3, Annex VI).

Strong political support and commitments from the GVN and local authorities

As described above, having strong coordination and effective communication between VFD implementing agencies and national partners at all levels helped ensure strong political support and commitments from the GVN and local authorities. This political commitment also supported the proposal for piloting C-PFES submitted to the Prime Minister for approval, as well as the establishment of thirteen new village regulations, twelve regulations for revolving funds for women, and the approval of the new PFES M&E system guidelines (CPMU.f, 2021).

Also, VFD’s support helped strengthen partnerships between the United States and GVN-related agencies. VFD mobilized support from the U.S. Forest Service across several technical areas, including forest monitoring and remote sensing to improve PFES M&E (VFD, 2021).

Ownership by Vietnamese stakeholders

In addition to building support and political commitment, the strong engagement of local stakeholders around VFD also served to develop and support local ownership of the activity, its results, and its sustainability. VFD involved Vietnamese partners, stakeholders, and beneficiaries in decision-making processes, including prioritizing needs, planning, implementation, and M&E around deliverables and results. Through this empowerment, partners and communities could take ownership of the activity, increasing accountability on implementing partners. An example of building local ownership was the handover ceremony organized with national partners and beneficiaries, who signed acceptance and reaffirmation that they would use and sustain the activity’s results and products (CPMU.a-f, 2021). This ownership commitment resulted from VFD’s efforts to address beneficiaries’ priorities and needs. This experience with building local ownership is a significant lesson for future USAID-funded activity implementation.

Flexibility and adaptive, participatory planning and budgeting in support of achieving the activity's ultimate goals

Another lesson drawn from VFD implementation is the importance of needs-based planning and budgeting. Based on KIIs and discussions during the validation event, when doing activity planning, it is important to focus on the key activities/outcomes of interest, which can provide flexibility for adjustments when preparing future annual plans and budgets. This allows adjustments based on partner implementation performance and changes in the policy environment (such as the new Law on Forestry and the new Forest Strategy). According to respondents, a good example of this type of flexible approach to implementation was the successful support for the review and reallocation of forestland in five communes of Bac Yen district, Son La province. This support allowed for adaptation to needs that arose from the new PFES M&E guidelines.

CONCLUSIONS

The achievements of VFD would not have been possible without the active participation and support of forest owners and other stakeholders. The adaptive, participatory, and flexible management approach from VFD yielded successes, even within the complicated operating environment of COVID-19. This collaborative approach among stakeholders formed a foundation for mutually respectful partnerships, negotiation, dialogue, and compromise. When VFD stakeholders participated in annual activity planning and budgeting processes, accountability and local stakeholders' sense of ownership increased.

RQ4: WHAT ARE THE CONTRIBUTING FACTORS TO THE SUCCESSES AND CHALLENGES OF VFD?

FINDINGS

Factors contributing to successes

The synthesized results show 19 factors contributing to the successes of VFD's implementation (see details in Annex IX). These identified factors are summarized into the following four key groups.

Improved M&E capacity within PFES

The capacity of VNFF staff (at all levels) for M&E has improved. Additionally, management methods (e-payment, digitalized PFES data and payment information, etc.) were also enhanced, making PFES processes more transparent (Story 5, Annex VI). Technical tools, monitoring systems, and the application of new technologies were positive, motivating factors behind the outstanding changes from VFD.

Improved technical tools and M&E systems

One of the three core initiatives for Phase 2 of VFD was to improve PFES data quality, indicators, and the M&E system. The foundation of any PFES activity is data. Data is needed to identify forest owners responsible for forest protection, calculate C-PFES payment that the cement and thermal plants must pay, and assign mobile phone numbers to forest owners for e-payments. If data is inaccurate or inconsistent, the whole payment process will fail. VFD faced this challenge many times and understood the need for standardization and uniformity of data. Currently, VFD is working closely with VNFF and the provincial funds to improve capacity, effectively use VFD-supported tools and approaches to better manage data and ensure data quality into the future (Story 5, Annex VI).

The multi-stakeholder implementation approach

As described earlier, VFD adopted a collaborative approach to implementation. This approach is based on building consensus among stakeholders and communities, a facet that helped drive the achievement of its goals.

Throughout the activity's life, VFD partners worked hard together to build relationships and develop local partners' commitments to apply and maintain innovative approaches to improving the efficiency and effectiveness of the PFES system. When new approaches were neither welcome nor guaranteed to be implemented by local partners, VFD rejected them. Thus, multi-stakeholder consensus building was a critical component behind VFD's success.

VFD's multi-stakeholder participatory approach ensured local partners' ownership and commitment for each proposed activity. It also helped guide the activity along a pathway that ensured that all objectives were met. VFD used this approach for annual work planning processes and saw it as the best method for building a shared vision for adaptive work planning and flexible management (Story 7, Annex VI).

According to respondents, VFD's successes also resulted from the close partnership and effective teamwork with stakeholders. These partnerships are especially important in ensuring that local partners have the skills, tools, and ability to continue VFD's initiatives after the program ends (as seen in the handover ceremonies).

Flexibility in conducting annual planning and budgeting

VFD promoted results-based motivation for beneficiary and stakeholder participation and investment in forest protection and development (see Annex IX for details).

In undesirable circumstances such as the COVID-19 pandemic, a flexible approach to management is required. Due to the negative impacts of the COVID-19 pandemic, GVN became more focused on immediate, urgent needs rather than new initiatives like C-PFES piloting. In response, instead of trying to only push for GVN approval for the C-PFES pilot, VFD also worked with local authorities seeking to expand PFES to include water use in food processing plants, eco-tourism, and other sectors (VFD, 2021; CPMUa,b,c., 2021). Flexibility was also a necessary factor to support PFES policy development, according to VNFF staff.

Factors contributing to challenges

Many of the above factors that ended up contributing to successes started as factors that contributed to challenges in implementation. For instance, the weak PFES M&E system, inadequate tools, and insufficient collaboration with stakeholders were initially constraints on the success of VFD and the PFES system as a whole. However, with VFD support, stakeholders overcame these challenges, with the related improvements ultimately contributing to the success of VFD.

Insufficient incentives/motivation to attract stakeholders' engagement

The implementation of e-payments requires a shift in how people and businesses operate and can take time to implement and adopt fully. Unfortunately, there are still many barriers to fully transitioning to an e-payment system. One of the barriers is that other forms of payment do not require a smartphone, bank network cover the remote, mountainous areas, and transactions can occur across different parts of the country. In addition, cash payments are still popular in many localities, and some PPFs were reluctant to encourage forest owners to make the transition, even though the option was open to all 44 PPFs.

In addition, there are few benefits to encouraging private sector companies (both e-pay service providers and C-PFES pilot companies) to participate. For the C-PFES pilot companies, the lack of accurate tools to measure actual GHG emissions or measure the amount of CO₂ sequestered by forests was a hindrance. And the small payments did not encourage companies to invest in improving their technologies to reduce GHG emissions.

CONCLUSIONS

In many cases, factors that began as hindrances turned into success factors after VFD intervened effectively. Thus, early identification of the constraints and the fast action to improve the situation helped VFD adapt and ultimately achieve success.

RQ5: HOW HAS VFD CONTRIBUTED TO POLICY CHANGE AND IMPLEMENTATION IN VIETNAM?

FINDINGS

VFD supported the development and implementation of several PFES-related policies and regulations. One example of how VFD supported policy development was support for completing the PFES revenue expansion policy developed under the implementation framework of the Law on Forestry 2017.

VFD supported PFES policy implementation through its enhancements to the PFES M&E system and indicators and the creation of new tools. VFD also supported PFES implementation through the piloting of C-PFES, which resulted in more than 35 million tons of CO₂-eq⁷ between 2018 and 2020 (VFD, 2020).

VFD also supported the implementation of:

- the Sustainable Forestry Development Program for 2016–2020,
- the Development Strategy for 2006–2020,
- the REDD+ Program (Prime Minister’s Decision no. 419/QD-TTg/2017), and
- Vietnam’s National Determined Contribution for the LULUCF subsector (the target is 38 million tons of CO₂-eq).

With the e-payment system opened up to all 44 PFES provinces, VFD also played a part in promoting the implementation of the Non-Cash Payment Development Scheme in Vietnam under Prime Minister’s Decision No. 2545/QD-TTg, dated December 20, 2016 (See Story 8, Annex VI).

In Thanh Hoa province, the VFD program also supported 10 public forest owner organizations to develop “sustainable forest management plans” as required by MARD’s Circular No.28/2018/TT-BNNPTNT, which guides the implementation of the Law on Forest 2017.

CONCLUSIONS

Vietnam's forestry development policy is extensive, requiring large implementation systems. Over the final three years of VFD, it contributed technically and through capacity building, to the successful implementation of forest protection and development strategies and policies, especially the PFES policy. By supporting pilot policy initiatives (such as e-payments and C-PFES), VFD made significant strides toward more sustainable, self-reliant, and effective resource mobilization for forest protection and development.

⁷ This amount is calculated using AFOLU Calculator (AFOLU-CC) developed by Winrock International and endorsed by USAID for estimating the specific CO₂ benefits of all its land-based programs in 2021.

RECOMMENDATIONS

Based on the findings and conclusions discussed in this report, the ET has the following recommendations for USAID, IPs, and other stakeholders:

1. Future USAID-funded activities should continue to provide technical support for the review, reallocation, and retitling of red books for forest lands. Priority should go to households eligible for PFES but whose land records contain inaccuracies, such as discrepancies in location, land area, forest status, and so on. Priority should also go to households planning to convert from individual household forest ownership to village/community forest ownership.
2. VNFF should draft guidelines to allow forest owners to use a proportion of their PFES money to contribute to forest reallocation activities in their commune/village.
3. USAID-funded activities should continue to support sustainable forest protection and management-related policies (such as the decree on investment policies for sustainable forest development and protection, wood processing and trade, C-PFES, forest carbon credits, etc.).
4. VNFF should invest in synchronizing and further improving PFES monitoring indicators and the PFES M&E manual for application in all 44 PPFs.
5. Future USAID implementing partners and Vietnamese counterparts should start working together as soon as possible after award to establish a coordination mechanism. This mechanism will help support enhanced, multi-stakeholder (donors, contractors, national stakeholders, public and private sectors, beneficiaries, etc.) cooperation that will be a foundation for activity implementation throughout the activity lifecycle.
6. When developing activity documents and plans, USAID and other stakeholders should allow flexibility in the overall workplan and budget allocations. This will allow for adaptation and course correction in later annual workplans and budgets (beginning in the second year).
7. Future USAID implementing partners should work closely with Vietnamese counterparts in addressing the needs and concerns of national implementing partners, especially GVN agencies/authorities, and beneficiaries. These stakeholders should be encouraged to take ownership of the activity initiatives and results.
8. Future USAID implementing partners should encourage direct engagement from local communities in the activities like livelihood improvement where there is appropriate capacity. Communities could also contribute to activity resources and costs.

DISSEMINATION AND UTILIZATION

The ET shared initial findings from this evaluation with stakeholders during a Learning Workshop on March 26. Stakeholders then had the opportunity to discuss the different stories highlighted by the evaluation. This allowed participants to be involved in validating the evaluation results and provide feedback and comments to the ET, which the evaluation was able to incorporate into its final analysis and this report.

In addition, the ET will provide USAID with an outbrief presentation slide deck to summarize the final results of the evaluation. The evaluation report will also be published publicly on USAID's Development Experience Clearinghouse (DEC).

ANNEX I: REFERENCES AND REPORTS UTILIZED

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ANNEX II: FULL LISTING OF PERSONS INTERVIEWED

DATA COLLECTION RESPONDENTS			
AFFILIATION	RESPONDENT TYPE	TOOL	NUMBER OF RESPONDENTS
HANOI			
VFD Winrock	Service provider/contractor	KII/FGD	5
VFD CPMU	Project management	KII/FGD	7
VNFOREST	Policy officer	KII	2
VNFF	PFES-related GVN officials	KII	4
External Stakeholders	Association/CSOs		4
SON LA PROVINCE			
VFD CPMU	Project management/Provincial VNFF	KII/FGD	8
Policymaker	Forest protection officer, Local government officers	KII/FGD	8
Forest owner	Community forest owner	KII/FGD	6
Forest owner	Households	KII/FGD	36
THANH HOA PROVINCE			
VFD CPMU	Project management	KII	8
Policymaker	Forest protection officer, Local government officers	KII	6
Forest owner	Households	KII	16
Forest owner	Organizations/Forest Management Board	KII	3
Private sector	Pilot C-PFES Enterprises	KII	3
Total			116

ANNEX III: DATA COLLECTION TOOLS

Questionnaire for the interview

(Participants may choose not to answer part(s) of the questions that the participants were not involved in implementing these)

Full name:..... I Male 2 Female; Age:.....

Ethnicity: 1. Kinh 2. Other (specify):.....

Working place: Position:

Role played in VFD project.....

Question 1: What are the significant changes as a results of VFD activity implementation?

No.	Contents	Before 2018	Now (01/2021)	Significant changes
1	Expansion of PEFS sources			
2	PEFS monitoring and evaluation system			
3	E-payment for PEFS			
4	Policy related to PEFS and sustainable forest management			
5	Others (village regulation based, etc.)			

No.	Contents	Before 2018	Now (01/2021)	Significant changes

Question 2: What challenges you face when implementing VFD activities and what are factors contributing for those challenges

No.	Components	Challenges faced	Factors contributing to the challenges
1	Expansion of PEFS sources		
2	PEFS monitoring and evaluation system		
3	E-payment for PEFS		
4	Policy related to PEFS and sustainable forest management		
5	Village regulation for using PEFS for SFM		

Question 3: What are factors contributing for successes of VFD project implementation?

No.	Components	Success	Factors contributing to the successes
1	Expansion of PEFS sources		
2	PEFS monitoring and evaluation system		
3	E-payment for PEFS		
4	Policy related to PEFS and sustainable		

No.	Components	Success	Factors contributing to the successes
	forest management		
5	Village regulation for using PEFS for SFM		

Question 4: Listing out the three best lessons learned from implementing the following VFD project components that you were involved in.

No.	Components	Best lessons learned
1	Expansion of PEFS sources	
2	PEFS monitoring and evaluation system	
3	E-payment for PEFS	
4	Policy related to PEFS and sustainable forest management	
5	Village regulation for using PEFS for SFM	

Question 5: Provide three recommendations for successful implementation of similar USAID-funded projects/program

Question 6: How do you evaluate the overall performance of this project implementation?

Very good	Good	Average	Poor	Very poor
1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>	4. <input type="checkbox"/>	5. <input type="checkbox"/>

Reasons?.....

.....
.....
.....

THANKS FOR YOUR ANSWERS

EXPERTS' ASSESSMENT SCORING SCALE

No	Criteria	Definition	Scoring scale
I	Level of change occurred	Refers to the depth or degree of impact in a particular area/individual.	5 = very large change in household / community. The change reflects a real difference from the previous one. 4 = large change in household / community. The change has led to significant progress compared to before. 3 = moderate change in household / community. There is progress compared to the previous one. 2 = small change in household / community. There is a small change from the previous but not significant. 1 = No change to household / community.
II	Scope of change occurred	Range or extent of the change, including number of areas or individuals affected.	5 = the change has affected everyone or all areas of life. 4 = the change that has affected a large number of people or areas in life 3 = the change that has made a difference in some areas, or affected some people. 2 = the change is limited to one field or one person. 1 = no change.

III	Sustainability	Degree to which the change is expected to continue, or lead to long-term effects	<p>5 = changes are expected to be permanent and lead to significant changes over a long period of time. This may include changes that were made in the past and are continuing to bring results.</p> <p>4 = the change persisted for a medium term, or is expected to last for a moderate period (2-5 years).</p> <p>3 = the change lasted for a moderate time, or is expected to last for a moderate period (1-2 years).</p> <p>2 = the change has persisted for a short time, or is expected to last for a short period (several months - 1 year).</p> <p>1 = change persists for a shorter period, or it is not possible to determine whether the change is sustainable. More recent changes can make it difficult to assess sustainability.</p>
IV	USAID support related	The extent to which your USAID program is a factor in the change, and how well the story connects to USAID program activities.	<p>5 = The USAID program has changed dramatically. Respondents clearly identified the USAID program as the main reason for the change.</p> <p>4 = The USAID program made a big contribution to change. Respondents clearly identified the USAID program as the reason for the change, but other factors played a small part as well.</p> <p>3 = The USAID program has moderately changed contributions. Respondents mentioned USAID program as well as other factors leading to change.</p> <p>2 = USAID program contribution changed insignificant. Mainly another factor led to the change.</p> <p>1 = USAID program does not contribute to change. Other factors have led to the change.</p>

ANNEX IV: RESEARCH METHODS AND LIMITATIONS

VFD IMPLEMENTATION RESULTS RESEARCH DESIGN MATRIX				
RESEARCH QUESTION	DATA COLLECTION TOOLS	DATA SOURCE	LOCATION OF DATA COLLECTION	ANALYSIS
1. What have been the significant changes as a result of the VFD project?	Desk Review	VFD reports/documents, MBFPs, VNFF, VNFOREST, and other available documents	National	Consolidate, cross-check, and verification
	KII	VFD stakeholders and beneficiaries	National, community, households	Scoring (using Likert scale; see details in Annex III)
	FGD	Provincial and commune-level stakeholders	Son La and Thanh Hoa provinces	
	Source Material Verification	Official reports, M&E reports/communications		
2. What have been the key challenges of program implementation at different levels?	Desk Review	VFD reports/documents, MBFPs, VNFF, VNFOREST, and other available documents	National	Consolidate, compare, contrast, and verification
	KII	VFD stakeholders and beneficiaries	National, community, households	Scoring (using Likert scale; see details in Annex III) SWOT, scoring
	FGD	Provincial and commune-level stakeholders	Son La and Thanh Hoa provinces	
	Source Material Verification	Official reports, M&E reports/communications		
3. What lessons can be drawn from overcoming these challenges for future USAID-funded projects?	Desk Review	VFD reports/documents, MBFPs	National	SWOT, synthesize, pair comparison, experts' assessment

RESEARCH QUESTION	DATA COLLECTION TOOLS	DATA SOURCE	LOCATION OF DATA COLLECTION	ANALYSIS
	KII	VFD stakeholders and beneficiaries	National, community, households	
	FGD	Provincial and commune-level stakeholders	Son La and Thanh Hoa provinces	
	Source Material Verification	Official reports, M&E reports/PRA tools used		
4. What are the contributing factors to the successes and challenges of the program?	Desk Review	VFD reports/documents, MBFPs, M&E results	National	Consolidate, SWOT, cause and effect analysis, and scoring
	KII	VFD stakeholders and beneficiaries	National, community, households	
	FGD	Provincial and commune-level stakeholders	Son La and Thanh Hoa provinces	
	Source Material Verification	Official reports, M&E reports/PRA tools used VFD communication		
5. How has the program contributed to policy change and implementation in Vietnam?	Desk Review	VFD reports/documents, MBFPs, M&E results	National	Consolidate, SWOT, and cause and effect analysis
	KII	VFD stakeholders and beneficiaries	National, community, households	
	FGD	Provincial and commune-level stakeholders	Son La and Thanh Hoa provinces	
	Source Material Verification	Official reports, M&E reports/PRA tools used VFD communication		

RESEARCH QUESTION	DATA COLLECTION TOOLS	DATA SOURCE	LOCATION OF DATA COLLECTION	ANALYSIS
6. What are key recommendations for future USAID projects/ programs?	Desk Review	VFD reports/documents, MBFPs, M&E results	National	Consolidate, cause and effect analysis, consultation, and compare and contrast
	KII	VFD stakeholders and beneficiaries	National, community, households	
	FGD	Provincial and commune-level stakeholders	Son La and Thanh Hoa provinces	
	Source Material Verification	Official reports, M&E reports/PRA tools used VFD communication		

ANNEX V: STATEMENT OF WORK (SOW)

USAID Learns Background

To effectively implement the USAID/Vietnam Country Development Cooperation Strategy (CDCS) for 2020-2025, the Mission has contracted an institutional support mechanism (Learns) to act as a force multiplier for the Mission and over 40 activities. Learns staff and consultants provide ongoing technical assistance in Program Cycle processes: strategy, project design and implementation; activity design and implementation; monitoring; research and evaluation; collaborating, learning & adapting; and building the capacity of USAID and partners in said processes.

Evaluation Background

This Statement of Work (SOW) describes the terms of reference for an external final performance evaluation of USAID's Vietnam Forests and Deltas (VFD) program. VFD was awarded to Winrock International (WI) on September 25, 2012. The activity has been extended through May 2021, making it nearly a nine-year, \$33 million intervention. VFD aims to support Vietnam's transition to more resilient and sustainable development.

The program has approached its closing stage of implementation. This final evaluation was requested by USAID's GVN counterpart (Ministry of Agriculture and Rural Development - MARD) to review VFD's implementation in its second phase to provide lessons learned for the closeout of VFD and to inform new activities implemented in the sector.

VFD Overview

The first phase of VFD (2012-2018) was implemented by WI in direct partnership with MARD and through sub-awards with the American Red Cross, Center for Sustainable Rural Development (SRD), SNV Netherlands Development Organization (SNV), and Vietnam Red Cross. The first phase of VFD supported the acceleration of Vietnam's transition to climate-resilient, low-emission, sustainable development by improving forest and natural resource management and engaging communities in the development of action plans to address climate risks and vulnerabilities. Phase I work took place through three components:

- Component 1: Sustainable Landscapes (Thanh Hoa and Nghe An provinces)
- Component 2: Adaptation (Long An and Nam Dinh provinces)
- Component 3: National Policy and Coordination

In June 2018, USAID approved the extension of VFD through May 2021, with a technical focus on improving the effectiveness and efficiency of Vietnam's payment for forest environmental services (PFES) mechanism through three main innovations:

- Developing e-payment solutions for PFES payments, in order to reduce transaction costs, security issues, and opportunities for corruption (Son La and Lam Dong provinces);
- Strengthening monitoring and evaluation (M&E) systems for PFES to build an evidence base through which to measure success and inform policy improvements (Son La, Lam Dong, and Thanh Hoa provinces); and
- Expanding PFES to other sectors, focusing on carbon PFES, but also considering PFES for ecotourism and PFES for industrial water use (Thanh Hoa and Quang Ninh provinces).

Evaluation Purpose

The evaluation will focus on implementation in the VFD's second phase, from 2018-May 2021. Based on a series of scoping meetings USAID, WI, and PMU, the final evaluation aims to review successes, challenges and lessons learned from the second phase to better prepare for closeout and inform effective implementation for new activities. VFD has gained a significant amount of knowledge that

needs to be shared with new implementers - Sustainable Forest Management and Biodiversity Conservation. This evaluation should also support the Project Management Unit of Forestry Projects (PMUFP to meet the Decree 56 requirements to evaluate closing projects.

Evaluation Questions

1. What have been the significant changes as a result of VFD focusing on phase 2 from 2018-2020?
2. What have been the key challenges of program implementation at different levels?
3. What lessons can be drawn from overcoming these challenges for future USAID-funded activities?
4. What are the contributing factors to the successes and challenges of VFD?
5. How has VFD contributed to policy change and implementation in Vietnam?

Questions will consider differential impacts on males and females where relevant. Recommendations should include strategies, approaches, and steps for USAID, new implementers, and government counterparts to consider for more effective future activities and better contribution to policy changes and enforcement in Vietnam as they continue the work in this sector.

Methods

The evaluation is expected to apply a mixed methods for data collection and analysis with a stronger focus on qualitative methods given the nature of the evaluation that examines in-depth the project's results at policy level. The evaluation team will conduct a desk review of available literature including activity documents. Site visits will provide qualitative data for analysis through methods such as key informant interviews, focus group discussions, and direct observation.

It is expected that the evaluation team will use secondary quantitative data provided by the implementing partner in regular performance reporting. Primary collection of quantitative data and large-scale structured surveys are beyond the scope of this evaluation.

USAID/Vietnam will provide documents for the desk review, as well as contact information for prospective interviewees. The evaluation team will be responsible for identifying and reviewing additional materials relevant to the evaluation, as well as additional contacts. Specific activities to design the study and engage primary evaluation users in the analysis and dissemination of findings include (but are not limited to):

1. A consultative inception report that principally identifies qualitative assessment tools and key stakeholders
2. Key informant interviews with stakeholders, including but not limited to USAID, PMUFP, provincial government partners, private sector stakeholders
3. Focus group discussions with local beneficiaries and forestry communities
4. Data validation with relevant stakeholders
5. Reports tailored for GVN and USAID, including 2-page summaries where possible
6. Findings/recommendations utilization event

Geographical focus

The evaluation will examine implementation in all four provinces with the stronger focus on Son La and Thanh Hoa Province. Accordingly, primary data collection will be conducted in these two provinces given the time constraint mentioned in more detail below. Potential virtual discussion with stakeholders in Lam Dong is being considered.

Deliverables and Timeline

Given its tight deadline and on-going COVID's threats, the evaluation is simplified with following expected deliverables.

Timeframe: Jan 7 - April 30:

Inception report (complete by January 20)

- An evaluation design was developed based on two meetings with USAID, WI, and PMU
- Deliverable timeline and LOE
- 2. Draft Report
 - Complete and share the draft report to USAID, PMU, and WI (the initial draft will be completed in Vietnamese for MARD's review) by March 18
 - Draft the English version of the report by mid-April
- 3. Top-Line Findings (Validation event with USAID, PMU, WI and other relevant stakeholders by end of March) and Utilization event (facilitated with the support of Learns) by end of March:
 - PowerPoint presentation outlining key preliminary findings based on field research
 - Workshop engaging *USAID, PMU, WI and other relevant stakeholders* in sense-making and validation of findings and development of recommendations
 - Develop a Post-Evaluation Action Plan, identifying actions and timeline for actions in response to the recommendations for USAID, MARD, VFD, and the new implementers
 - Summary notes on key recommendations emerging from USAID-IP-GVN reflection event focused on the recommended way forward.
- 4. *Final report* (including USAID/IP recommendations on way forward and USAID comment on the Draft Report)
 - Share the report in Vietnamese with PMU to be submitted as an independent evaluation report, following Decree 56's format guidance by end of March.
 - Submission to USAID in English by end of April
 - Final copy-edited reports, approved by USAID in English following USAID feedback and updates to report; will include a 2 page summary of the findings in English and Vietnamese

Report Criteria

- *GVN Report*: in order to support PMU to submit an independent evaluation to GVN when VFD is closed, the format of the GVN report will follow government's guidance. It will be submitted in Vietnamese.
- *USAID Report*: the draft evaluation report should meet the following criteria and will be submitted in English.
- The report should be in line with USAID Evaluation Policy (see Appendix I – Criteria to Ensure the Quality of the Evaluation Report) and USAID Secretariat Style guide.
- The report should be no longer than 30 pages, excluding executive summary, table of contents, and annexes.
- The report should include a three-to-five-page Executive Summary highlighting findings and recommendations.
- The report should represent a thoughtful and well-organized effort to objectively respond to the evaluation questions.

- The report shall address all evaluation questions included in the SOW.
- Evaluation methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides shall be included in an Annex in the final report.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, etc.).
- Evaluation findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Recommendations should be action-oriented, practical, specific, and evidence-based.
- The final report should be edited and formatted by the contractor and submitted electronically to USAID/Vietnam.
- The final evaluation report must be 508 compliant and comply with the USAID Evaluation Policy: <http://www.usaid.gov/sites/default/files/documents/1868/USAIDEvaluationPolicy.pdf>
- Learns must submit the final evaluation to the Development Experience Clearinghouse.

Team Composition

A team of three members has been set up to conduct the review.

A Team Lead – in charge of the review and technically responsible to deliver following deliverables:

- An evaluation plan that principally identifies qualitative assessment tools and key stakeholders;
- Data collection including:
 1. Key informant interviews with stakeholders, including but not limited to: USAID, PMUFP, provincial government partners, private sector stakeholders;
 2. Focused group discussions with other local beneficiaries and forestry communities);
- Data validation with relevant stakeholders
- Data analysis
- Evaluation report
- Findings/recommendations utilization

A Researcher – Technically support the team leader in

- Contribute to explore significant changes for data collection
- Participate in meetings and fieldwork activities, take notes, entry and clean data
- Provide logistics and coordination support for fieldwork arrangement in complying with Learns' guidance

A Research Assistant

- Provide logistics and coordination support for fieldwork arrangement (including meetings with stakeholders, interviews, focus group discussions in the project sites and at central level).
- Participate in meetings and fieldwork activities, take notes, entry and clean data

Logistics, Level of Effort, and Budget

The evaluation team is anticipated to visit and conduct consultations and data collection visits in Hanoi, Son La Province, and Thanh Hoa Province. Learns is responsible for making logistical arrangements for the evaluation team including hotel, air travel, and local transportation arrangements.

The budget and level of effort were submitted separately by Learns to USAID on January 22, 2021.

ANNEX VI: STORIES TOLD BY DIFFERENT KIIS

Story 1. The story of change in the forest management and protection, told by a Thai ethnic village head, in Muong Sang commune, Moc Chau district, Son La province.

Our Lun village has a total forest area of 1,340.5 hectares (of which community forestland is 1,017.86 ha, household (174 households) owned forests are 147.38 ha, and the forest owned by the socio-political groups in the village is 175.19 ha). In 2020, the village received 355 million VND from PFES.

Following the regulations on forest protection and development, the use and management of PFES money, the village has allocated 50 percent of the payment for forest protection and forest fire prevention, 30 percent for village infrastructure development: roads, the village cultural house, and 20 percent to the Women Revolving Fund for economic development.

The forest protection and management regulations articulate the coordination requirements between village forest protection groups, Commune People's Committees (CPCs), and forest rangers in forest management, protection, and forest fire prevention. A village forest protection group of 25 members participating in forest inspection and protection was established (last year, the lowest number of days a group member participated in forest patrol and protection was 15 days, while the highest was 92 days). Each person who participates in the forest patrol/protection will be paid 150,000 VND a working day and 50,000 VND for a meal. Since the establishment of the forest protection group, forest patrol and inspection have been carried out regularly, especially during the dry or slash and burn season, so the number of forest fires has decreased significantly (no forest fire occurred last year).

Besides, compliance with the regulations on harvesting of forest and non-forest products has been enforced more strictly. On a yearly basis, the village PFES fund management board and forest protection group members are required to participate in activities such as forest fire fighting drills, forest inventory, and inspection before PFES payment. In our village, forest rangers have used flycam to monitor forest cover changes, so the payment is very transparent and clear. In the past, about 15 percent of forest owners questioned or disputed their PFES since there were inconsistencies between the information in their red books and the actual onsite forest status. Now, this situation is no longer exists.

Story 2. The story on non-cash payment making PFES more transparent, told by a field coordinator at the VFD office in Son La Province

Improving transparency in PFES payments started from the involvement of the VNFF representatives, rangers, commune authorities, and the communities in PFES forest inventory to define PFES area of the year. In addition, techniques such as fly cam, GIS, or RS are applied to identify eligible PFES area. The PFES money is directly paid to forest owners through VNpost, Viettel-Pay, or bank accounts. Non-cash payment is implemented according to Prime Minister's Decision 2545/QĐ-TTg, dated December 30, 2016 on non-cash payment scheme in Vietnam in the period of 2016 to 2020. The VFD has helped the VNFF to develop the guides for PFES payment through Viettel-Pay and VNPost. Since 2018, Son La had opened 3,651 ViettelPay accounts for 3,651 eligible forest owners with the total amount of 4,272.161 million VND paid. The payment through this system helps improve the transparency, effectiveness, efficiency, and alignment with the policy in the Prime Minister's Decision No. 2545/QĐ-TTg/2016.

Story 3. Story of recall and reallocation of forestlands, told by a Thai ethnic villager, in Chen Village, Muong Khoa Commune, Bac Yen district, Son La province

Chen Village is one of three villages in Muong Khoa Commune participating in forestland red book reviewing and reallocation activity. There are more than 400 hectares of the PFES forest area in the whole village, of which 260 ha was (in 2002 by Decree No 2/ND-CP/1999) assigned for the community, and the remaining was assigned for 51 households. The community forest had been formed even before 1991 from the Song Da river protection forest program: the community was allocated 800 ha. In 2005, the forest area that bordered with agriculture land of the households in the village was then combined and allocated to those households. In 2020, when implementing the forest red book reviewing and reallocation, all mass organizations and social entities of the village were mobilized and

involved in propaganda for getting villagers' consensus. As required procedures, a village needed to organize at least three meetings to unify the reviewing and reallocation processes; however, thanks to good preparation in advance and the strong consensus of our people, they agreed to combine the households' forest area into the whole village (community) forest area for reallocation to village-owned forest. Because the forest area owned by households was quite small (1-2 ha per household), the village consists of a solely Thai ethnic group, the benefits from having one village fund (PFES money) are obvious as stated in the village regulation: getting a large amount that can be used for village infrastructure development projects such as building two embankments (100 million VND), village cultural house and paying for annual community events, e.g., village ethnic solidarity day (10 million VND), the consensus was easily reached. Especially when all forest areas in the village are combined into the community forest, a household does not have to contribute/pay for the village fund and fees (the agriculture land use fee of 210,000 VND/ha). The respondent said that when transferring from individually owned forest area to the community forest, the forest protection has been more effective; in the past, households insisted in their rights over their own forest area, but when forest fires occurred, the whole village had to fight together, one household alone could not do it.

Story 4. The story of change in the PFES M&E system, told by a senior officer of VNFF

The content of monitoring and evaluating the effectiveness of PFES policy implementation is one of the key initiatives of the VFD in the period of 2018 to 2021. The project has supported VNFF in building National Guidelines on PFES Monitoring and Evaluation, which was inherited from VNFF's PFES monitoring instruction and adjusted to fit the local condition and has been piloted in focal provinces of VFD (Son La, Lam Dong, and Thanh Hoa). The guideline includes a set of 28 PFES M&E indicators measuring the socio-economic and environmental aspects, as well as executive policies on PFES. In addition, VFD supported the implementation of PFES M&E software, updated PFES data in 2019, and adjusted certain contents and functions to suit Vietnam and provincial conditions. During the process of developing the guideline, VFD had organized trainings on PFES governing skills, effective uses of the M&E indicators for officials of PFF, Forest Protection sub-department, and related stakeholders (Forest Management Board, companies). The PFES-eligible forest map is currently combined with forest inventory maps, forest coverage changes, and PFES payment map of the previous year, which helps VFD reduce workloads significantly for field monitoring and inspection to about 10 to 50 percent.

Story 5. Story of the change in the PFES database system and indicators serving for PFES M&E, told by a head of the VNFF's district branch, Son La PFF

The VFD has supported organizing trainings on PFES governing skills, effective uses of the M&E indicators for officials of PFF, Forest Protection sub-department, and related stakeholders. The development of the PFES map is currently based on the integration of the four map types, including forest inventory map, the map of the forest cover changes provided by the forest rangers, PFES map of previous year (of VNFF), and watershed map, the PFF officials have only to check, verify the inconsistent or non-matching points when overlaying these four maps. In the past, the exporting data, verifying of maps, and taking out a data file (in Excel) took a lot of time; thus, one PFF staff member could complete only one commune per day. Currently, data export and overlying maps have been done using computer software, so that one PFF staff member can finish one district per day (equal to 16 communes). For example, for Moc Chau and Van Ho PFF branch, before the project's support, the PFF's responsible officials had to go to each forest owner of more than 7,000 owners in the two districts. However, in 2020, there were only 240 and 576 points (forest owners) needed to be checked in Moc Chau and Van Ho, respectively, decreasing more than 80 percent of the staff workloads. Four of the eight officials in the Moc Chau and Van Ho branch are now capable of using a computer confidently to export data, compare, and identify real disputed points. The burden on handling disagreements and disputes in PFES payment of PFF staff has decreased significantly.

Story 6. Story of women revolving fund, told by a Thai ethnic woman in Pong Village, Quang Chieu commune, Muong Lat district, Thanh Hoa province

I joined the women's savings group, which includes 27 members from our village, and we managed 35 million VND of PFES money. The group's operation is based on five principles: voluntary, self-responsible, equality, transparency, and fairness. Thanks to this group, I was invited to participate in awareness-raising and training activities, and to learn how to save, to contribute a share with the group fund (knowing of what a share is about and not scared of contributing to the community fund anymore). Though the revenue is very small, each loan only with the size of 1 to 5 million VND, the borrowing procedure is very simple and quick. The group members contribute their shares in the group meetings organized twice a month, each time a person will contribute five shares (each share equal to 20,000 VND). Especially, I have had a chance to exchange my experiences in livelihoods development, e.g., animal husbandry, cropping, and negative impacts of slash-and-burn practices on the forest. This propaganda appears to be more effective than that of the agricultural extension system because the communication languages are not of our mother tongues and more complicated than our ones.

Story 7. Story of change in stakeholders' perceptions in developing C-PFES policy and VFD's initiatives, told by an officer of CPMU

VFD is funded by USAID, and its way of running the project differs from other ODA projects in implementation approach, which is executed through the implementing contractors (Winrock International in this case). Under this implementation principle, the project can be started right away after the funded budget is committed by the donor (USAID) and the contractor(s) is selected, the project documents can be developed accordingly after; therefore, its interventions and expected outputs are very much in alignment with national stakeholders' needs and local partners' priorities. However, many local authorities participating in these types of projects who are not familiar with this approach are often not very interested and quite passive at the start. Therefore, the project VFD always placed attention on improving coordination and partnership cooperation, promoting engagement of all related stakeholders from the early stages of the project implementation (planning, determining priorities, etc.) through development of an agreed-upon coordinating mechanism right after the project document was approved. One example is the case of Thanh Hoa province. When the project started, the project first proceeded very slowly because the local authorities realized that they had no control over the project budgets; it took some time for provincial leaders to understand the benefits and advantages that the new implementation approach brought about and their coordination and cooperation roles in ensuring a smooth implementation of the project activities committed. The C-PFES piloting scheme started in October 2018 and received strong support and coordination from VNFOREST and the Provincial People's Committee of Thanh Hoa province. In addition, the project supported organizing the study tour on how payment for carbon sequestration and storage services works in the United States and Canada. After participating in this study tour, the perceptions of C-PFES stakeholders have changed significantly. The process of piloting C-PFES has been receiving a very high consensus of both policymakers at VNFOREST and pioneer companies (cement and thermal power plants in Thanh Hoa). By December 2020, MARD had completed the C-PFES piloting proposal and submitted it to the Prime Minister for approval. Thanh Hoa partner has become a champion on this scheme.

Story 8. Story of how VFD program supports the implementation of different forest protection and development strategies and policies, told by a VFD PPMU's Director

As my personal observation, the VFD program implementation has supported the review and assessment of implementation of the forestry development strategy for the period 2006–2020 to prepare for the 2021–2030 strategy, completing the PFES guidelines to effectively implement PFES policies such as Decree No 99/ND-CP/2010, 147/ND-CP/2016, and Decree No. 156/ND-CP/2018 on detailing the implementation of different Articles of the Law on Forestry 2017. Specifically, the project supported Ministry of Planning and Investment (MPI) to develop a draft Decree on Investment policies in forest protection, development and wood processing, and trade and supported the VNFOREST to draft the Prime Minister's Decision on Piloting C-PFES. In addition, the project also contributes to the

implementation of NDC of Vietnam through its results of increasing carbon sequestration of more than 35 million tons of CO₂eq in the project provinces. The results of improved forest protection also contributed to the implementation of the REDD+ program. With the support for pilot and institutionalization of e-payment of PFES, the VFD has directly promoted the GVN's scheme of cashless transactions under the Prime Minister Decision No. 2545/QĐ-TTg. In Thanh Hoa province, the VFD program has also supported 10 forest owner organizations to develop a sustainable forest management plan as required in the Circular 28/2018/TT-BNNPTNT in guiding the implementation of the Law on Forestry 2017.

ANNEX VII: STORIES ABOUT SIGNIFICANT CHANGE IDENTIFIED BY STAKEHOLDER GROUP

No	Story	GVN staff	Forest owner	KII interviews	Total
1	An efficient, accurate, and transparent PFES payment established thank to the new M&E system and indicators developed by the project	5	9	17	31
2	Non-cash-paying method (Viettel pay, Viet Post, or Bank accounts) for PFES widely applied to replace direct cash payment	12	5	6	23
3	PFES money is better used, and the forest is better protected and managed after the forestlands have been reallocated and recertified in the red books	8	5	15	28
4	PFES payment has been managed and efficiently used for not only forest protection but also inclusive livelihood and rural development	6	15		21
5	Changing in businesses' perceptions and political will on C-PFES	2	5	8	15
6	Community forests are managed and monitored by the collective, so the protection is more effective		7	6	13
7	Convenience, transparency, and satisfaction of PFES recipients (post/bank and Viettel-pay); reducing risks of corruption and disputes (by 2020, about 2330 to 3150 billion VND would be paid through E-pay method)		2	9	11
8	A detailed forest map has been developed, so the monitoring process is more favorable		2	7	9
9	Provide favorable conditions for attracting investors, investing in forest protection and development, and renting forests for eco-tourism development	3		6	9
10	Reduce risks, reduce costs, be more straightforward and transparent, with the right people, with the right amount, and with consensus	4		5	9
11	Save time and control over using money properly	2	2	5	9
12	Use PFES money more purposefully for forest protection and development and for the community's common economic and social infrastructure improvement			9	9
13	Encourage villagers to be acquainted with non-cash (bank or e-bank) for service transactions (receiving or paying money), with 60 percent of people participate in paying		1	5	6

14	Form a group of self-managed women to support economic production, with capital from the environmental protection fund (20%)		5	6
15	Reallocation of forestland make the clear and accurate boundaries, forest owners, locations, and other forest management status; resolving the conflicts and disputes among individual forest owners over the right to receive PFES, protecting forests and contributing to forest fire fighting, forest land planning, and protection transparently	1	5	6
16	Village infrastructure is invested in through environmental services	1	5	6
17	Avoid the same name among forest owners		5	5
18	Contribute to the net gain of CO2 sequestration of the whole project area of 35 million tons of CO2-eq		5	5
19	The forest owner is allowed to participate in the decision on the purpose of using the payment for forest environmental services		5	5
20	Better managed dispute-resolutions, contributing to better protection and improvement of the forest quality in the project areas (inventory map, forest owner map, forest owner map, land allocation map)		5	5
21	M&E capacity of the VNFF at different levels has improved significantly, especially at the provincial and district levels (guideline, indicators, decision making) M&E workload of VNFF staff at different levels has reduced significantly (about 90 percent; see the case study of Moc Chau and Van Ho branch)	1	2	3
22	Reinforcement of village/community regulations and norms on forest protection, development, sharing benefits, and responsibility	2		2
23	There is a set of indicators and software for monitoring and evaluation	2		2
24	There is the participation of mass organizations in monitoring, evaluation, and forest protection like the Women's Union, Veterans Association, Youth Union, etc.		2	2
25	Planning to patrol and protect forests has been developed, so forest protection has been made easier	1	1	2
26	Building a fast and compact monitoring and evaluation method		1	1
27	Changing people's perceptions	1		1

28	Having a set of indicators and software for monitoring and evaluation makes it easier to identify the payables of FES		
29	Payment for forest environmental services by bank transfer		
30	Synchronize province data system		
31	People in unions were trained as forest owners and forest management staff		

ANNEX VIII: LESSONS LEARNED BY STAKEHOLDER GROUP

No	Lessons Learned	GVN Staff	Forest Owner	KII Interviews	Total
I	Cooperation among the national partners and between Vietnam partners with the international implementing agencies				
1	Taking into account C-PFES payers' concerns and problems/benefits	5	6	7	18
2	Private contribution/benefit must be recognized	5	5	8	18
3	Getting national implementing partners actively involved in the whole process (designing, developing, piloting, and training)	5	6	8	19
4	Having the right capacity building plan for national partners is key (technical, managerial, institutional, communication) and should be based on actual needs assessed, on-site practice, and regular coaching and guidance.	4	9	5	18
5	Provide necessary capacity building and problem-solving service to individual forest owners from service providers on time.	5	8	5	18
6	Active involvement of service providers	3	5	6	14
7	Bringing mutual benefits (individuals versus community)	4	16	8	28
8	Empower partnership/cooperation between the office of the project implementers (VFD) and national partners of all levels (PMU, VNFF, VNFOREST, province, district, commune, village) based on trust, respect, and compromise over differences	4	5	8	17
9	Organize regular multi-stakeholder dialogues to solve problems/share experiences	5	2	14	21
10	Respect Vietnamese partners' needs, requests, and ideas	6		8	14
II	Strong political support and commitment of GVN and local authorities				
11	Getting political support from leaders of all levels	5	0	6	11
12	Getting political support whenever appropriate (policy dialogues, in-person meetings, mutual communications, handing over the project ownership, study tours, etc.)	5	0	12	17

No	Lessons Learned	GVN Staff	Forest Owner	KII Interviews	Total
13	It is necessary to have the leadership and direction of the district party committee, district people's committee, natural resources and environment department, and forest rangers.	3	7	9	19
14	Change takes time and requires both patience and having a well-coordinated plan and mechanism in place from the beginning	5	6	8	19
III Handing over to and taking ownership by the Vietnamese stakeholders					
15	Select the right pioneers/champions	6		8	14
16	Meet VNFF actual needs at the right time, using proper tools	4	3	6	13
17	Beneficiary/stakeholders' ownership (designing, planning, implementing, M&E, approval of the results and using the VFD results)	5	6	8	19
18	Need the consensus of the people	6	12	11	29
19	Getting grassroots-level participation and community self-reliance and governance	4	12	12	28
20	Handing over the project ownership to national partners, local authorities, and communities; raising accountability of implementing agencies	4	4	2	10
21	Establish a support group in the village of people who know the locality and reputable people		1	3	4
22	Establishment of women revolving funds for more effective use of PFES money	3	3	2	8
IV Flexibility, adaptive, and participatory planning, and budgeting in support of achieving the ultimate project goals					
23	Funds should be allocated to support commune or village working groups to protect forests		4	4	8
24	Stick to ultimate goals but have sufficient flexibility in annual planning and budgeting	4		12	16
25	From year two onward, annual activity planning and budgeting should be based on the implementation results of each partner/locality/output/component in order to have proper adjustments/resource reallocations as needed	4		12	16

ANNEX IX: POST-EVALUATION ACTION PLAN

Recommendation		Management Response: Accept/ Partially Accept/ Reject	If not accepted, give reasons for rejection or, if partially accepted, describe any amendments	Actions (If accepted)	Who owns action (If accepted)	Timeframe (If accepted)
Recommendation from the evaluation	Future USAID-funded activities should continue to provide funding and technical support for the review, reallocation, and retitling of red books for forest lands. Priority should go to households eligible for PFES but whose land records contain inaccuracies, such as discrepancies in location, land area, forest status, and so on. Priority should also go to households planning to convert from individual household forest ownership to village/community forest ownership.					
	VNFF should draft guidelines to allow forest owners to use a proportion of their PFES money to contribute to forest reallocation activities in their commune/village.					
	USAID-funded activities should continue to support sustainable forest protection and management-related policies (such as the decree on investment policies for sustainable forest development and protection, wood processing and trade, C-PFES, forest carbon credits, etc.).					

	VNFF should invest in synchronizing and further improving PFES monitoring indicators. VNFF should also officially institutionalize the PFES M&E manual for application in all 44 PPFs.					
	Future USAID implementing partners and Vietnamese counterparts should start working together as soon as possible after award to establish a coordination mechanism. This mechanism will help support enhanced, multi-stakeholder (donors, contractors, national stakeholders, public and private sectors, beneficiaries, etc.) cooperation that will be a foundation for activity implementation throughout the activity lifecycle.					
	When developing activity documents and plans, USAID and other stakeholders should allow flexibility in the overall workplan and budget allocations. This will allow for adaptation and course correction in later annual workplans and budgets (beginning in the second year).					
	Future USAID implementing partners should work closely with Vietnamese counterparts in addressing the needs and concerns of national implementing partners and beneficiaries. These stakeholders should be encouraged to take ownership of the activity initiatives and results.					

	Future USAID implementing partners should consider sub-granting parts of implementation to local communities where there is appropriate capacity. Communities could also contribute to activity resources and costs.					
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