

Evaluation Report Executive Summary

**IKI Mid-Term Evaluation of the project:
“Living Landscapes - Securing ecological
connectivity of high conservation value areas
in Bhutan”
(20_IV_085_BTN_A_Living Landscapes)**

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Project description

The "Living Landscapes - Securing ecological connectivity of high conservation value areas in Bhutan" project (20_IV_085_BTN_A) is implemented with funding of the International Climate Initiative (IKI) by the World Wide Fund For Nature (WWF) Germany in collaboration with WWF Bhutan (WWF BT) and the Tarayana Foundation (TF). The project, which has a budget of EUR 9,736,839, is set to run from April 2020 to March 2028. Bhutanese key stakeholders involved in the project include the Ministry of Energy and Natural Resources (MoENR), the Ministry of Finance (MoF), the National Land Commission Secretariat (NLCS), the Department of Forests and Park Services (DoFPS), and Divisional Forest Offices (DFOs).

The **objective** of the "Living Landscapes" project is to secure biodiversity and ecosystem services in south-western Bhutan outside the protected area system. The project aims at integrating High Conservation Values (HCV), i.e. biological, ecological, social or cultural values which are considered outstandingly significant or critically important, in land use planning and forest management processes. At the same time, the project addresses local communities' livelihood challenges. The project comprises **three outputs**, with one output each at national, subnational and community level: 1) Integrated planning approach, 2) enhancing management effectiveness of DFOs, and 3) benefitting communities from environmentally friendly livelihood strategies and alternative income schemes.

The project is implemented in a **context** in which the Royal Government of Bhutan (RGoB) strongly prioritises environmental protection and conservation. Bhutan, a global biodiversity hotspot, is the world's first carbon-negative country, with forests absorbing more carbon dioxide (CO₂) than the country emits. This is due to Bhutan's holistic development approach that includes maintaining a vast forest coverage and generating low-carbon hydroelectricity, also for export. However, despite favourable policies, Bhutan faces challenges in sustaining its climate and conservation goals amid increasing pressures on natural resources and competing land use interests. The country's 13th development plan sets ambitious growth targets for all sectors, aiming to enhance development efforts.

Description of evaluation objectives, intended use of findings and methodology

The evaluation report has been elaborated in the context of a joint IKI Mid-Term Evaluation (MTE) that covered two projects, the "Living Landscapes" and the "White-bellied Heron - Developing Ecosystem-based Solutions for Managing Biodiversity Landscape in Bhutan" project (project signature 21_IV_099_BTN_A_White-Bellied Heron), implemented by the Royal Society for Protection of Nature (RSPN). This summary/report covers the MTE results of the "Living Landscapes" project.

MTEs are a standard instrument of IKI's Monitoring and Evaluation (M&E) system and as such, they are applied to all large IKI funded projects at approximately halfway through the project. The purpose of the MTEs is to facilitate learning, increase accountability and contribute to better decision-making among all stakeholders involved. The MTE provides all relevant stakeholders with steering-relevant information about the status of implementation, the achievement of objectives and possible challenges. Especially due to the early timing of the evaluation during the projects' lifecycle, MTEs offer the implementing organisations the opportunity to reflect on the project approach and the interaction of the outputs and to adjust them, if required. At the same time, the results enable the commissioning ministries and Zukunft – Umwelt – Gesellschaft gGmbH (ZUG), the project executing agency, to comprehensively assess the success of the project so far, and thus contribute to the steering capacity at project and programme level as well as to the accountability of IKI. Thus, the main intended users of the MTE results are the projects and its

partners for project steering and development. The German ministries and ZUG use the MTE results for knowledge management, programme development and political steering.

Evaluation criteria: The MTE has applied the six evaluation criteria 1) Relevance, 2) planning, steering and coherence, 3) effectiveness, 4) transformational impact and sustainability, 5) safeguards, and 6) IKI standard indicators. This included an assessment of the evaluation questions (EQ), evaluation indicators assigned to the criteria, and additional specific learning questions (LQ) raised by the evaluation stakeholders during the MTE inception phase.

Design and methodology: A theory-based mixed-methods approach using contribution analysis was applied. The evaluation involved a systematic assessment of the project's Theory of Change (ToC) to analyse the contributions of the measures. Key methods included document analysis, ToC revision, participatory reflection workshops, semi-structured interviews and focus group discussions (FGDs) with all relevant stakeholder groups. On-site visits and transect walks provided direct insights into project implementation. This approach ensured comprehensive data collection and analysis, fostering stakeholder involvement and facilitating a credible assessment of cause-and-effect relationships in the project's complex context.

Main findings per evaluation criterion

Relevance: The project **aligns very well with the needs and priorities of the RGoB**, particularly those in the 12th and 13th five-year plans emphasising climate resilience, ecological diversity, and sustainable development. All Bhutanese stakeholders groups (e.g. government officials, community members) appreciate the project's integration of economic and conservation benefits and its support for capacity development and evidence-based decision-making. The project aligns well with Bhutan's Nationally Determined Contributions (NDC) and National Biodiversity Strategies and Action Plan (NBSAP). The project also **effectively responds to the needs and priorities of target communities**, addressing livelihood issues linked to environmental challenges. Key focus areas include climate change adaptation, water resource security, human-wildlife conflict mitigation, and alternative livelihoods. Communities, particularly women, highly value implemented water schemes, as these reduce their workload and improve household hygiene and health.

Planning, Steering & Coherence: The project **planning quality is assessed as very good**. It was based on inclusive stakeholder consultations during the preparation phase. The ToC is coherent, and the roles of implementing partners are well-defined. Gender considerations are integrated. While most indicators meet the indicator quality criteria, some outcome indicators, like those measuring species presence and household income, are seen as less specific, measurable, and achievable. Activity and budget plans are detailed and realistic for the project's eight-year timeframe. The **quality of project steering is assessed as good**, supported by an excellent results-oriented monitoring system, an adaptive management approach, and a solid steering structure. The monitoring system includes a comprehensive plan with indicator definitions, data collection, and management procedures, ensuring all partners are aware of their responsibilities. Adaptive management practices have successfully addressed challenges such as the COVID pandemic, financial execution delays, and funding processes for governmental partners. Regular reflection meetings and biannual reviews with all partners facilitate ongoing adjustments. However, strategic planning for converging the three outputs to ensure conservation and development benefits for High Conservation Value Areas (HCVAs) by the project's end is required. The Project Coordination Unit (PCU) effectively manages activities, with strong support from WWF Germany and strategic discussions by the Project Advisory Committee (PAC). The project's **coordination and synergies** are overall positive with opportunities for strengthening. Coordination primarily relies on the government's partner systems, as these have a coordinating function regarding

projects and non-state stakeholders. Strengthening ties with the Department of Water, the Department of Tourism and with the private sector will be relevant, particularly for the Payments for Ecosystem Services (PES) and ecotourism activities. Synergies with RSPN's "White-bellied Heron" project focus on information exchange to avoid duplication. Here, technical exchange could be strengthened.

Effectiveness: The project has suffered **substantial delays**, mainly due to the COVID pandemic. It is currently **catching up**, with good progress for some activities and outputs, and continued delays for others. For many activities, the project has just finalised the preparatory assessments and analyses, with the next months focussing on the acceleration of activity implementation. There has been **good progress at national level (output 1)**, with the elaboration of a national HCV interpretation and the integration of HCVAs as a category into national land use zones. Under **output 2**, DFOs have finalised biodiversity and climate vulnerability assessments and have **designated an HCVA for each of the 9 target districts**. DFOs are currently working on their integrated **management plans** with an earlier deadline set until the end of 2024 (instead of 2026). While the deadline is challenging, it is crucial for providing time for implementation of the plan. So far, there is one pilot management plan available as a draft, still facing several **quality issues**, including a lack of defining a management regime for the HCVA. Understanding the HCV management and monitoring concept is apparently still challenging for the DFOs. **Output 3** focuses on community benefits like reduced human-wildlife conflict and sustainable livelihood strategies. While water resource activities are overachieving, progress in other areas—such as promoting human-wildlife coexistence and developing sustainable livelihoods—is lagging due to several reasons. Therefore, **output 3 achievement to date is still low**. Overall, the project is currently entering into a decisive phase from assessments to action, with a need to accelerate in order to achieve the intended outputs. The evaluators believe that **chances of output achievement until the end of the project period are good**, if the project successfully focuses on implementation in the second half of the project's life cycle. Challenges regarding the **achievement of the outcome indicators** are rather related to indicator quality shortcomings and less to a low plausibility of outcome achievement. The **plausibility of achieving the intended outcomes is considered as high**, if the project successfully **converges the three outputs** in the next project phase to bring together conservation and benefits for the communities in the HCVAs to provide a **proof of concept for the HCV approach**.

Transformational Impact and Sustainability: The project focuses on achieving significant ecological and socio-economic impacts. It aims to maintain key ecological functions and biodiversity, particularly in HCVAs, contributing to the preservation of endangered species. Socially, it integrates cultural and religious values into land use planning, enhancing community cohesion and economic stability through sustainable agricultural practices and ecotourism. Governance improvements include multisectoral planning and transparency enhancements, fostering better decision-making processes. These impacts are already materialising, evidenced by the inclusion of social priorities in HCVA designations and economic gains from enhanced agricultural and tourism activities. There is an **overall high plausibility for impact**, provided the project outcomes are achieved. The project's transformative potential lies mainly in its pioneering approaches like intersectoral land use planning and the adoption of the HCV concept nationally. **Sustainability** is bolstered by strong stakeholder ownership and capacity building efforts, although challenges like staff turnover and limited resources come in as limiting factors.

Safeguards: The project has established **robust safeguards frameworks**, including grievance mechanisms and annual monitoring visits. Safeguards planning is comprehensive. Risk categorisation identifies medium risks, with no negative impacts observed yet. Concerns for the future include potential conflicts over land use, use restrictions with negative impacts on

communities' livelihoods, and negative perceptions of the HCV approach. As implementation progresses, monitoring and targeted mitigation will be crucial to manage emerging risks effectively.

IKI Standard Indicators (SI): The project overall **adequately reports on IKI SI**, with a need to strengthen some aspects regarding reporting on SI 2 (improved areas). HCVAAs should only be reported under the indicator once they are actively managed. SI 3 (directly supported people for better adaptation) has achieved 71% of its target, and SI 4 (people supported by networking and training) has achieved 78%. The reported results for SIs 3 and 4 are reliable, with expected overachievement by the project's end.

Conclusions

The MTE highlights the project's relevance for Bhutan. The HCV approach is pivotal, potentially serving as a framework for integrated planning and decision-making.

Several internal factors have contributed so far to successful project implementation:

- Both WWF Bhutan and TF have a very competent and committed project team.
- Both organisations have a very good reputation in Bhutan, thus, there is a high level of trust between the stakeholders.
- There is a good division of tasks between the stakeholders and a high level of ownership by all implementing partners (mainly WWF Bhutan, TF, DoFPS/DFOs, and NLCS).
- WWF Germany is providing good backstopping, including technical backstopping and the communication of IKI requirements.

Looking ahead, the project's success in 2024 hinges on accelerating implementation processes, refining strategies, and ensuring alignment across its three main outputs towards maximising the value of HCVAAs. Critical tasks include finalising management plans for DFOs, developing ordinances for HCVAAs, and conducting consultations to prevent potential land use conflicts. Technical support for DFOs and enhanced communication will be crucial, along with initiating pilot activities within HCVAAs by next year.

Major recommendations

Based on the evaluation findings and conclusions presented in detail in the full report, the evaluation team makes the following recommendations. The full report presents a complete list of recommendations and more detailed explanations for recommendations.

Recommendations to the project:

- Develop a **strategy to converge the outputs** in a way to focus on conservation and benefits around the HCVAAs. It has to be a priority to ensure that HCVAAs are actively managed.
- Take a **strategic decision** on the support to enhance the effectiveness of the DFOs.
- Increase **exchange frequency** with the other implementing partners (**quarterly monitoring sessions with partners**).
- **Strengthen synergies between RSPN, WWF, TF and DoFPS/DFOs** through **brief technical excursions** to visit those types of activity the actors have in common for joint learning, e.g. ecotourism. Human-Wildlife Conflict (HWC), and Non-Wood Forest Products (NWFP).

- **HCVs:** Strengthen **public relations / communication on HCV** through „easy-to-understand“ communication products / Frequently Asked Questions (FAQ) to mitigate negative perceptions.
- **HCVs:** Extend/deepen capacity development on HCV management and monitoring for DFOs as soon as possible, so they can still be useful for the development of the management plans.
- **HCVAs:** NLCS should prioritise the identification of overlapping land use zones and potential land use conflicts for HCVAs, as so far this has not been assessed.
- **Gender** is currently looked at in a very generic way with little specifying which topics are relevant and how they should be addressed. The assessment and activities for addressing gender in a meaningful way need to be specified.
- Explore additional payment systems (**PES**) apart from water, e.g. entrance fees for eco-trails, utilisation fees for facilities (for the latter, RSPN has experiences).
- **PES:** While continuing to seek cooperation and coordination with the Department of Water, the project should look at functional PES in the country / target districts, and particularly in the project areas (e.g. Tsirang) to understand success factors and implementation protocols.
- **Livelihood activities:** Private sector involvement needs to be enhanced once the livelihood activities take off (e.g. tour operators' association for the promotion of ecotourism and handicraft markets for handicraft products from NWFP).
- **Risk mitigation:** With implementation progressing, the risks related to land use conflicts and the perception of HCVs should be further differentiated to be able to take appropriate well targeted mitigation measures.

Recommendations to IKI/ZUG:

- The planned **timeframe of eight years** corresponds well with the time required for conservation outcomes to materialise. Gradually **increase the proportion of projects** with such a **long duration** to provide sufficient time for the achievement of objectives and consolidation of results.
- When assessing project applications, **more attention** should be paid to **ensuring that outcome indicators measure changes at the outcome level and that they are measurable and achievable**. If more ambitious indicators are desired, one option would be to introduce indicators at the impact level. However, the projects should not be made responsible for data collection here, but other data should be accessible, e.g. national statistics or, as in this example, the Tiger Survey, which is conducted at intervals of several years.
- If IKI updates the Guidelines for Project Planning and Monitoring, an **explicit reference with examples** should be included that the indicators should reflect the respective level of change and that outcome indicators that measure overarching developmental impact should be avoided.
- With the change of the revised standard indicators, the need for **sex-disaggregated data reporting** on some of the indicators (e.g. directly supported people) has been abandoned. With a view on global standards for gender, it would be desirable to reintroduce the need for sex-disaggregated reporting for the standards indicators (and for indicators in general).