



Evaluation

Danish Environmental Assistance in Southeast Asia



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Abbreviations

AIG	Alternative Income Generating activities
BMA	Bangkok Metropolitan Administration
CBO	Community-based Organisation
CDC	Cambodian Development Council
CDE	Capacity Development in Environment
CF	Community Forestry
CP	Country Programme OR Cleaner Production
CT	Cleaner Technology
CTA	Chief Technical Adviser
Danced	Danish Co-operation for Environment and Development (MEE)
DEA	Danish Environmental Assistance (Vietnam)
DIW	Department of Industrial Works (Thailand)
D.O.	Development Objective (in LFA matrix also referred to as “Goal”)
DOE	Department of Environment (Malaysia)
DTEC	Department for Technical and Economic Cooperation (Thailand)
DWNP	Department of Wildlife and National Parks (Malaysia)
ECD	Environmental Conservation Department (Malaysia)
EE	Environmental Education
EE&RE	Energy Efficiency and Renewable Energy
EDRF	Environment and Disaster Relief Facility (precursor to EPSF)
EIA	Environmental Impact Assessment
EMS	Environmental Management System
EPSF	Environment, Peace and Stability Facility
EPU	Economic Planning Unit (Malaysia)
FPO	Fiscal Policy Office (part of Thailand’s Ministry of Finance)
ICAD	Integrated Conservation and Development (Laos)
ICZM	Integrated Coastal Zone Management
I.O.	Immediate Objective (in LFA matrix also referred to as “Purpose”)
IUCN	World Conservation Union
IWM	Integrated Watershed Management
JCC	Joint Coordination Committee (Thailand)
LFA	Logical Framework Approach
MAF(F)	Ministry of Agriculture and Forestry (and Fisheries)
MEE	Ministry of Energy and Environment (Denmark)
MFA	Ministry of Foreign Affairs (Denmark)
MIFRESTA	Danish acronym for EPSF
MOE	Ministry of Environment
MOF	Ministry of Finance (all countries)
MOU	Memorandum of Understanding
MPA	Marine Protected Areas (Vietnam)
MPI	Ministry of Planning and Investment (Vietnam)
MTR	Mid-Term Review
MW	megawatt
NEPL	Nam Et and Phou Loei (Laos)
NERP	National Economic Recovery Plan (Malaysia)
NGO	Non-governmental Organisation
NIWMAP	National Integrated Watershed Management and Planning (Laos)

ABBREVIATIONS

NML	National Municipal League (Thailand)
NRE	Natural Resources and Environment
NRM	Natural Resources Management
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PAD	Protected Area Development
PMU	Project Management Unit
PSC	Project/Programme Steering Committee
RECOFT	Regional Community Forestry Training Centre
RFD	Royal Forest Department (Thailand)
RGC	Royal Government of Cambodia
RTG	Royal Thai Government
SADP	Sustainable Agricultural Development Project (Thailand)
SME/SMI	Small and Medium-scale Enterprises/Industries
SUD	Sustainable Urban Development
SWD	Sabah Wildlife Department (Malaysia)
TA	Technical Assistance
TOR	Terms of Reference
UEM	Urban Environmental Management
UNDP	United Nations Development Programme
WEFCOM	Western Forest Complex (Thailand)

Executive Summary

Following the 1992 Rio conference, Denmark established the Environment, Peace and Stability Facility, EPSF, as a separate funding mechanism. This Evaluation has looked at the EPSF programme in the Southeast Asian region: Cambodia, Laos, Malaysia, Thailand and Vietnam, covering the period 1994 to mid-2002. By the end of 2002, a total of DKK 1.8 billion had been disbursed or committed for over 200 activities. The objective of the Evaluation was to document results achieved and achievable, assess the strategic intentions and actual project activities, identify lessons learned and make recommendations for possible future improvements.

The Evaluation was carried out by Scanteam/Norway in collaboration with regional institutions and individual international and regional consultants during 2002-03.

Conclusions

Denmark's EPSF represented the single largest donor support to environmental action in Southeast Asia. The Evaluation finds that it has made important contributions in a range of sectors across the region, at project, sector, country programme and thematic levels. The focus on Capacity Development has been strategic, with important results at individual, organisational and institutional levels. The trust built over time has enabled Denmark to transmit "new ways of doing business", contributing to more participatory and inclusive approaches to managing environmental problems – a strategic contribution to institutional development well beyond the importance of the funds. The EPSF has funded innovative projects within the public and NGO sectors, at national and local levels, and has developed an impressive range of "best practice" projects that together constitute an important learning platform for effective and relevant actions with potentially sustainable impact.

The programme can be improved through more attention to local learning, but also better use of participatory approaches, more targeted technical assistance and more attention to poverty reduction and gender equity.

The programme has made substantive contributions to an ambitious agenda. Ultimate success will require reliable and predictable support of the kind the EPSF so far has provided, and which therefore should be continued.

Findings

EPSF funded activities began in Malaysia and Thailand under Danaced management in 1994, while programming of EPSF funds began in the other three countries under Danida management as of 1997 with activities really only beginning a couple of years later. Performance has been assessed at several levels: (i) projects, (ii) components/ sectors, (iii) country/regional programmes, (iv) cross-cutting and thematic issues; and (v) the overall EPSF programme.

Project Achievements

Relevance is generally high as project selection has been done in dialogue with national authorities. The *formal* linking to national priorities has been strengthened with better integration into local programmes. Relevance for other stakeholders has improved as programming has become more participatory. **Efficiency** and **effectiveness** varied, but has generally improved over time with stronger local ownership of activities. **Impact** improves as planning and implementation becomes more participatory. Organisational and institutional development are becoming more noticeable, including in areas like corporate culture, while policy impact is more visible in national capacity development projects and sector programmes like Malaysia's energy component. **Sustainability** improves with income levels. Donor dependence in Cambodia and Laos undermines sustainability across the board. Sustainability improves if projects are market-friendly and/or have been able to extend their stakeholder support base.

Denmark has supported a number of innovative projects, typically by NGOs. They have pioneered approaches in community-based natural resource management; networking across organisations; mobilisation and empowerment of marginalized groups; and participatory methods for addressing environmental issues. Less success has been attained in supporting alternative income-generating activities, and market-friendly interventions are in general a weak point. Modern technology has been successfully used for storing and making accessible tools and lessons learned, addressing key problems of poor institutional memory and rapid staff turn-over in partnering organisations.

Component/Sector Achievements

The energy programme in Malaysia is "best practice" in the "brown" sector. It is derived from and contributing to national policy, with the activities supporting implementation of key aspects. The energy programme in Thailand is also coherent and strategic, and in both countries energy activities are market-friendly. In urban environmental management, successful projects have used participatory approaches to develop tools and instruments to address problems, while in the industry sub-sector, cleaner technology projects have tended to focus too much on technology (supply) and not enough on the economics of new solution sets (demand).

In the "green" sector, the trend is towards sustainable and more decentralised management of public domain goods (forests, fisheries, etc.) that include livelihoods of the poor, though performance is uneven across the region.

Capacity building and environmental education ("grey" sector) increase awareness and promote action at both individual level and society at large. These projects are low-cost but administratively costly, yet the better ones are having an impact well beyond their project confines, and are thus highly effective.

Country Programme Achievements

The current Third Country Programmes in Thailand and Malaysia build on lessons learned from the two previous periods. Denmark succeeded in establishing relations of trust with authorities, NGOs and other actors and the overall programmes improved with more strategic focus and better defined components. The more recent programmes in Cambodia and Laos used time-intensive planning processes, while in Vietnam programming built on relations and experiences in place.

All country programme documents are well written, clear, with similar basic structure, all including “green”, “brown” and “grey” sectors. They give succinct statements of priorities and rationale for choices made. While torn between ambitions of being comprehensive and inclusive, on the one hand, and the desire for focus and coherence on the other, they remain too ambitious, spreading resources too thinly so that impact and sustainability are likely to suffer. The EPSF funding cut-back begun late 2001 has led to further focus.

Cross-cutting and Thematic Achievements

Capacity Development in Environment (CDE) has been central to EPSF activities, though weaknesses remain regarding CDE gap analyses and development of operational indicators and monitoring. Participation is a key EPSF concern but the practice of participatory approaches needs improving to foster ownership and empowerment.

Poverty Reduction and Gender can be addressed much better, based both on general Danish policies and manuals, but also using the “best practice” examples within EPSF that exist. Good Governance has been addressed through support to decentralisation, improved financial and information management (accountability and transparency), and the voice of the poor are strengthened where good participatory approaches are used.

Technical Assistance (TA) was controversial yet a successful part of the EPSF. The programme is TA intensive, which can be reduced. TA is required for CDE, especially organisational development of “new ways of doing business”: the participatory “corporate culture” brought in by TA. To successfully pursue this dimension, which is time intensive, new skills and forms of TA provision are seen as more appropriate.

While considerable awareness has been achieved, few projects have succeeded in action/behavioural change, largely because the emotive driving forces are not understood and exploited. Successful cases are community-based action and educational projects.

Learning within projects is good while cross-project learning is weak. Programme-level learning is dominated by Danish approaches and actors, with partners’ involvement and learning limited. New roles and approaches are required, and local institutional memory must be strengthened.

EPSF as Programme and Denmark as Partner

The EPSF is an ambitious programme, supporting a wide range of activities. National actors, public and civic, have seen their skills, organisational capacities and activities improved. Systems and processes for better planning and implementation have been strengthened, dialogue between actors strengthened, with Denmark often facilitating and encouraging. Overall, the EPSF is seen to have made a significant contribution to the environmental agenda in the region, so while there are weaknesses in activities in the country programmes, the *main overall achievement* of the EPSF may be that it has been able to establish and make visible so many “best practice” cases in so many different fields in different settings.

Denmark is recognized as leading in a range of aspects: commitment, professionalism in its management and programming, a listening partner, and with good technical expertise in a number of areas. It is praised for its transparency in budgeting and accounting, but seen as very controlling regarding financial management. The sudden cut in EPSF resources has been disconcerting to a number of local partners, however.

The key to the achievements has been the attention to the environment. Externalities and public goods dimensions pre-dominate, so public funding is required. Environmental problems are complex, and in many areas increasing in severity, so they require long-term commitment in order to achieve results. Continued support along the lines established will be critical for actually realising the potential that EPSF funding, in collaboration with the local partners, has begun creating.

Recommendations

The main recommendations at the project level are:

- 1. Strengthen the knowledge about and use of participatory methods.**
Danida should ensure that TA personnel understand and use participatory methods well.
- 2. Strengthen the livelihoods dimension in public domain projects.**
Management of public domain resources (water, forests, fish, public lands) is key to livelihoods of rural poor, including women and indigenous peoples. These concerns should systematically be included in such projects.
- 3. Ensure that new solution sets promoted are market-friendly.**
Both in “green” and “brown” sectors more work must be done to verify that new approaches are genuinely superior solutions for users/beneficiaries, and compatible with market signals.
- 4. Focus on impact and sustainability by emphasising tools and processes.**
While specifying outputs to be produced is necessary to make projects concrete, successful projects have provided local partners with the tools and processes to continuously do the job. This approach should be emphasised in project design and implementation.
- 5. Support and seek out innovative projects within focus areas – take risks.**
Innovative projects are risky but key to developing better solutions. They are management intensive, so should be focus areas to ensure that there is capacity and a system in place to pick up and use the lessons generated/learned.

The main recommendations at the level of programmes are:

- 6. Structure Country Programmes for impact and sustainability.**
Country Programmes should focus on fewer sectors and objectives to ensure impact and sustainability. Using these dimensions as criteria for choice of activities will make for better resource utilisation over the medium term.
- 7. Continue/strengthen component programming based on CDE Concerns.**
Activities should be designed to complement each other in a component/sector perspective where CDE should be a key cross-cutting concern.
- 8. Continue the development of Country Programme documents.**
Denmark’s country programme documents are “best practice”. More work can be done on targets and indicators, where component focus should facilitate showing the strategic links between activities/projects and sector/component, and what is to be achieved.

- 9. Strengthen Thailand's two-sector programme.**
Focus on urban environment and forestry through participatory programming, better cross-project learning, and development of tools and institutional memory.
 - 10. Develop an intensive learning process in Malaysia.**
Since EPSF ends in 2005, intensive learning should take place through a structured phasing out, review, recording, discussion, dissemination and institutional memory process.
 - 11. Consolidate gains in Laos through structured phasing out.**
Assist securing funding for the key areas of rural development and capacity building, ensuring that the achievements and lessons learned are recorded and made accessible.
 - 12. Focus Cambodia's programme.**
Focus on natural resources and capacity development, developing umbrella mechanisms for supporting NGO activities, and addressing public sector problems of rent-seeking.
 - 13. Strengthen the components in Vietnam's programme.**
Review and strengthen urban sector strategy, develop the marine protected areas component, and consider a "grey" component of capacity building and environmental education.
- The main recommendations at the level of cross-cutting thematic issues are:*
- 14. Strengthen the EPSF focus on CDE.**
Strengthen CDE at individual, organisational and institutional levels by (i) assisting regional actors assess "lessons learned" through a workshop, (ii) provide assistance to generate indicators for monitoring at the level of components/sectors, (iii) assist partners strengthen their monitoring systems incorporating such indicators.
 - 15. Strengthen skills in and use of participatory methods.**
Enhance knowledge and use of participatory approaches through training and monitoring.
 - 16. Poverty reduction, gender equity and good governance strengthened.**
The "best practice" cases should be taken as starting points for a stronger focus on these cross-cutting concerns.
 - 17. Focus technical assistance on its key areas of contribution.**
Danish TA should focus more on organisational/institutional development, institutional twinning can be used more, and lower-cost regional TA used for technical issues.
 - 18. Focus more on action and behavioural change.**
Awareness is not sufficient for behavioural change. This requires better skills in including emotive dimensions of environmental action for sustained change.
 - 19. The learning dimension of the EPSF should be enhanced.**
Learning at component and programme levels should be more partner-oriented, integrated into and supportive of national systems and capacities. This is an area

where cross-border learning can be useful, and where Denmark can play an important facilitative role.

The main recommendation concerning the EPSF programme as such is:

20. Continued environmental funding is critical.

Continued long-term funding allocated to address environmental problems is critical to attain sustainable impact on the severe environmental problems facing Southeast Asia today. Denmark should be commended for its efforts so far, and should be strongly encouraged to continue this support along the lines already underway, to ensure continued, predictable and reliable Danish funding and technical support.

1. Introduction and Background

Denmark's Ministry for Foreign Affairs/Danida commissioned an evaluation of Danish Environmental Assistance in Southeast Asia. The Evaluation was carried out during 2002-03, with this Report presenting the main findings, conclusions and recommendations.

1.1 The EPSF Programme

At the Rio Conference on Environment and Development in 1992, new and additional funding was requested by the developing countries to address environmental problems. The Danish Parliament in December 1992 decided to establish a special "Environment and Disaster Relief Facility" (EDRF), later renamed the "Environment, Peace and Stability Facility" (EPSF). For the sake of ease, this latter abbreviation will be used throughout the report.

In 1993, the Ministry of Environment and Energy (MEE) prepared a strategy for environmental activities in developing countries under the EPSF, and the Danish Cooperation for Environment and Development (Danced) was established. In 1996 it was decided that the part of the EPSF used for environmental assistance should be implemented in cooperation between MEE and the Ministry of Foreign Affairs/Danida. In July 1996 a "Strategy for Danish Environmental Assistance to Developing Countries" was issued jointly by the two ministries.

The strategy states that "environmental assistance is an integral part of Danish environment and development policy, and as such, should help promote Danish environment and development policy goals, as part of Danish foreign policy". The strategy's three objectives are (a) to ensure an environmentally sustainable utilisation of natural resources and the conservation of nature; (b) to prevent and limit air and water pollution and soil degradation, and (c) to promote sustainable use of energy. The environmental assistance should be planned from a regional perspective in order to facilitate holistic and coherent initiatives in the regions. In 1997, a Regional Strategy for Danish Environmental Assistance in Southeast Asia was therefore prepared with a more specific regional analysis and hence areas for intervention (see Section 3.2.1 below).

In 1994, Danced-missions to Thailand and Malaysia prepared the first EPSF-projects in the region. Danish environmental assistance to both Thailand and Malaysia is now in the third Country Programme period (CP-III), 2002-06. At the end of 2001 all Danced activities and staff were transferred to Danida following a restructuring of ministries by the new government.

In 1997, Danida began the formal programming in Cambodia, Laos and Vietnam. Delays meant the programme in Laos was approved by the Danida Board only in November 2000, for Cambodia in May 2001 and Vietnam in June 2001. Vietnam is the only one of the five countries that also receives development assistance.

1.2 Objectives and Scope of Work of Evaluation

The **objectives** of the Evaluation are to (i) document the results achieved and achievable by the provision of separate EPSF-support to Southeast Asia; (ii) assess the relevance of formulated strategic intentions, the choice of priority areas and related concrete project activities; and (iii) assess the connection between strategic intentions and project activities in the portfolio/pipeline. The evaluation report is to contain the lessons learned, causes, and explain reasons for successes or failures and contribute to make the co-operation more relevant, effective, efficient, and sustainable. The report is therefore to include possible recommendations regarding adjustments in strategies, objectives, programming, institutional issues and implementation plans (see Annex A for full Terms of Reference).

1.3 Specific Issues

The Evaluation was asked to answer a number of more specific issues, covering the programming in the five countries, the activities in the five countries, and in the region.

Programming Process and Documents in the Five Countries

The Evaluation was to assess the use/suitability of the programming documents to implement EPSF-projects; the application of OECD's CDE concept, the call for flexible management; and the appropriateness of the combined programme/project approach. It was to assess to what extent the programming process and the resulting documents were coherent with and effective in operationalising the EPSF-strategies and coherent with the regional context/problems; national priorities; and the needs/priorities of local communities/stakeholders.

The Evaluation was to comment on whether the programmes addressed the demands for a focussed and concentrated choice of project activities. It should look at sustainability, adaptability and flexibility of the country programmes and the programming process in terms of national ownership and opportunities for stakeholders to participate in the formulation and implementation of the programme; and the quality of the on-going monitoring and reporting.

Activities in the Five Countries

The Evaluation was to assess the likelihood of achieving the objectives of the strategy. It was to look at the implementation of the activities, in particular the adaptability to prevailing or changing circumstances such as the economic reform programmes and the administrative and political realities. Finally, an assessment was to be made of the extent to which the activities address poverty reduction as well as the cross-cutting issues, gender and democratisation/human rights.

Regional Activities

The Evaluation was to assess to what extent the formulation and implementation of regional activities is coherent with Danish policies; the regional context/problems; national priorities, including willingness and capacity to engage in regional activities;

opportunities in terms of co-operating partners/anchor points for regional projects, and environmental problems that call for regional solutions; and the extent to which the regional institutions support national programmes.

1.4 Methodology

The Evaluation is a mix of *process* evaluation – assessing the quality of the programming – and a *results* evaluation – documenting the results achieved or likely to be achieved. Emphasis has been put on process evaluation. The first reason is that this Evaluation could not generate new primary data on results attained by individual projects. It has therefore relied on existing studies as far as measured progress is concerned. Interviews were used to enrich this picture, and visits to project sites provided further information to verify or adjust this picture. But quick project visits do not generate a good picture of *impact* but rather a snapshot of the activities themselves.

Another reason is that this kind of evaluation is more efficient at generating information about processes rather than objective results. The results focus requires a familiarity with each project, technical knowledge of the specific issues, etc which this Evaluation could not mobilise. Focus has thus been on the area that is most likely to generate value-added data.

The final reason is that it is likely that the process evaluation will generate more valid and reliable conclusions for Denmark as a partner. *Results* are often a function of framework conditions, the period of the project, or sector conditions. “Lessons learned” may therefore be specific and not generalisable beyond the particular project. The *process* conclusions, however, tend to be of a more general nature and concern factors over which Denmark as a partner has more control and thus can do something about. Hence they may be of more interest for future action.

Projects Assessed

By the end of 2002, Denmark had committed/disbursed around DKK 1.8 billion (USD 250 million) across over 200 activities in the five countries and region. The activities covered small once-off events and multi-phase complex management projects; addressed issues in the urban, industrial, energy, biodiversity, and natural resources fields; had been handled by two different ministries back in Denmark while working in five countries with very different framework conditions.

In order to do justice to this variety while at the same time covering all key dimensions of the EPSF programmes, the projects were grouped into three categories: (i) 14 projects that were looked at in some depth, (ii) 33 projects that were visited and reviewed, and (iii) all the other projects that were only analysed as parts of the various country or regional programmes.

Selecting the 14+33 projects was difficult. The team did not go for “representative” or “typical” projects – which really do not exist – but instead projects that were “information rich” (covered several issues), and where a grouping of projects in a particular country could address a “theme”: capacity building in Malaysia, local-level implementation in

1. INTRODUCTION AND BACKGROUND

Thailand, role of NGOs in Cambodia (Attachment 1 lists the 47 projects by country, noting which ones were “in-depth”¹).

The “in-depth” projects were looked at from both a process and results perspective. Local consultants carried out interviews of a wide range of stakeholders to get a good picture of the programming and implementation of activities, identify roles, participation and ownership of the various stakeholders. During the fieldwork in August-September 2002, the two consultancy teams then re-visited the projects with more in-depth and specific questions for key informants.

The second category of projects were only visited by the joint teams. Here the focus was more on results and strategic dimensions – linkages to other activities, to the overarching objectives, etc.

Not all projects were subject to the same questions. Some issues were only looked at in some countries or projects, even among the first and second categories of projects. This was necessitated by the large number of issues that had been defined in the TOR, where the work required to generate reliable and valid answers meant that this “division of labour” was necessary.

Data Sources

The Evaluation has used four information sources: (i) documents, with emphasis on project documents, inception and completion reports, and reviews/evaluations (see Annex C), (ii) interviews with officials and other stakeholders in the planning and implementation of activities, (iii) interviews with intended beneficiaries and other primary stakeholders where the activity took place (see Annex B), (iv) own observations in project localities, done both by the local consultants in preparation for the joint field work, and later on by the joint team of consultants.

Various data collection instruments were drafted and discussed before being applied across the five countries. These included a “Document Guide” for reading the documents; a “Conversation Guide” for the first-phase interviews by local consultants; guides on writing up the analyses for both the first and second category of projects as well as the country programmes.

Project versus Sector versus Programme

The Evaluation has looked at the EPSF activities at three levels: the individual projects; groups of projects (sectors, sub-sectors, or components, depending on how projects have been grouped and structured), and the country programmes.

The basic element has necessarily been the projects. Assessment of the projects has generated information about the planning and implementation of activities and results achieved. While focus has been on the process information, the team has also assessed results at the level of the projects, but the main value of these assessments is when

1) *The classification of “in-depth” has been used in quotation marks throughout the Evaluation, since team members have always been painfully aware of the fact that none of the projects were looked at in depth. But in relative terms, these were the projects where both the document review and the fieldwork was most focused and careful.*

looked at from the perspective of the sector/component, and the programme. While the team is aware of the pitfalls of “aggregating” project results to these higher levels, there are trends and general findings that are mutually supportive and thus provide a reasonably reliable basis for conclusions at these levels.

Evaluation Criteria

The TOR asks the team to assess projects against the five standard evaluation criteria of **efficiency, effectiveness, impact, relevance and sustainability**, with most attention put on these last three dimensions. The reason is that effectiveness but in particular the efficiency dimension require a depth of knowledge about the individual project that the team could not generate. Without good primary data, these dimensions are difficult to ascertain. To the extent that they have been included, they thus may have varying degrees of empirical foundations.

The other reason is that from a programme perspective, “lessons learned” about a project’s efficiency is considerably less interesting than its relevance, impact and sustainability. The latter are the long-term results of the undertaking, hence of greater concern, but also the ones that may be of a more general nature and thus more relevant for programme management to assess.

1.5 Structure of Report

The report has five substantive chapters, two attachments and 18 annexes. The second chapter looks at lessons learned from project activities under main sector headings: “green” (natural resources, including water), “brown” (urban and industrial activities, and energy), and “grey” (education, awareness raising and capacity development). Short reviews of the projects are in Attachment 2 – more complete assessments of the projects are found in the respective annexes.

Chapter 3 discusses the early history of EPSF programming in Malaysia and Thailand. It looks at the Danish framework conditions, the changes as a result of the Danish elections in late 2001, the lessons learned both in Southeast Asia and in Southern Africa, and ends with a review of Danced as an agency. Chapter 4 then assesses the current country programme in all five countries, as this latter period is seen as the most relevant for this Evaluation.

The fifth chapter analyses the key cross-cutting and thematic issues – capacity development, participation and ownership, etc. – based on what has been found at project level. The sixth and last chapter summarises the overall findings and the recommendations of the report.

Attached to this main report are two attachments and Annex A, “Terms of Reference”. On the attached CD-ROM are the remainder of the annexes (see Table of Contents for complete list of Annexes).

Structure of Analysis

The Evaluation has been asked to address a series of questions at different levels. In order to both be comprehensive yet as concise as possible, the report presents the analysis as follows:

- **Project Assessment:** Each of the 47 projects has a short assessment (Attachment 2).
- **Component Assessment:** The projects are grouped into components (all the “green” projects in a country, or all the energy projects in the region), and the lessons learned at this level are contained in a section entitled **Component Conclusions** (Chapter 2).
- **Sector Assessment:** The lessons from all the projects in the three sectors – “green”, “brown” and “grey” – are summarised in **Sector Conclusions** (Chapter 2).
- **Project Lessons:** Finally, the lessons learned at the general level of project identification and implementation are contained at the end of Chapter 2.
- **Country Assessment:** The lessons from the programming and activities at the country level are summarised in **Country Assessment** (Chapter 4)
- **Thematic/Cross-cutting Issues:** The lessons from the projects and programmes at this level are given at the end of each section in Chapter 5).
- **EPSF Assessment:** The overall assessment of the achievements and lessons learned from the EPSF facility as such is provided in the last chapter (Chapter 6).

This is a detailed structure, and means the report in places is dense. This structure has none the less been found to be necessary in order to address all the issues in the TOR, and also provide the reader with the empirical basis for the conclusions (for further details, the reader is directed to the respective Annexes which are much richer in both descriptive and analytical information).

1.6 Evaluation Team

The Evaluation was carried out by Scanteam of Norway with a team of seven international and over 20 national consultants. The three Scanteam consultants covered evaluation methodology; management; institutional and organisational capacity development; participatory methods and ownership; urban and industrial development; gender; and poverty reduction (Mr. Arne Disch, team leader, Ms. Ane Haaland and Mr. Ulrich Meier). Mr. Robin Grimble, Natural Resources Institute, UK and Mr. Andrew McNaughton, Cambodia, handled natural resources management and community development and participatory methods, while Mr. Haakon Thaulow, Norway’s Water Resources Institute, handled water issues. Ms. Anne Thomas, a regional consultant who speaks four of the languages in the region and with a background in community development and participatory methods provided training to the three national institutions on interview techniques and participatory methods, and worked on several projects.

In Thailand, Malaysia and Vietnam, institutions were the local partners. In Thailand, the Thailand Environment Institute team was headed by Dr. Chamniern Vorratchaiphan and Dr. Qwanruedee Chotichanathawewong. In Malaysia, LESTARI, the Institute for Environment and Development at the National University was led by Prof. Abdul Latiff and Prof. Mohd Nordin Hasan. In Vietnam, the National Institute for Science Technology Policy and Strategic Studies, a government think-tank, took on the task, led by Dr. Bach Tan Sinh. In Cambodia and Laos, where the programmes are much smaller, the individual consultants Mr. Ieng Sovannora (Cambodia) and Ms. Jacquelyn Chagnon (Laos) were the local partners.

1.7 Acknowledgements and Disclaimer

The Evaluation had to rely extensively on the assistance and support of the Danish Ministry of Foreign Affairs/Danida staff, particularly in Copenhagen, but also in the field. The unstinting cooperation and willingness to “go the extra mile” in the midst of their own hectic schedule is very much appreciated.

During the field work, the international and national consultants had to call upon busy government officials, NGO and community organisation representatives and other stakeholders to spend time to explain and discuss. The team was always met with a very open and supportive attitude, for which we are extremely grateful.

The Evaluation team is responsible for the analyses and conclusions of this report, as well as for any remaining errors contained herein. The opinions expressed are those of the Evaluation team, and should not be attributed to the Ministry for Foreign Affairs/Danida or any of its staff, or to any of the collaborating governments and organisations.

2. Project Activities

Denmark has grouped EPSF activities according to different dimensions. The 1996 General Strategy targeted seven areas for assistance while the 1997 Regional Strategy for Southeast Asia had only three (see Section 1.1). In EPSF annual reports and some Country Programmes, a common usage is “green” and “brown” sectors, later adding “blue” (water) and “grey” (education and awareness). This latter categorization was found to be the most meaningful, as it was used systematically in many documents, and provides useful classifications of activities.

Here “green” and “blue” sectors are joined in a Natural Resources category and given the general label of “green”. This is partly because there are few water projects, but also because “lessons learned” in this sector were natural to structure by country. The “brown” sector, though, is structured by sub-sector: urban development, industrial development, and energy, while “grey” projects are divided into education and awareness, and national capacity building activities.

In this chapter assessments are made at the level of these sectors (i.e., “brown”) and sub-sectors (i.e., energy). Attachment 2 goes down to project level and provides thumbnail sketches of the 47 projects, with more complete analyses in the annexes. The sketches give the background to the projects, the programming that was pursued, which results have so far been achieved, but with focus on assessments of results and process, and in some cases on cross-cutting themes.

2.1 “Green” Projects

Of the 47 projects looked at, 21 were “green” or natural resource management (NRM) projects.

Thailand

In Thailand, five national and two regional “green” projects were looked at. The five Thai projects were (i) Upper Nan Watershed Management Project, (ii) Northern Watershed Development by Community Organisation (NGO-COD), (iii) Western Forest Complex Ecosystem Management Project (WEFCOM); (iv) Sustainable Agricultural Development Project (SADP); and (v) Environmental Management in Songkhla Lake Basin (EmSong). The two regional projects were (vi) Regional Community Forestry Training Centre (RECOFT) and (vii) Danish-South East Asian Collaboration in Tropical Coastal Ecosystems Research and Training.

The projects are on-going except the two “blue” projects, EmSong and Tropical Coastal Ecosystems, both of which were terminated at the end of their first phase in 1999. They were among the first group of projects funded, and were heavily consultancy driven in design and implementation. Evaluations concluded that while some activities and outputs were **relevant**, **effectiveness** was low, and probable **impact** and **sustainability** very poor.

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The three forestry projects – Upper Nan, Northern Watershed and WEFCOM – all focus on sustainable management of forest resources. Upper Nan and WEFCOM were designed and are implemented by the Royal Forest Department (RFD), though by two different divisions. The Northern Watershed project is implemented by NGO-COD.

The Upper Nan project has successfully tested a system for conserving forests in conjunction with local people, and community organisations have been strengthened at village and watershed levels. Natural Resource Management (NRM) Plans have been prepared in all villages. During the second phase, a problem-centred approach was used to ask villagers to identify their main NR problems (though villages are precluded from discussing land tenure and forest designation issues since the power to define these broad issues rests with the RFD).

The WEFCOM project supports enhanced conservation management of the Western Forest Complex, an ecosystem comprising 17 national parks and wildlife sanctuaries with a total area half the size of Denmark. It is managed by the Conservation Office of RFD, which has absolute jurisdiction and exerts strict land use control. It sees human activity and population expansion within and bordering the area as threats to its conservation objective but follows a holistic and integrated approach to management that draws together branches of RFD and other groups. The area is lightly populated, with 20-40,000 people, largely ethnic minorities. While it is to establish and implement comprehensive and integrated ecosystem management, no social or economic objectives are specified.

The NGO-COD project works with three community-based networks in six sub-watersheds in Northern Thailand but networks over a larger area. The goal is to improve people's quality of life through the sustainable utilisation, rehabilitation and protection of natural resources by upgrading capacity of people's organisations; developing farming systems and income-earning opportunities; and promoting enabling policies for community-based natural resource management. NGO-COD has contributed to the development of more socially conscious national policies and legislation, has been successful in collecting and disseminating information on indigenous knowledge and practice in highland farming systems, and has produced a range of documents.

The focus is thus different. For RFD, the key issue is the reproduction of eco-systems, where human activity is a potential threat. For NGO-COD, livelihoods are the starting point. The Community Forest Bill before Parliament highlights the differences in view, as the NGOs strongly support its community-based management approach while RFD opposes it.

The Regional Community Forestry Training Centre (RECOFT) is to support community access and rights to forests through training. RECOFT's focus has been at field and community levels but are moving towards institutional and policy issues. RECOFT notes that "the livelihoods of local people will be improved through greater access and control over the forest resources on which they depend, and they will have the ability to exercise their rights to sustainably manage these resources in a supportive policy and institutional environment" (2001). A Danced mid-term review described RECOFT as "well-managed and visionary with high quality courses and services".

The Sustainable Agricultural Development Project (SADP) in the Department of Agriculture (DOA) promotes sustainable farming involving farmer groups, local organisa-

tions and government offices to identify, test, improve and spread good farming practices using a farming systems approach, notably in pest and weed control. Overall the work is designed to encourage farmers to switch to low input and particularly organic agriculture, attracted by the incentives of lower production costs, reduced health hazards and raised soil fertility levels. A recent review (August 2001) concludes that the project is “very well managed and has full support from DOA” and has achieved the outputs specified and its planned activities ahead of schedule.

The project is the only one assessed in the Thailand programme that is seriously analysing the financial incentives for beneficiaries to adapt new technologies introduced, a key concern as the target group is resource-poor farmers. To minimise risks that farmers are exposed to, it is important that such analyses are done before new technologies are promoted and disseminated.

Component Conclusions: Thailand “Green”

The five on-going projects are successfully producing the outputs and attaining the Immediate Objectives in the project documents. In terms of longer-term impact and relevance, the NGO-COD, SADP and RECOFT projects have a clearer “sustainable development”-focus, while the RFD projects are more traditional NRM oriented. The Evaluation considers the former to be more in line with what are considered “best practice” approaches and also the Thai government’s current policies and priorities.

Whereas SADP has a focus and approach the Evaluation supports, it makes sense for Denmark to focus on the forestry sub-sector. The challenge is to ensure that sustainable development and – where relevant – the livelihoods concerns are overarching objectives for this component.

Malaysia

The Evaluation assessed one “blue” and four “green” projects. The “blue” addressed integrated coastal zone management in Penang. Two “green” projects in Peninsular Malaysia focused on management of specific protected areas, while the two in Sabah were designed to build capacity in line departments (see Annex L).

The Penang Integrated Coastal Zone Management (ICZM) project was to build local capacity in three areas: a management system for coastal Penang; increase public awareness and participation in ICZM; and better enforcement of CZ regulations. But the basic concept of ICZM was new; the inter-sectorial nature of the project crossed administrative units generating conflicts; local actors were unfamiliar with process-oriented projects; the Danish TA was seen as not adjusting to local conditions. The complexity of ICZM and the specific situation in Penang also made it difficult to implement well.

The Nature Education and Research Centre (NERC) project at Endau Rompin in Johor State contained a series of weaknesses: poor or no real commitment by several public institutions leading to underfunding, high rotation of staff, poor involvement of local stakeholders. A mid-term review led to re-design, focus and new energy. The project was relevant with respect to the National Biodiversity Policy, Forestry Policy and in general regarding conservation and sustainable management of natural resources, and there is now strong ownership at senior government levels as well as among project staff.

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Krau Wildlife Reserve project was run by the Department of Wildlife and National Parks in an unusually rich bio-diversity area that is under severe strain. It was to provide coherent plans for and implementation of practical and sustainable nature protection, following a previous Danced project on Capacity Building and Strengthening of the Protected Areas System in Peninsular Malaysia. Most of the scientific reports were written by external consultants, though the Krau model of Protected Area Development (PAD) that emerged is now considered “best practice”.

Sabah Wildlife Department (SWD) and Environmental Conservation Department (ECD) Capacity Development projects both followed the Sabah Biodiversity Conservation Project. Both have succeeded in providing relevant impact within and beyond their own organizations, strengthening sustainable NRM in Sabah.

Component Conclusions: Malaysia “Green”

The projects in peninsular Malaysia were all first phase projects that experienced problems getting started. The process of identifying stakeholders and involving them in defining the issues and solutions was incomplete, so planning and the early implementation period were in general weak. This led to the projects having to play “catch up”, though most ended up producing quite acceptable results in terms of outputs and immediate objectives. Longer-term impact varies from poor (ICZM) to good in some areas (Krau introducing PAD, Endau Rompin with ownership by both authorities and local communities). The learning across projects has been limited: while the two NRM projects both addressed bio-diversity as a strategic theme, their institutional “homes” were at different levels of public administration and thus little communication took place.

The two Sabah projects built on a first-period project, producing more involvement and focus. The understanding of processes and working with other actors outside the project area was more constructive. The two projects complement each other and provide strategic backing for Sabah’s overall environmental agenda, which is now much more geared towards NRM.

Cambodia

Four of the Cambodia projects were “green”: a coastal zone management project (“blue”), two NGO-implemented forestry activities and a regional tree seed project (see Annex F).

The Integrated Coastal Zone Management (ICZM) project began in 1996, is the largest project in Cambodia and is now in its third phase. It supports strengthened capacity for environmental management at central, regional and district levels; increased awareness and education on natural resources and environmental management in the coastal areas; community based natural resources management; and improved and sustainable livelihoods for the population in the coastal areas. While the project has developed technical skills of Ministry staff at national and provincial levels, the activities at community level have weak foundations. The project is seen as top-down, so stakeholders outside the Ministry feel they were not consulted.

The Community Forestry (CF) project is carried out by an NGO, with field activities at provincial and community levels, and aids policy formulation at national level, help-

ing in coordinating civil society input to the drafting of the Community Forestry sub-decree. The project focuses on gaining experience with implementation of CF models, on building human and institutional capacity to develop CF activities, and on the policy development process.

Regional Tree Seed Project supports the use of indigenous tree species for afforestation programmes in Laos, Cambodia, and Vietnam. It supports institutional development and strengthening (policies, legal framework, sector organization and networking); human resource development (technical and management training of staff at central, provincial, and local levels); technical support and national strategy development for conservation and use of genetic resources of priority indigenous species. This Cambodia component receives strong support by the government, staff have improved their skills and increased their interaction with colleagues in other countries, and the seed laboratory is functioning well, but the regional value-added dimension is poor, with seemingly little spill-over effects.

Forest Monitoring: Control of illegal logging inside and outside of concession areas is a serious problem in Cambodia. External monitoring and audits are considered key to validate that crimes are reported and follow-up actions taken. This monitoring has been frustrating as there are groups not interested in this task being done well so responses to reports are slow, usually dismissive and sometimes confrontational. But while short-term effectiveness and impact is low the Evaluation considers this a low-cost activity with potentially strategic value-added.

Component Conclusions: Cambodia “Green”

Danida chairs the Forestry Subgroup on NRM. A key land-use/forestry issue is concessions and the corruption surrounding this, where the positive impact of the independent monitoring is due to Danish financial and political support. The CF project has chosen not to confront the forest concession issue directly, but has considerable impact on CF development through documented results in communities and contributions to policy development. The tree seed project is doing well but is of less strategic significance. There is thus coherence in the focus on the forest sector, from the political level of chairing the sub-group, to the project selection, including trying to strengthen the regional inter-connections in this field, though the latter with weak results.

The ICZM is a large stand-alone activity that is trying to cover a wide range of actors, levels in public administration, issues, and geographic space. Within the Ministry it is highly appreciated. It is reaching out to communities, where the distrust between central authorities and local society requires a strongly inclusionary process to ensure long-term success. Unlike in the forestry sector, Danida does not directly support the small but important advocacy groups.

NRM in the forestry and coastal zone may involve fiercely competing interests, as is abundantly clear in Cambodia. Denmark has established a reputation as a strong advocate of the sustainable livelihoods approach to environmental management. Danida may not have the capacity to support this kind of multi-actor, multi-dimensional programme in both forestry and coastal development, because the coastal programme would benefit from stronger community-based activities rather than a single-channel top-down ministerial-led programme.

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Laos

Two of the three projects looked at in Laos were “green”. The **Nam Neun Integrated Watershed Management (IWM)** and the **Integrated Biodiversity Conservation and Community Development in Nam Et and Phou Loei (NEPL)** both address rural development (see Annex N). The projects are similar in structure, linking the management of natural resources (forest, wildlife, watershed) with community needs for development. Both emphasize provincial and district capacity building and development of inter-disciplinary, inter-department district development teams. Both promote community ownership by using participatory planning and implementation techniques and pilot new approaches: land allocation ensuring fair distribution, development opportunities for the poorest families, and crop rotation improvements.

The **Nam Neun** project began with a start-up workshop that set the tone for inter-departmental teamwork and participatory, consensus-building style of review and decision-making. Primary stakeholders became engaged in the discussions and decisions, strengthening local ownership and commitment. Focus has been on local capacity building through in-service training, study tours, and vocational training courses on Participatory Rural Appraisal (PRA), land use mapping and community development skills. A number of village activities were implemented in line with the capacity building and as part of the training, where IWM has been the overarching/synthesising theme/approach.

The **NEPL** project did not contain an event where the parties could review the project and contribute to an inception report. The TA has focused more on producing outputs rather than training local partners to do it, though relevance remains high.

Component Conclusions: Laos “Green”

The *original* identification, design, appraisal and approval processes of both projects took too long (about three years), were externally driven, created unnecessary bureaucratic tensions, did not foster inter-agency linkages, and most critically, failed to build ownership. In both, planning was re-done, so one lesson is that design and formulation should be part of a larger capacity building process. The main difference in project design was due to the skills and approaches used, where one was more process oriented and -skilled, and thus contributed to a project that is considered better structured and implemented. Furthermore, the continual planning and review process in Nam Neun is appreciated as a “good governance” mechanism: village implementation plans and comments are fed into monthly district team meetings; the province offices jointly review their work every quarter, solve problems, set compatible policies and management procedures and examine overall budget allocations. An annual meeting of the national advisory committee, including Danida, reviews the work and budget and sets strategic annual targets.

Vietnam

This Evaluation looked at one “green” and two “blue” projects in Vietnam, where all three were designed and implemented without direct Danida involvement (see Annex H).

The **U Minh Thuong** project in the Mekong Delta got off to a problematic start. A review blamed poor planning, where more participatory planning produced solid links downwards in the local communities and upwards in the political system. The project as

well as the participatory methodology became better understood and more appreciated, leading to the project producing important outputs and achieving key objectives. The area is now a National Park; scientific information has been produced in collaboration with a local university; new income generating activities supported through a credit programme are helping diversify and increase incomes. Tenureship rights have been clarified in the peasants' favour, so a barrier to investments in land improvements has been reduced.

The Hon Mun project is World Bank funded with Danish co-financing, and is considered a pilot Marine Protected Areas (MPA) activity. IUCN took the time required for participatory local community involvement in the design, and the socio-economic studies carried out are among the best seen by this Evaluation. Ownership and involvement was weaker in the public sector and research institutions, though this is now addressed. The research institutions are important for policy development, resource assessments and alternative income activities (AIG), where AIG are crucial to the success and sustainability of the project. But while a number of new products are promoted, this is based on natural science insights without commercial viability either known or investigated. The project has monitoring and evaluation (M&E) as an important dimension which had made it successful in linking NRM with developmental activities. The experiences so far are seen as quite unique and positive, are well documented, and important for national MPA decision makers as well as useful to many other projects.

The Coastal Wetlands project is by far the largest EPSF project in Vietnam, co-financed with the World Bank. The Danish-funded TA was coming on-line as this Evaluation visited. But by paying attention and participating actively, Danida has contributed to the design and increased the visibility of components Denmark believes are important, such as poverty reduction, sustainable mangrove management, etc.

Component Conclusions: Vietnam "Green"

A major lesson is once again the importance of getting the planning process right. IUCN took the time and thus got good ownership and design from the start. In U Minh Thuong the project got off to a bad start due to external consultancy-reliant planning, but with the re-design of both process and content the project has gotten back on track. But both projects point to the need for a realistic time horizon. The U Minh Thuong project is clearly going to have very reduced impact if the cutting of EPSF funding is not substituted by another donor. The Hon Mun project, on the other hand, seems to be on its way to producing both MPA-model lessons as well as sustainable changes locally that are both highly relevant and address key political priorities.

Overall the strategic vision behind project selection is weaker than in the other countries. One reason is that Denmark chose to go for projects that had been developed by other agencies, and thus ended up with less cohesion in terms of approaches and focus.

"Green" Sector Conclusions

"Green" projects deal more directly with livelihood questions of poor (natural resource-dependent) households than other EPSF sectors. The possible conflicts between "pure" NRM issues – such as bio-diversity maintenance, biotope protection, etc. – and livelihoods needs – ability to exploit natural resources that are in the public domain, such as fish and forestry resources – thus characterize a number of the projects. The ability to extract economic rent from public domain goods through non-sustainable exploitation (again fish and lumber resources are typical cases) means that there are sometimes seri-

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ous conflicts of interest. Projects take different approaches to these issues, and Denmark supports activities that sometimes represent opposing approaches. In Thailand, the RFD projects give primacy to a conservancy approach while NGO-COD and the SADP have a “livelihoods first” basis. In Laos and Cambodia, the “livelihoods first” approach is more systematic and consistent, while in Vietnam U Minh Thuong in its first phase was clearly resource-focused, but with the re-design the sustainable development based on livelihoods needs became clearer. Hon Mun, due to its good planning process, succeeded already from the start to make these two strands of sustainable development come together.

One *trend* is towards more livelihoods focus. Another observation concerns the planning. Both Danced and Danida put strong emphasis on participatory processes, Danced – especially in the early phases – was less successful in implementing them. This has partly to do with Danced handing a lot more responsibilities to consulting firms, and thus dependent on them having the requisite skills. But as lessons were learned and in particular where projects moved into second phases, a number of these weaknesses were addressed.

At the same time, Denmark has supported innovative approaches to sustainable development in the forest sector, in part due to virtue of the diversity and size of the Danish programmes. But the dialogue between similar projects has often been poor, so cross-project learning has been limited. The dialogue that has existed has tended to be among the Danish technical staff rather than among the local partners involved.

EPSF projects have so far not been successful in developing viable income-generating activities. While this is a difficult area, better market testing is required to ensure sustainability.

In the view of the Evaluation, NGOs are more innovative in their approaches, in large part because they engage directly with the beneficiaries, so there is structurally a closer and more continuous learning process taking place. The exception that confirms the rule was in Laos, where the Danida expert had the better and more appropriate skills set for participatory planning. Some in Danida feel that innovativeness is more a function of the approach taking by the advisor, however, and thus not a structural feature of the kind of organisation s/he works for.

The decentralisation that is taking place throughout the region is being supported by Denmark in all countries, and is allowing for more “bottom-up” projects. The Laos projects are clearly successful because they have carefully designed local bases, and the national authorities have been willing partners and learners and have taken on board “lessons learned”. The CF project in Cambodia and NGO-COD in Thailand seem also to be doing well because they are locally-based. Because they are NGO-implemented they may be having less of an impact on national polity, though both NGOs are credited with also playing a constructive advocacy role at national level.

The reverse model seems to have greater problems. The ICZM projects in both Cambodia and Malaysia were designed “top-down”, and have encountered problems ensuring local anchoring. It seems more difficult to get genuine participatory processes in place. This may be a structural feature: once the central or national “core” has been defined, there may be constraints in terms of what the project can support or will consider that

makes local stakeholders conclude that their key concerns are not the starting point and hence less interesting.

Focusing “green” projects on specific sub-sectors is clearly a strength. The forestry programmes in Thailand and Cambodia are generating interesting lessons because there is diversity between approaches – though learning by local actors is not well structured. Similarly was happening in watershed management in Laos. The more scattered approaches in Malaysia and Vietnam are generating less policy-level conclusions.

2.2 “Brown” Sector Projects

In three of the countries – Malaysia, Thailand and Vietnam – 15 “brown” projects have been assessed, grouped into urban environmental management (UEM), industrial/pollution management, and energy sub-sectors.

Urban Environment Projects UEM)

The Thai Nguyen project (Vietnam) is a provincial project to improve the capacity of the Department of Science Technology and Environment to implement integrated cross-sector environmental management and long-term strategic urban planning and the capacity of other stakeholders at the national and provincial level in environmental management. The project was heavily consultant-driven – both international and national consultants from outside the province. The primary environmental problem of the province, industrial pollution, was not addressed as had been hoped, so the relevance of the project is questionable.

The Thanh Xuan Bac project (Vietnam) supports urban environmental improvements both at community and household level through popular mobilisation, in line with the principles of “Local Agenda 21”. Local women were not much involved to begin with, but once the local population itself became fully engaged, the nature of the activities changed. The project has now got much stronger involvement of women, which has been crucial for a number of activities, such as the introduction of the “improved kitchen”.

Innovative Urban Environmental Management, Khon Kaen (Thailand) was to strengthen the capacity of urban environmental planning and management at municipal level by launching innovative projects in Khon Kaen as a pilot city. “Innovative activities” refers to new technologies to address environmental problems such as a composting plans, a hospital waste incinerator, geographic information system and others, that had not previously been in use at this level in Thailand. While the project was consultant and technology driven rather than needs-based, a high level of awareness has been achieved.

The Urban Community Environmental Activities project (CODI, Thailand) is to promote the development of community organizations and civil society in environmental management in urban (slum) areas throughout Thailand by strengthening the capacity of low-income urban communities and community networks to plan, implement and sustain environmental projects and to share the experiences and learn from each other. The programme links 1,500 community savings groups and more than 1,000 community networks throughout the country. Several hundred activities are ongoing. In relation

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to the wide geographical coverage and the multitude of activities, Danish project expenditure are modest. It has pioneered a number of highly innovative approaches, one of them being that those communities who wish to participate in learning exchanges should first produce a “positive lesson” of their own. The idea is that all should have something to show as well as learn from, so that there is equity in the exchanges – an approach that has been very successful. Sustainability is likely to be high since the project focuses on building skills, confidence and empowerment, and many of the methods applied already seem to be working well. The project is largely led by women, which has been critical for the highly participatory approaches taken, the low-key approach of the organisation as such, and its willingness to focus on problems of concern to women.

The Bangkok Metropolitan Administration (BMA) Support project is introducing environmental concerns into municipal planning, and is instrumental in modernising BMA planning instruments and approaches in general. The project did not develop a specific capacity development plan but instead relied on being demand-driven in terms of the areas it was to focus on, and “learning by doing” as the method through which skills and capacity was developed. It links to general objectives of promoting UEM but also makes powerful contributions to the cross-cutting issue of Good Governance/ Democracy/Human Rights through its promotion of transparency and accountability by making tools for and results of UEM available widely throughout the BMA and also to stakeholders outside the public sector through web-based publishing. Links to other UEM projects are weak, which is a shortcoming. Focusing on assisting partners to develop their own tools and instruments rather than providing solutions and reproducing externally-generated technical insights has proven very powerful. It has addressed the problems caused by weak institutional memory and high staff rotation through wide dissemination on CD-ROMs and decentralized training at district level of new users of the tools.

Sustainable Urban Development (SUD), Kuching, Sarawak/Malaysia was developed during a three-day participatory workshop. Key problems were identified and priorities were set in how to solve the problems along with a number of different but complementary strategies. A broader Environmental Management System (EMS) line of thinking was favoured over a project to solve specific problems identified.

Component Conclusions: Urban Environmental Management

The Khon Kaen and Thai Nguyen projects show a similarity in approach where both were heavily Danish TA driven, including having the Danish advisor team in offices separate to those of the host organisations. This has contributed significantly to a lack of local participation and ownership, and was noted by a Mid-Term Review (MTR) as a situation to avoid. The Khon Kaen project has been an early project in relation to the much later Thai Nguyen project, but there has been little cross-learning between Danced (Thailand) and Danida (Vietnam) projects. By contrast, the CODI and BMA projects in Thailand as well as SUD in Kuching have been successful in obtaining a high level of ownership due to the participatory processes applied and the coaching and other skills of the team leaders.

The positive lessons learned from UEM include that a systemic approach, such as the EMS in the SUD, carries most promise. It ensures a systemic problem-oriented approach with due participation of stakeholders. Because of the generic character of the Urban EMS being developed, it is possible to replicate and holds promise as a model for “top-down” systems.

A **community-based participatory approach** (as in CODI in Thailand and Than Xuan Bac in Vietnam) has shown that it is possible to mobilize significant urban groups for visible and real environmental impact and general empowerment with low-income sections of society.

In the BMA project, **capacity building**, based on immediate needs, has been the mainstay of activities. Care has been taken to improve the institutional memory with suitable tools, thereby contributing to sustainability, while being efficient.

Technology transfer has been less successful than hoped for. “Embodied technology” in the form of machinery has greater adaptation costs than expected because of “lack of fit” to existing organisations, their skills and needs. What has become *more* successful than planned for, is the development of modern tools, instruments and especially *approaches* of urban management.

For projects that address large-scale urban problems, generic systems approaches that focus on tools development (such as EMS, or more specific tools of the kinds developed in BMA) rather than trying to tackle specific problems head-on (such as solid waste management) have thus been more successful, while community-based activities have tackled concrete and local problems well. These are complementary approaches, but so far not well coordinated, though a good start has been done with the BMA project “from above” and the CODI project “from below” in the Bangkok area. This is a joint approach with exciting potential for further development.

Industrial Pollution (Prevention/Abatement) Projects

Samut Prakarn Wastewater Cost Recovery (Thailand) is the largest wastewater treatment facility in the most industrialized province in the country. The infrastructure project has World Bank funding, while Denmark is supporting the cost recovery component in two phases. The project supports a comprehensive and sustainable cost recovery system based on the Polluter Pays Principle. The second phase of the project had a difficult start because the key assumption regarding institutional arrangements was not fulfilled for political reasons. Many modifications to the project design were therefore required and a planned project extension was cut by half.

Cleaner Technology at the Department of Industrial Works (DIW, Thailand) aims at supporting the change in DIW from “command and control” to one of preventing industrial pollution. A Cleaner Technology (CT) policy and an action plan were developed with two sectors, with four other sectors included later. Selection of the sectors was based on the prospects to achieve early results. Through successful implementation, awareness on CT was to be raised in target and other industries. Impact has been limited because industry is sceptical since the CT technologies promoted do not make economic and financial sense to many of them.

Cleaner Technology at SIRIM (Malaysia), the Malaysian Standards Institute, has received support in two phases, though the institutional strategy was unclear. It was changed from SIRIM wanting to be a commercially successful unit to playing the role of a national Cleaner Production (CP) Centre, ending up with trying to be both. Having a management and economic perspective rather than the current technology focus would undoubtedly produce greater impact.

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The **Kualiti Alam Hazardous Waste Treatment Project (Malaysia)** is part of the Danish support to the hazardous waste sector that included support to a system for the collection, transportation and tracking of scheduled waste, building the capacity of the Department of Environment to regulate and implement hazardous waste disposal legislation; and the assistance to Kualiti Alam with training of key staff. The treatment facility came into full-scale operation as planned and is operating today at almost full capacity, disposing of about 90,000 tons of hazardous waste per year.

Component Conclusions: Industrial Pollution (Abatement)

Industrial pollution projects address a strategic area of the EPSE, and are highly relevant parts of the Malaysian and Thai Country Programmes as both countries are industrialising quickly.

Impact has been variable. The typical end-of-pipe measures (wastewater treatment, hazardous waste disposal) have been more successful than waste prevention. This is both unfortunate and understandable. It is unfortunate because waste prevention is superior to end-of-pipe controls in attaining sustainable development. It is understandable because waste disposal has a much longer history, is thus better known and may be easier to transfer. By contrast, waste prevention is a relatively new concept, but more importantly it requires measures up-front, at the stage of the design of industrial processes and in strategic and day-to-day management. This often calls for new manufacturing equipment and always necessitates a changed and committed management approach. This must be motivated by awareness/training but more importantly, by a conducive environment: enforcement of a clear regulatory framework, and availability of economically viable solutions. The projects in both countries have paid too little attention to the regulatory dimension, and been too technology-focused on the more narrow Clean Technology rather than on a broader Clean Production-approach which begins the analyses with identifying what are the most cost-effective ways of reducing waste and effluence rather than assuming that technology delivers the best answers. The Laos capacity development project (see Section 2.3 below) in fact provides a better approach to this issue.

A key reason for the lack of political focus on the regulatory framework seems to be lack of data on industrial pollution. There is no baseline against which pollution abatement can be measured, and hence no clear basis for establishing incentives and sanctions for polluters. While the projects assessed build on international best practice approaches of “polluter pays”-principles, they have not been so good at developing market-friendly options for the target industries, and in particular for the quite polluting small and medium industries in the two countries.

Energy Projects

Energy Efficiency projects (Thailand) cover efficiency, conservation and renewable energy. A project **Implementation of the Energy conservation Act** aimed at introducing standard measures to reduce energy in industry and large buildings. This is a technical approach: electricity-based equipment is improved by design to be more efficient and such equipment replaces older equipment. Overall energy efficiency is thus improved without the need for energy audits. More than a dozen standard measures were successfully developed, but their widespread introduction lagged for a considerable time because government incentives were initially not in place. The follow-up project **Development of Energy Efficiency Promotion Strategy for Buildings and Industry** was to

further promote standard measures and other energy efficiency dissemination concepts. A programme approach was attempted by creating four sub-projects rather than one project with four components. Participation and ownership was much improved in the second project, with all stakeholders involved over a six-month period. This has apparently paid off: a new and well-designed incentive programme was launched by the Thai government in September 2002 and by late November a large number of implementation applications had already been received and approved. By 2006, a reduction in peak power demand of 250 MW is projected by the government, and if implemented on a full scale this could be several times more.

The Malaysian Energy Programme began with a stakeholder workshop in December 1998. Danced was asked to support LFA workshops for the development of national implementation strategies for Energy Efficiency and Renewable Energy (EE&RE). Results were also used as inputs for the 8th Malaysia Plan (2001-05), which was under preparation at that time. Danced's programme identification mission developed an implementation strategy, elaborated a project portfolio, and concluded with a highly successful stakeholder workshop that reached a broad consensus, which set the stage for the implementation of specific projects.

The first two projects contributed to policy formulation on EE&RE Strategies. Based on these, four projects were designed: (i) Capacity Building at the Malaysian Energy Centre; (ii) CETREE, Centre for Education & Training within EE&RE; (iii) Demand Side Management Development at the Energy Commission; and (iv) the Low Energy Office Building under Ministry of Energy, Communication and Multimedia. The projects address awareness-raising and training needs, capacity building, policy development and full-scale demonstration of building-related energy technologies. The expected impact is considerable. The target is to generate 5% of the nation's electricity requirements from RE sources (about 600 MW of capacity). The Demand Side Management project targets the avoidance of 3 million tons of CO₂ during the 8th Plan and a reduction in peak generating capacity of about 250 MW.

Partnership Facility project on Renewable Energy supports Thai and Malaysian firms that develop partnerships with Danish ones in the area of environmental technologies and services. The most successful so far is between Ansaldo Völund of Denmark and ENCO Systems of Malaysia for the manufacture of fuel-efficient and low emission biomass boilers. Cooperation has resulted in ENCO being the market leader in Malaysia in high efficiency biomass boilers.

These very positive results are fairly unique to the ENCO example, however – the other activities supported under this Facility cannot point to the same degree of success. An overall assessment cannot be made, however, as a number of the activities are still in their early phases.

Component Conclusions: Energy Projects

The energy component in Malaysia is an outstanding example of a well-designed programme that fed directly into national policy as well as developed important activities to help implement this policy. Causes for this success were to a large extent fortuitous: the Malaysian authorities wanted to include a "fifth fuel"-element in their new national development plan, and Denmark was able and willing to respond quickly. But other key elements were due to Danced initiatives: sound pre-programme problem and stakeholder analysis; early broad consensus on objectives and strategies through a series of

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stakeholder workshops; an approach that is highly focused theme-wise but with wide coverage institutionally and in terms of activities, resulting in a strategic project-mix; and diligent and speedy action on the part of Danced and Danish TA. The expected and partly already visible results of the programme in comparison to individual projects are thus (i) direct impact on national policy and institutional development (division of labour between actors, general framework conditions in the sector); (ii) better and earlier ownership; (iii) better resource and time use efficiency through synergy effects and economies of scale; (iv) enhanced effectiveness through more coherence and consensus; (v) potentially broader impact through multi-pronged action; and (vi) better sustainability due to more solid and more broadly-anchored local commitment.

The Thailand programme does not contain the same set of programmatic dimensions, but also in Thailand, the energy component is among the more successful ones with impact at the level that matters: energy efficiency and conservancy has been improved and the improvements seem largely to be sustainable and to be possible to develop further.

In both countries, the energy activities are the most market-friendly in the EPSF programme.

“Brown” Sector Conclusions

The most successful “brown” intervention is the energy programme in Malaysia, due to its strong programmatic approach based on a clear political agenda by the national authorities. As such it represents an example of “best practice” approaches to how the EPSF facility can be used.

The second lesson supports what was seen in the “green” sector. Having the programming process be an inclusive and genuinely participatory one is important for sustainability and expected impact. Linked to this is the fact that within-project learning is clearly taking place – second phases of projects are almost invariably better designed and more participatory both in the planning and implementation phases, leading to better results.

In the UEM and industry sub-sectors, there is too little cross-project learning, though a number of projects address similar problems. Earlier this problem was in part attributed to projects being implemented by different consulting firms, which had no incentives to collaborate or try to attain overall better resource management through sharing and rational division of labour, though this has now to some extent been addressed.

Market friendly technologies transfer easily once the gains are obvious to industry, but where technological solutions are promoted without clear savings to industry, results have been poor. It is also easier to transfer “mature” technologies that are well known – the more modern technical approaches to cleaner production seem to be more difficult to adapt and implement.

2.3 “Grey” Sector Projects

Denmark has funded a large number of “grey” sector activities – environmental education and awareness, and capacity building activities. While the classification of projects

are “grey” rather than belonging to either “green” or “brown” sectors can be debated, it has been found useful to cluster the following projects in this way due to the lessons that can be learned.

In the field of environmental education and awareness, five projects were assessed, including one regional one. A number of the capacity building projects were linked to specific sectors (such as the two Sabah projects discussed under 2.1 above), but six CDE projects represent more general capacity building efforts: one each in Laos, Cambodia and Vietnam, two in Malaysia (all in Annex Q), and support to “green taxation” in Thailand (Annex K).

Environmental Education and Awareness

River and Stream Investigation Project for Youths (“River Spy”) (Thailand) is an NGO-run project that trains teachers and students in secondary schools to investigate and evaluate the water in their local stream so as to be able to identify actions to improve its quality. Environmental Education (EE) is an important subject in the new National Education Reform, which calls for teachers to use problem-solving activity-based teaching methods. The River Spy is providing teachers with a practical method of putting the new reform into practice, where few or no other models existed. The River Spy concept and experiences have contributed substantially to a national and Danida-supported pilot project focusing on five EE topics. This is possibly a step towards integrating River Spy activities throughout the country. River Spy has also spread to schools and organizations through their internet web page. River Spy materials are included in the curriculum, more teachers and students are trained and continue to use the methods, and the basic systems and materials are low-cost and quite robust. It is being institutionalised at regional, ministry and even national levels through adaptation and inclusion.

Environmental Education (Vietnam) was originally developed and funded by UNDP. Danida is co-funding the second phase. A decree of 1996 mandates that EE be part of the curriculum in all schools at all levels. This has been critical for the implementation of the EE project and the full co-operation from a wide range of actors, including NGOs, provincial authorities, teacher training colleges and universities, school principals, teachers, and parents. A mid-term review in March-April 2002 found the overall project approach to be valid, though implementation suffers from short-comings, among other things due to lack of good feed-back mechanisms.

Santi Sena NRM and EE (Cambodia) supports the Buddhist monk NGO Santi Sena’s ongoing community-level activities by training monks to conduct environmental awareness. This is done through the network of Buddhist temples and local primary schools. The project is based on the role of the Buddhist monks as authority figures in the community, as the project aims at influencing both adults and school children. The first phase was to systematically field-test the training materials such as coloured pictures appropriate for training semi-literate farmers. In addition, many obtained trees through the temple nursery to plant at home in return for a small donation. It is assumed participants will explain basic concepts of conservation and tree planting to their families, and discuss the lesson with any children in their household who have attended sessions held by the monks in the primary schools. The results have not been as expected, in part because the monks are not trained in interactive pedagogical approaches.

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Two regional projects are also important for awareness raising, through two different channels. A journalism project is supporting better coverage of environmental matters in the media, while the university collaboration is strengthening the development of both teaching methods/approaches, and the actual knowledge basis regarding environmental issues.

Thailand University Consortium on Environment and Development – Sustainable Land Use was a twinning arrangement between Kasetsart University in Bangkok and Aarhus University in Denmark. It has resulted in a multi-disciplinary Master's degree course that uses modern action-research methods to investigate environmental problems in the field, and builds the teaching around these. The first course started in August 2002, with 43 students from a number of different professions. 30 of the students work in public agencies, and teaching is carried out in weekends and intensive study periods. Two parallel projects exist in Malaysia – one on land use and the other on industry and urban development, also with Danish universities, and where there is collaboration between the three consortia – a very useful model for exchange of lessons.

Journalism Training, Indo-China Media Memorial Foundation (regional) was looked at in Vietnam, Cambodia and Thailand. The project is considered very successful. The participants from all three countries have learnt to become better investigative journalists regarding environmental matters, including how to write better articles. They have learnt about their rights, ethics, and the need and methods to be a watchdog for environmental protection. Regional exposure and cooperation has been very beneficial.

Component Conclusions: Environmental Education and Awareness

Environmental Education and Awareness projects tend to be small, are being phased out several places (Vietnam, regional programme), yet are critical to long-term attitudes and understanding of environmental issues. But they also require considerable attention to become successful because of their complexity. This poses a challenge for Danida's administrative capacity. Despite this, good "grey" projects should be considered to be of strategic interest for Danish support. The positive lessons are not so much in terms of the particular project results but rather that they show the potential such projects have in reaching large sections of the population in a constructive way with key messages on the environment.

Of the projects looked at, River Spy stands out as singularly successful – and one that builds on a series of principles that should be relevant and replicable also in other settings, including that could help strengthen the EE projects in Vietnam and Cambodia. The key factor, however, is that environmental awareness is a *sine qua non* for progress on environmental management. While awareness by itself is not sufficient to ensure better practices and action (see Section 5.7), an EPSF programme without such a component will be depriving itself of an important instrument for long-term relevance and impact.

Capacity Development

In Cambodia and Laos, several institutions were directly involved in the capacity building projects. In Malaysia, Thailand and Vietnam the projects worked only with one institution, though all projects had ambitions of cooperating with others – but with varying results.

The Economic Planning Unit (EPU) project (Malaysia) supported the integration of environmental considerations into the macro-economic development planning at Federal and State level. The Completion Report noted that the National Economic Recovery Plan (NERP) showed full commitment to take into consideration the environmental issues and utilise the instruments introduced by the project: Environmental Audits, Incremental Cost Framework, Contingent Valuation studies, economic instruments for environmental management, developing further and using Sustainable Development Indicators, etc., including at State level.

The project was strategically important and had a major impact by putting environmental issues more centrally on the planning agenda of the EPU. But the first phase was consultancy driven, while the second phase allowed for more genuine local participation – though the Malaysians still used the consultants to produce “deliverables”.

The Department of Environment (DOE) project (Malaysia) was to work in three areas: (i) upgrade staff skills at national and state levels; (ii) build an Environmental Quality Assurance system through strengthening guidelines and systems, and (iii) enhance environmental awareness. A key ambition was to support the creation of DOE’s training institution, EiMAS. During the Inception phase, planning activities (brainstorming sessions, planning workshops, drafting of procedures manual) were used to clarify priorities and activities required. A mid-term review was complementary on this approach, since it ensured ownership. A flexible project structure was pursued: while the results framework was respected, the work programme was developed every six months. Interagency cooperation with other ministries and departments and relations with the private sector have improved, and project activities have promoted the use of market-oriented and other economic instruments for environmental management.

The Green Taxation project (Thailand) was requested because the government wanted to move to more market-based tools for achieving environmental objectives. The principle of “polluter pays” and user charges had already been introduced in Thailand, but the Ministry of Finance (MOF) was interested in establishing examples of well-conceived environmental taxes. While many donors were supporting various sector-based market mechanisms, they did not involve the MOF. Their links to macro-economic and fiscal policy frameworks were therefore poor. A twinning arrangement between the MOFs in Denmark and Thailand was established, but while the Thais visited Denmark, the Danes never came to Thailand, so the understanding of what the other party needed and could offer was both superficial and asymmetric. The project did deliver on its specific outputs, and a fair amount of skills upgrading took place. But the cross-institutional mechanisms set up functioned poorly, and the Ministry itself seemed unaware of “green tax” activities in other ministries so the strategic vision is weak.

The Cambodia project is to assist six institutions strengthen their capacities: four line ministries that have responsibilities for key natural resources, the Ministry of Environment (MOE) in coordinating environmental activities, and the CDC, Council for Development of Cambodia in its key role in coordinating and screening both aid-based and private foreign investments in the natural resources fields. The project is to support capacity development at three levels: skills upgrading of staff; institutional development (policy and strategy formulation, organisational restructuring, inter-ministerial and intra-ministerial coordination and cooperation), and enhanced environment and natural resources service delivery systems. This latter area was addressed through establishing five

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inter-departmental task forces, each of the five ministries hosting one task force to give all ministries a stake in the project. Each task force is to carry out a new field project each year to generate primary data that will help strengthen the ministry's database in that field. The field studies thus require clearance from top management, ensuring the political support required for the inter-ministerial collaboration that is crucial to the learning the project wishes to encourage. The project is well-designed and innovative: it links key implementing ministries with the environmental agenda; the project is structured such that all parties have an identifiable stake; cross-departmental working and learning is generating positive lessons; it is leading to more sharing of data and information.

The Laos project is to provide support to four institutions with joint task forces to promote joint learning. The project was seen as a two-year pilot, to allow a slower participatory process for planning and inception, with full-scale implementation only foreseen for the second phase, which has now been cut. In the agriculture sector, focus is on IWM involving the ministry, provinces, districts and communities. A pilot in Nam Tong and the natural resources projects (see Section 2.1) have provided positive lessons. In the industrial sector, innovative collaboration with key industries is providing "win-win" results in highly polluting industries based on a Cleaner Production (CP) approach. While the cross-ministerial working groups are less successful than in Cambodia, the tasks are clearly more part of core ministry responsibilities. A mid-term review was critical concerning outputs achieved and structure of the project. This Evaluation is considerably more positive, as ownership, development and use of tools and methods is improving due to the highly collaborative approach taken.

The Vietnam project supports the Ministry of Planning and Investment (MPI). The project has upgraded staff skills, organizational capacity is better (new tools have been introduced and are used), inter-ministerial collaboration is better, and the approaches and roles have improved. The decentralization underway has made MPI focus more at province level. It is using a more genuine sector approach to environmental planning and thinking. An MTR report notes that "the project should develop...*capacity development in environment* indicators, but...very little progress...has been achieved". It is critical to expensive training done in Denmark and the UK which benefited a few individuals but did not address *organizational* development needs very much. It is positive to the cross-ministerial workshops as a much-needed forum for networking, but feels that little has been achieved in MPI becoming a national centre. One reason is seen to be that the National Environment Agency was not involved in the project.

Component Conclusions: National Capacity Development

The Capacity Development projects fill a strategic function, as they are placed in key ministries as far as policy development and natural resources and environmental management is concerned. They have or seem to be on the way to contribute to the development of better environmental policies (institutional development). They have contributed to improved practices within ministries as far as planning, monitoring and analysing environmental activities are concerned, new tools are developed, staff skills are being improved (organisational development).

Relationships between actors are being improved, modernised, both in terms of defining new roles but also strengthening the interaction between actors – ministries, other public agencies, NGOs, the private sector – based on these more appropriate roles (institutional development). The projects have improved awareness about environmental issues,

and about better ways/ alternative solutions to address them. Regarding lessons learned, some issues seem relevant:

- Ensuring the interaction between agencies is important. The Cambodia project has been most successful in this through establishing inter-ministerial task forces that have tasks that genuinely benefit from the interaction.
- The Laos project has been more successful in targeting tasks that represent core ministry responsibilities – IWM in agriculture and CP in industry.
- The Laos project has furthermore been successful in linking up to projects on the ground that have developed innovative approaches to IWM, thus providing central authorities with concrete models for how to implement IWM on a national scale.
- The Vietnam project suffers from being focused on only one institution, and with a high share of outputs related to the Danish programme rather than to overarching Vietnamese priorities. With the Thai project the MOF did not succeed in institutionalising dialogue with other ministries, and the project period was too short to ensure learning for longer-term impact.
- In Malaysia, the DOE project was more process-oriented while EPU used the project to produce consultancy “deliverables”. The DOE project has had greater impact in terms of corporate culture, procedures and structuring interactions with other partners, and thus contributed more to institutional development.
- In all countries, decentralisation/de-concentration makes the projects more relevant by upgrading skills, providing more modern tool-kits so that central agencies become better partners for activities at lower levels in public administration.

“Grey” Sector Conclusions

One of the key aspects of the EPSF as a programme is the richness and diversity of activities that it has supported. One of the dimensions of this diversity and complementarity is that it has both addressed key environmental problems directly (“green”, “blue” and “brown” areas, covering various sub-sectors), but also has addressed two more fundamental aspects: national framework conditions through the national capacity development projects, and promoting awareness and knowledge at the level of the individual – in schools, universities, in community groups, etc.

Action-based learning is a major reason for the success of the River Spy project in Thailand, where children learn to take action in their own community, combined with learning theory. Other school systems are picking up on the methods, but more importantly, the project is answering a felt need at national level: the government has declared such learning with an added community focus a key component in its National Education Reform – but has few examples to build on. River Spy helps fill this void.

A number of the national capacity building projects also exhibit “best practice” dimensions: linking ministries through joint task forces (Cambodia and Laos); structuring projects to help ministries address core tasks better (Laos); linking national projects to activities on the ground for better and faster learning (Laos); ensuring flexible work plans that adjust to changing partner priorities (DOE/Malaysia). In general, these cen-

trally located projects are increasing not only awareness of environmental problems, but assisting in developing appropriate responses, thus “empowering” the authorities to take better action.

This “grey” sector is hence critical for the longer-term as it addresses the environmental complex “from below” as well as “from above”. At the national level, environmental problems are just one of a number of concerns national authorities need to take into consideration when national policies are being developed – but they *do* need to be included. And while individuals often are “below” the level at which environmental problems occur and appear, they are ultimately the ones who suffer the consequences – and can do something about them. Having well-thought out “grey” activities is thus strategic to attaining the long-term EPSF objectives.

2.4 Conclusions and Recommendations

At the project level, the following conclusions seem the most pertinent:

- Projects have by and large been **relevant** as far as national priorities go as project selection has been done in close dialogue with national authorities. Over time, this somewhat *formal* linking to national priorities has been strengthened with better integration into local programmes or activities. The relevance as far as stakeholder groups are concerned has varied as first-generation projects in particular tended to be defined by a limited number of actors. Relevance to livelihoods concerns has by and large improved.
- **Efficiency** has varied from excellent to very poor. Poor efficiency has occurred on projects that were foreign expert-intensive and with poor local ownership, so that the leadership from the local partner in producing outputs has been lacking. The highly efficient ones were based on good planning, so that outputs were being produced as joint products by the external expertise in collaboration with local partners rather than producing directly themselves.
- **Effectiveness** has similarly varied, where again poor local ownership has meant that the outputs being produced were of low value to the local partners. These projects were typically producing consultant-”deliverables” but generating little local capacity.
- **Impact** is the most difficult evaluation criterion, since it potentially covers a much wider range of concerns, is more long-term in its perspective, and tends to be difficult to actually measure. One trend is that impact improves as planning and implementation becomes more participatory. Organisational and institutional development are becoming more noticeable, including in “soft” areas like corporate culture, “new ways of doing business”, as the advantages of open and participatory processes are learned and appreciated. Policy impact – the “ultimate” institutional impact – is also more visible through national capacity development projects, but also sector programmes like Malaysia’s energy component. In projects with poor local ownership, the impact is negligible or nil.

- **Sustainability** is better in the better off countries (Malaysia in particular, but also satisfactory on a number of projects in Thailand). The public sector in the other three countries is weak, and in Laos and Cambodia the donor dependence undermines sustainability across the board. Sustainability is furthermore poor if activities with commercial dimensions are not market-friendly and/or have not been able to extend their stakeholder support base.

Denmark has always emphasised a **participatory approach** to project development and implementation, but actual practice varies. A number of the early projects suffered from short-comings, leading to poorly designed activities that tended to become consultancy driven. NGOs have generally been better at using such techniques, though such techniques are now also being used in the public sector. But the knowledge about and use of participatory methods is still relatively weak, where typical problems are:

- *Poor stakeholder analysis:* the parties involved in the process have constituted too narrow a group, sometimes only the implementing partner rather than intended beneficiaries so that objectives and activity analysis has been too narrow.
- *Poor problem analysis:* the problem identification has been too narrow, often because the stakeholder participation was too limited. The problem has then been defined to be the one that is most interesting or central to a dominant actor, for example conservancy rather than joint and sustainable management of a public domain resource such as forests.
- *Poor objectives analysis:* from the previous two points one gets poor objectives analyses. The typical weakness is that the directly implementing partners define the objectives, often linked to what represents their core competencies. They thus can become “inward-looking” – “what are we good at or what are we interested in”, hence leading to supply-driven rather than demand-driven solution sets.
- *Poor alternatives analysis:* even good objectives analysis can lead to poor solution sets if the range of viable alternatives actually available is not well identified. The lack of more market-friendly approaches in both the “green” (livelihoods) and “brown” (pollution abatement) sectors can in part be attributed to this shortcoming.
- *Poor process management:* environmental projects are often complex with many stakeholders. Ensuring that the various processes genuinely include and hear groups that otherwise tend to be marginalized can be difficult and costly, but this short-coming – which is perhaps the most serious one – seems to be less a function of resource scarcity than lack of actual skills in this field.

Denmark has supported a number of **innovative** projects, typically carried out by NGOs. They have pioneered new approaches in fields such as community-based NRM; networking across organisations; mobilisation and empowerment of marginalized groups (women, poor households, indigenous peoples); rights-based approaches and advocacy; and in general bottom-up and participatory methods for addressing environmental issues. Denmark has been less successful in supporting market-friendly interventions, which are in general a weak point.

Recommendations

The main recommendations at the level of project planning and implementation are:

- 1. Strengthen the knowledge about and use of participatory methods.**
Danced/Danida promote the use of participatory methods, but actual knowledge and use of these skills varies a lot. Danida should set aside resources in each project to ensure that TA personnel know and can use such methods as part of project planning and implementation.
- 2. Strengthen the livelihoods dimension in public domain projects.**
Management of public domain resources (water, forests, fish, public lands) is a key concern. Livelihoods as a key dimension of sustainable development needs to be developed in such cases, especially since this often addresses poverty reduction, gender and indigenous peoples concerns.
- 3. Ensure that new solution sets being promoted are market-friendly.**
Both in “green” and “brown” sectors new solutions to environmental problems need to be compatible with the general incentives decision makers face. More work needs to be done to verify that new approaches are genuinely superior solutions for users/beneficiaries, and in general are compatible with market signalling.
- 4. Strengthen project focus on long-term impact and sustainability by emphasising tools and processes rather than outputs/deliverables.**
While specifying outputs to be produced is necessary to make projects concrete, successful projects have provided local partners with the tools and processes to continuously do the job. Ensure that this approach is emphasised in project design.
- 5. Support and seek out innovative projects within focus areas.**
Innovative projects are key to finding better solutions, but are management intensive. Have a strategy of developing such projects in only focus areas to ensure that there is capacity and a system in place to pick up and use the lessons generated/learned.

3. The Early Country Programmes

The five countries where Denmark is providing EPSF support are quite different in their histories, socio-economic and political development and levels, population size and density, ethnic composition and hence the characteristics of the environmental challenges they face. Table 3.1 provides some of the basic socio-economic characteristics:

Table 3.1 Basic Socio-economic Data, Five Countries Southeast Asia

Countries	Population, million	Area, '000 km ²	Population density	GNP/cap, USD	GNP/cap PPP*
Cambodia	12.3	181	68.0	270	1,520
Laos	5.4	237	22.8	310	1,610
Malaysia	23.8	330	72.1	3,640	8,340
Thailand	61.2	513	119.3	1,970	6,550
Vietnam	79.5	332	239.5	410	2,130

*: Adjusted for Purchasing Power Parity, in USD

Source: World Bank Development Indicators database, Washington DC, April 2002.

While Cambodia and Laos are among the poorest countries in Asia, Laos has a complex ethnic mix in a sparsely inhabited upland country, while Cambodia has more than double the population that is overwhelmingly Khmer. Both countries are moving away from their planned economies, but the impact of the Khmer Rouge regime on Cambodia's political, economic and social development is still casting a long shadow over the country's efforts at moving ahead. But both countries are opening up their economic and political systems and hoping for rapid economic development in part through foreign direct investments.

Vietnam has moved faster and more aggressively in terms of its economic and political changes, has the largest population of the five countries and is by far the most densely populated. Its per capita income is 30-40% higher than those of Cambodia or Laos, but in aggregate and growth terms Vietnam is moving much faster and with a more solid overall economic foundation.

Thailand and Malaysia belong to the second-tier "Asian Tigers", where Malaysia has pursued an aggressively managed model. This includes rejecting the Bretton Woods' institutions' policy recommendations after the Asian financial crisis in 1997. Instead of following the further market-liberalization approach proposed, Malaysia resorted to forms of interventions to manage the financial sector and subsequently the overall economy, largely with positive results. Part of this approach is due to the particular political challenges the country faces. This is partly ethnic, where the political power of the majority

Bumiputera have led to various accommodations with the economically dominant minorities, especially those of Chinese origin. These differences are also made visible through the religious cleavages. In addition comes the need to accommodate the two states of Sabah and Sarawak, providing them with greater internal autonomy than the mainland states of Malaysia. At the same time, the economies of these two states are much more natural resources dependent, making them important in the environmental context.

Thailand has a much greater population and a less industrialized economy than Malaysia, but up till the financial crisis was experiencing high growth rates. Much of this has been centred around Bangkok, with the urban and industrial problems that has led to, but has also been dependent on heavy natural resources exploitation, and in particular the forest resources – a characteristic shared with Malaysia in its early economic expansion.

The five countries thus exhibit quite different framework conditions for environmental action. They have all, however, begun embracing environmental concerns as increasingly important components of their own development agendas.

3.1 First Programming Cycle

Danced began the programming in Thailand and Malaysia in 1994. Several factors influenced the programmes that emerged. Both countries were middle-income with strong political and civil service leaderships that were not interested in traditional development cooperation – they were both in the process of cutting these kinds of relations. They were also not very concerned about Danish funding since this was not substantial compared to their own budgets. The focus instead became transfer of Danish experience. All parties also wanted to ensure that the partnerships were equitable. This led to the establishment of the co-chaired Joint Coordinating Committee (JCC) in Thailand and Programme Steering Committee (PSC) in Malaysia. Here key policy issues were raised and all project ideas were discussed and agreed before presented to Danced for funding.

At the same time, Danced had to quickly identify activities that could be funded since the EPSF is allocated on an annual basis in the form of “tilsagnsrammer” – “commitment frames”. This Parliamentary appropriation vehicle meant that Danced (and later on Danida) was informed of the total amount to be *committed* during the financial year (budgets that were agreed to and signed). This mechanism provides Parliament – and the MOF – with considerable flexibility since one year’s allocation does not tie decision-makers’ hands regarding the subsequent year’s funding levels. While the *frame* was allocated by year (and then by country by Danced), *budgets* were agreed by project, each one presented for final approval back in Copenhagen.

During the first eight years or so of the EPSF, the annual commitment frames were experiencing high year-on-year increases, pushing first Danced and later on Danida to commit a lot of its personnel resources to the programming of the funds. The early demands on the agencies were therefore to successfully commit the resources, in order to show that there was a real demand among partner countries for this environmental facility.

First Programme Period

The build-up of the project portfolio was a considerable challenge. One thing was that Danced as an agency was new and had not worked in these countries (Danced's parent ministry, the MEE, had worked in Eastern Europe and the Baltics but not in developing country settings). Since the funding was increasing so fast, it meant that the capacity to programme was badly stretched during the first years. At the same time, Danced had some strategic concepts in mind. Funding was to concentrate on technical assistance that could promote systemic improvements in environmental planning and management. The challenge was thus to establish strategic alliances with key actors.

While project proposals were identified through the joint programming committees, the programme and project planning was led by Danced. The first country programmes in both Thailand (1994-97) and Malaysia (1994-98) were marked by this situation. Both became a fairly large list of individual projects. While all of them could claim to respond to some national priority and development plan and thus could be said to be relevant and in line with partnership concepts, it would be difficult to find a justification from a strategic point of view for a number of them as being the first-best answer to a particular priority environmental challenge. More importantly from a Danced management point of view was that there were little synergies between projects, so that each project had to be handled on its own.

More seriously, a number of the first-generation projects suffered from hasty and consultancy driven planning, and thus did not turn out as hoped for. Several projects were thus too ambitious and not realistic in terms of the assessment of the framework conditions – both what was politically feasible and what was operationally possible given the local partner's capacity.

Lessons from First Country Programme Period

Despite the shortcomings in the planning efforts, the programmes contained a number of good projects and good approaches/dimensions. These included the use of participatory processes for programming and implementation (though practice varied considerably, as noted in chapter 2), the focus on capacity development (see more on this below), the inclusion of non-public sector actors in both planning and implementation, and working with several different levels within the public administration, not just the central ministries.

At the project level, Danced introduced and utilised a set of instruments for planning and implementation that has helped enhance consistency and quality. The logical framework approach (LFA) and the LFA matrix (Logframe) to specify the key project elements has made it easier for the parties to identify what projects were to achieve. The *implementation*, especially in some early project, was variable, but the instrument has been used more consistently and with greater success over time, though with greater acceptance in Malaysia than in Thailand.

The PSCs, with their meetings to discuss project implementation, got stakeholders to come together who otherwise would often not meet. In societies where hierarchy and compartmentalization are common features of public and private organizations, promoting horizontal dialogue and exchange of information and views is highly constructive. The PSCs also provided local decision makers the opportunity to get a manage-

ment handle on projects where Danish firms often had a major say in how projects were being implemented. Moving decision making into a body that in principle was accountable and transparent institutionalised the formal conditions for stronger local ownership. It also ensured greater awareness of project activities and wider dissemination of project achievements.

More important were the overarching JCC/Thailand and PSC/Malaysia. Here the key actors came together to analyze the countries' environmental priorities, and decide which activities were to receive Danish support. New environmental concepts and solution sets were introduced and discussed, providing the kind of leverage Danced had hoped in terms of assisting the countries take on board new policies and approaches, and find more coherent cross-institutional mechanisms for applying them. With limited resources but a dedicated and constant staff (staff turn-over in Danced was extremely low throughout), Denmark's voice was heard loud and clear – and was appreciated as serious, committed and without hidden agendas, and thus trusted.

3.2 Second Country Programmes

The second country programme period was based on a series of “lessons learned” that helped improve the consistency and quality of activities.

The EPSF Strategy for Southeast Asia

Towards the end of the first programming cycle, Danced and Danida issued their new *regional* strategy for EPSF in Southeast Asia (Danida and Danced 1997). It built on the general principles of the 1996 strategy, but enriched by the lessons learned from several years of activities in the region. It also took into consideration *Agenda 21*, international conventions on environment and development, and the nature of Danish expertise available. Within this framework, six *problem complexes* were identified, which were defined as broader development issues that contain or lead to one or more key environmental problems:

- Competing demands for limited fresh water resources ⇒ water shortages and deteriorating water quality, endangered freshwater fishing and degradation of the region's wetlands;
- Unsustainable agricultural and forestry methods ⇒ reduction of forest areas, erosion of biodiversity and pollution resulting from soil erosion, use of agro-chemicals and fertilisers;
- Rapid urbanisation ⇒ waste management problems, water pollution and poor air quality;
- Rapid industrialisation ⇒ industrial and hazardous waste pollution that affects and degrades the air, water and soil;
- Unsustainable use of coastal and marine resources ⇒ destruction of mangrove forests and overfishing. The coastal and marine resources are also affected by other land based activities that cause pollution of the coastal areas and the ocean; and

- Growing energy demand and consumption \Rightarrow pollution associated with coal mining, oil and gas extraction, over-exploitation of non-renewable fossil fuels, etc.

An analysis of the problem complexes pointed to similar root causes, namely the economic and social development in the region: rapid population growth; rapid economic growth; growing discrepancy between rich and poor; uneven geographical development; transition/strains in the economic and political systems; and changes in social values and social structures. While these root causes are not mentioned directly in the objectives of the national environmental assistance programmes, it was noted that EPSF projects should seek to address these, where possible, as they are fundamental to achieving sustainable improvements to the environmental problems.

1998 Danced Evaluations

The second country programmes (CP II) for Thailand and Malaysia were to cover the periods up to 2001. As part of the preparations for this, several evaluations were commissioned, including a sector evaluation of capacity development activities in urban environmental management, and one on the two country programmes themselves (Danced September, and November 1998).

The sector evaluation noted Danced's rapid move from highly ambitious national projects to more realistic scaled-down, even pilot projects. One conclusion Danced drew was that it needed to be cautious about "assuming wholesale applicability of 'Danish Systems' in Southeast Asian contexts". The main problems pointed to by the evaluation were of a more general nature and not necessarily restricted to capacity building activities. These were the lack of ownership by the local partners; insufficient institutional screening leading to inappropriate and unrealistic project design; shortcomings in monitoring; and constraints in contractor performance. The lack of ownership was seen as the most important shortcoming, because this meant that the local partner was not fully convinced of and committed to the implementation of the project. This was in part a function of the second problem, where the project identification included a faulty or only partial understanding of the host institution's roles, capacities and priorities.

The final observation on contractor performance pointed to a need for better screening of skills mix to the task to be performed. The evaluation noted that Danced already at that stage was changing its recruitment targets, encouraging the Danish consulting firms – which tended to be heavily engineering and infrastructure based – to identify CTAs with management, social science and cross-cultural communication backgrounds and skills.

The country programme evaluation saw national ownership as a key challenge as well, but also noted the lack of coherence in the programming, the problems that *project* planning created, and a lack of a regional perspective in most activities. It suggested that Danced should produce country-level strategy papers that would provide greater consistency in the activities being supported. It also called for better programme monitoring, to provide more up-to-date information for the further strengthen of future programming.

The Second Thailand Country Programme

In Thailand, the government structured its activities around its 8th National Economic and Social Development Plan (1997-2001). It shifted national objectives from economic-growth to people-centred development, emphasising the concept of good governance. It moved from a “segmented” to a “holistic” approach, and aimed at a pattern of development that is efficient, sustainable and fair. It emphasised the importance of improving natural resources and environmental management “to ensure proper supervision, efficient utilisation and fair distribution of benefits to the community and society”. It also noted the importance of preventing environmental problems at source and the use of economic instruments and incentives for demand management, to complement the command and control mechanisms that had been the dominant policy instruments till then.

The JCC was co-chaired by the Department of Technical and Economic Cooperation (DTEC) and Danced. The Ministry of Agriculture and Cooperatives coordinated the work on the “green” sector, and the Ministry of Science, Technology and Environment was similarly responsible for the “brown” sector. The programming began already in 1996, leading to discussions over a two-year period where final decisions were taken by the JCC. The parties agreed to support three themes during the CP II period:

- Sustainable management of natural resources (forests, wetlands, etc) with biological diversity and its related conventions as cross-cutting dimensions;
- Sustainable development in urban areas and industry; and
- Energy for sustainable development.

A clear emphasis remained on things *environmental*, with support given to integrating and cross-cutting issues such as implementation of international environmental conventions, environmental education and awareness building, and raising the capacity of civil society to take up new roles and bring decision-making within the public sector down to the lowest possible level. The programme also specified the need to meet the challenge of marrying economic development with environmental sustainability, but poverty reduction and participation were not highlighted.

The Programme Document provides a good overview of the background for the programme before giving the structure of the programme and then discussing implementation modalities. The programme remained fragmented, with 45 projects covering a wide range of issues in the “green”, “brown” and “grey” areas. However, several projects that were begun during the first period were not continued due to unfavourable reviews.

The Second Malaysia Country Programme

Malaysia’s CP II covered the three years 1999-2001, and was to support the environment priorities defined in the 7th Malaysia Plan (1996-2000): (i) environmental management; (ii) natural resource management; and (iii) environmental and public awareness. CP II was to use innovative economic mechanisms, supplement the legislative and enforcement means (existing command and control mechanisms), encourage the private sector to adopt and develop environmentally sound technologies. Based on the identi-

fied national needs and priorities, CP II also focused on three the following strategic areas to assist in expanding the capacity of the partners:

- Awareness raising on environmental related problems;
- Capacity development at all levels of administration, within NGOs and in the private sector;
- Establishment of demonstration facilities or pilot projects capable of providing environmentally sound solutions, and functioning as models for replication; and
- Promotion of investment on environmental infrastructure and private sector involvement.

From 23 projects with expenditures of DKK 185 million in the five-year period of CP I, CP II expanded to a total of 32 projects with a volume of almost DKK 200 million for the three-year period. Energy, which was not part of CP I, became an important activity in CP II, with seven projects and expenditures of about DKK 23 million.

Conclusions, Second Country Programmes

The Second Country Programmes for both Malaysia and Thailand were structured quite differently from the first programmes. A more consistent programming approach was applied, with more inclusive processes to define the priorities and ensure consistency both with the host country's own development plans, and across the activities to be undertaken. In both countries, Country Programme documents were produced that presented the objectives, logic and national priorities behind project selection. In both countries, programming was therefore qualitatively better than in the first programming cycle.

At the level of project implementation, several improvements had taken place. Danced had issued the first two of what was supposed to have been four project management manuals, one on Project Preparation (Danced 1997a), the second on Project Implementation (Danced 1997b). These laid out in a clear and structured fashion what the steps were for planning and implementing the projects, where emphasis was on flexible and results-oriented approaches.

The first phase of the project, the Inception Period, was given importance. This was when resources were to be mobilized, the project structure put in place, and management could look at the project documents to see if they were realistic or not, or needed to be adjusted in light of the additional information that would then be at hand. This period and the resultant Inception Report have turned out to be important to a number of the projects.

Another important step was to follow up the observations on the need for less engineering and more social skills in the technical assistance being provided. Danced hired external consultants to assist in the screening of the Chief Technical Advisers (CTAs), and included psychology dimensions in the evaluation criteria.

The Danish Auditor-General in 1999 carried out a general review of the EPSF support, covering both Danced and Danida. One of their key criticisms was that the activities

being supported did not make up a consistent and coherent programme in the various countries (Auditor-General 1999a and 1999b). Danced and Danida replied that this was not relevant since it is not *Denmark* that should have a coherent environmental programme, but the partner countries themselves. They felt that in most cases they were providing meaningful assistance to these countries' own efforts. To the extent the partner countries did not have clear environmental programmes and strategies in place, some of the Danish funded activities were designed to strengthen exactly these weaknesses (capacity building projects for key actors), so the criticism of the Auditor-General was considered misplaced. Thailand and Malaysia also felt the analysis was incorrect, as they see the Danish-funded projects as fitting well with their national plans and development programmes.

While Danida's/Danced's points are valid – programme coherence must exist on the partners' side – the lack of focus was a fair observation. The programmes were too wide-spread given Danced's management and policy resources. But there was more coherence than in the previous cycle, particularly in the energy activities in both countries. This was largely because energy was a new sector, and both the government and Danced selected activities based on a clearer strategic vision. But in the other sectors this was often lacking, with little cross-project learning and interaction between national actors engaged in similar activities. This problem was primarily a result of national traditions of hierarchical structures that are not conducive to cross-institutional dialogue. The institution-specific project was the typical way of working.

But a key achievement of Danced during these years, as appreciated by a number of national informants, was getting different actors – public officials, NGOs, the private sector – to come together, discuss environmental issues and begin interacting. Furthermore, Danced insisting on continued funding of NGO activities in the face of at times considerable public sector hostility is a part of its history that Danced has every reason to be proud of.

3.3 Danish Framework Conditions for EPSF Programmes

While improvements in programming and project implementation took place in both countries, other factors also contributed to shaping the new country programmes in the region.

Parliamentary Debates on EPSF

In addition to the policy documents prepared by the two ministries responsible for managing the EPSF, the Danish Parliament also holds discussions on the EPSF. In 1996, 1999, 2000 and 2002 such debates led to a series of resolutions that had to be taken into account by Danced and Danida when programming resources:

- Higher priority should be given to implementing international conventions;
- The Danish resource base (NGOs, firms, etc) should be actively involved in preparing and implementing EPSF programmes;
- Information activities and civil society involvement should be given higher priority;

- Sustainable energy issues should be given higher priority;
- Regional projects and projects with regional outreach should be given higher priority.

Together these recommendations added further constraints to the EPSF programming, among other things leading to energy being added to the Thailand and Malaysia programmes. While the additions of these sectors allowed for a new programming approach to be tested out – and with great success, as it turns out – it added more complexity to the programmes.

New Government in Denmark

The greatest change came about as a result of the elections in Denmark in the fall of 2001 and the change in government. The political consensus that had existed till then concerning the size and structure of the EPSF was changed. A first step was to move Danced from the MEE and integrate it into the MFA/Danida. The government then presented a statement to Folketinget on 29 January 2002 that laid out its priorities, including regarding environmental support and the EPSF. It noted that the EPSF had grown so fast over the years that the pressures to fill the commitment frames had been too great. It also wanted partner countries to assume greater responsibility for the activities. It therefore reduced the overall EPSF frame for 2002 by around 55%. The reductions in Southeast Asia are shown in Table 3.2 below (MFA 2002):

Table 3.2: Original and Revised EPSF Commitment Frames, 2002, in DKK million

Country/Region	Original frame	Revised frame	Change
Cambodia	67	40	(27)
Laos	40	0	(40)
Malaysia	80	55	(25)
Thailand	100	69	(31)
Vietnam	140	50	(90)
Regional programme	47	0	(47)
Southeast Asia totals	474	214	(260)

The reasons for the reductions varied. Because of the government's focus on poverty reduction, the allocations to Thailand and Malaysia – considered middle-income countries – were reduced though performance was seen as good. In Laos and Vietnam, the human rights situation was not considered satisfactory, so the programme was cut completely in Laos and reduced by around 65% in Vietnam. The regional programme was seen as not delivering, and thus deleted:

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- In **Cambodia**, results were seen as quite good given the situation in the country, but there was a need to focus the programme. The range of activities within the various sectors was to be reduced, and the annual frame reduced from DKK 67 million to DKK 40 million.
- In **Laos**, the government was seen to be progressing too slowly. While it had expressed commitment to take on more responsibilities, it was seen not to have the necessary capacity. Denmark would not fund any new activities under the EPSF, and on-going activities were foreseen to be terminated once the three-year frame was finished though Laos might be able to access some regional funding related to activities along the Mekong River only.
- In **Malaysia**, the third CP was foreseen to be the last programme in any case, so the proposed phasing out was in line with the political understandings already in place. The change was to reduce the frame through an increased focus on fewer sector issues.
- In **Thailand**, as in Malaysia, the third CP was reduced by just over 30% – considerably smaller cuts than in the other three countries. Again there was to be a focus on fewer sectors.
- In **Vietnam** the EPSF frame was cut by almost two-thirds through phasing out support to several sectors and focusing funds on fewer activities in the remaining sectors.

The most dramatic aspect of the cut, as experienced by the partners, was that Denmark did not engage in any dialogue before the decision was taken. Denmark had always presented the EPSF as a long-term instrument, and had developed tools and relationships with local partners to ensure predictability and consistency, and all informants praised Denmark as being a reliable and partner-oriented donor without hidden agendas. The abrupt cut weakened Denmark's credibility in this area. As seen by the local partners, when the partnership principles challenged Denmark's own priorities, it failed the partnership test.

Danced as Environmental Agency

Danced as a separate agency no longer exists, but there are important lessons to be learned from its approach and achievements.

The MEE took a number of important decisions when structuring Danced. It was to be a small unit that would focus its attention on the substance issues at hand, while outsourcing as much of non-core activities as possible. The staff in Copenhagen that was to be highly operational and closely attuned to what was happening in the field, with one Danced officer in each embassy. Danced management was given strong political backing for being non-bureaucratic, innovative, and thus being allowed to take risks. It was to avoid what was seen as an excessively ponderous style in Danida. Staff largely stayed with the projects, unlike the high staff rotation in Danida.

The strengths of Danced's approach were considerable. Danced had no "historical baggage" so it was free to look at issues and opportunities with fresh eyes. It had a manager who was willing to think new, including pushing for a stronger role for civil society than

was customary in these two countries. One fairly unique feature of Danced was thus the political dimension of the risks it was willing to take by insisting on having NGOs and other civil society actors implement projects.

The small staff in Copenhagen was constantly visiting the field, and thus was up to date on the projects as well as the framework conditions in the countries. Staff were highly committed and dedicated to their tasks. Management trusted them and gave them considerable leeway to manage the projects and take decisions, so staff both felt empowered by management and knowledgeable enough about the projects to take decisions or delegate responsibilities to others, such as the implementing firms. The view from the partners was that they were dealing with a very hands-on partner that was flexible and listening, understood the issues and could adjust quickly to changing circumstances. Danced was therefore seen as a “learning organization”: it was not dogmatic in most areas, and was constantly looking into new possibilities and trying to assess “lessons learned” and how they could be used to improve the overall programme of activities.

Danced Strategy and Capacity Development

Danced knew from the beginning that its relatively limited funding meant it had to find strategic areas for its assistance. The first task was simply to establish good partnerships with the key players in government. This was achieved in part by responding to the countries’ own concerns regarding how to fulfil obligations under the international environmental conventions that had been signed but where the countries did not have experience regarding how to implement these. Danced was able to provide support in a number of these areas.

Joint programming committees were another key step. This supported a transparent and broad-based dialogue between organizational that were not used to working this way. Danced further insisted on bringing in other actors – the private sector, NGOs, research community – in various ways. While this took time, these were steps that were consistently moving in the direction of more inclusion and broader dialogue – over time appreciated more and more by local partners.

Danced focused more and more on Capacity Development in Environment (CDE). While capacity development as such was not a new concept, the priority given to CDE and the consistency with which it was pursued was. When the OECD launched its “Donor Assistance to Capacity Development in Environment” (OECD 1995a), Danced took this as a signal that it was moving in the right direction.

The OECD defines CDE as “the ability of individuals, groups, organizations and institutions in a given context to address environmental issues as part of a range of efforts to achieve sustainable development”. It then explains that CDE proper “describes the process by which capacity in environment and appropriate institutional structures are enhanced” (OECD 1995a, p. 7). CDE is to promote environmental considerations and criteria in the development process. CDE is an integrative and multi-faceted process, and in general is process rather than product oriented. It takes a systemic approach, and should be based on and driven by the community in which it is based. It should strengthen institutional pluralism in civil society, gender equity and the situation of disadvantaged communities, and it is comprehensive in terms of modalities.

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To begin with the concern was to get the parties together so that they were clear on the need for joint action and consistent approaches to addressing issues that were indeed cross-cutting. Linked to this was the intention of providing the tools and solution sets that would improve the quality of the management and technical work in these areas.

In 1999, Danced commissioned an evaluation of its CDE activities in South Africa. While the evaluation was critical of implementation in some areas, it praised Danced for giving priority to this field. It noted that despite the shortcomings, Danced was largely “best practice”, and strongly encouraged Danced to continue developing its approach and tools (Danced 2000).

One focus was on “top-down” CDE, working with central public sector actors. This was to strengthen their capacity to address environmental problems at policy and institutional levels. This was the background for many of the projects at ministry levels. Promoting greater collaboration and coherence was to improve frameworks for environmental action. In this field, Danced achieved a lot despite its limited funding, as it became a trusted and appreciated partner in generating solutions and pioneering new approaches.

Resources and People – Poverty and Gender

The other aspect of CDE is “bottom-up”, where participatory processes, gender, community focus and attention to disadvantaged groups are in line with Danish development policies. Here Danced’s performance is more mixed. On the one hand, Danced was a strong supporter of NGOs, including supporting ones that were community oriented and supported the disadvantaged (NGO-COD and CODI in Thailand in particular). On the other, Danced as an agency did not pay attention to gender and poverty reduction as such. This, in the view of this Evaluation, led to missed opportunities in terms of engaging women more strongly in areas where it is generally known that they are important actors, and where several Danced projects in fact over time did involve women more, with very positive results. These dimensions only began being addressed as of the Third Country Programmes in Thailand and Malaysia, and in particular became more systematic with the integration of Danced into Danida.

There were two sets of factors behind Danced ignoring these issues. The first was the idea that since Malaysia and Thailand were middle-income countries, their environmental problems were largely economic-technical tied to their high economic growth. Danish experience from Eastern Europe and from Denmark itself a couple of decades back was thus relevant, though needed to be adapted. In the “green” sector this was reflected in a natural resources-focused approach, and in the “brown” sector this led to a technology-bias in a number of projects, as discussed above.

The second reason was the point made by Folketinget when establishing the EPSF: these funds were not to be used as a substitute for regular development assistance but should be directed towards addressing specific environmental problems. Regarding bio-diversity, for example, it was legitimate to consider this as an issue in its own right. From this perspective, this Evaluation criticising Danced for not putting more weight on issues of gender and poverty reduction is thus seen as irrelevant since this was not Danced’s task.

But these issues are raised for several reasons. The first is the Rio Declaration, which was important for setting up the EPSE, and where the concept of Sustainable Development is key. In Rio, there was agreement that a central challenge was to move from a technical-managerial understanding of resource management to the inter-action between man

and nature – not “trees or people” but “trees and people”. In this context the issue of who decides about how the trees are to be managed and in whose favour, is critical.

The second argument is the 1996 EPSF strategy which notes that EPSF should be seen in light of general Danish development and foreign policy objectives (see Section 1.1), where gender and poverty concerns are important. But the central reason is the experience from general development but also NRM activities: if gender is not explicitly addressed, it tends to be ignored. The ability to include and draw on women as a resource is reduced, with negative consequences for sustainability and relevance. This thinking is also reflected in Danced’s and Danida’s own Southeast Asia strategy, where the analyses of the six problem complexes concluded that the common root causes were the economic and social development in the region.

This Evaluation’s claim is that Danced should have addressed these issues better, and could have benefited from Danida’s experience in these areas. While both Malaysia and Thailand are middle-income countries (Thailand somewhat less so), both countries clearly have both a gender challenge, and a distributional one when it comes to benefits from NRM activities.

3.4 Findings and Conclusions

The first programming cycle was characterised by the need to quickly programme resources and implement activities. This led to an exaggerated role for external consultants both in identification and running of projects, with activities being outputs (short-term direct production) rather than impact (longer-term results) focused. The hectic programming also led to a scattered project portfolio in both countries. Despite these problems, a number of important and well-designed projects were developed. Key principles for programming and implementation were put in place over time that improved the quality, such as participatory processes, working with several levels of the public sector, involving NGOs and the private sector, and using standardised tools (LFA, inception and progress reports with clear structures, project steering committees as a means of involving a wider range of stakeholders in decision-making).

At the same time, Danced was conscious of its relatively limited resources and need to apply them in strategic areas. It did this with a focus on CDE. Important partnerships were developed and institutionalised at national level through joint programming committees, and new actors (private sector, NGOs, etc.) were brought in by Danced.

Towards the end of the first programming cycle, evaluation studies were commissioned to identify areas for improvement. The “lessons learned” in these studies were used to ensure that the Second Country Programmes were better planned and structured. Formal Programme documents were produced, project manuals were prepared, the Inception Period was paid more attention, as was the recruitment of CTAs (increased emphasis on communication, organisational development, cross-cultural sensitivity). The strategic focus was clearer and sub-sector areas or components were in some cases better defined (energy, forestry). A continued lack of focus was at least as much due to the local partners as to poor programming. Danced was in general given high marks for the programming process, which most informants experienced as serious and listening. The 1999 South Africa evaluation confirmed Danced’s belief in focusing on CDE, which became an even more explicit area for Danish support.

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Denmark's EPSF policy documents were short but ambitious in terms of scope. The EPSF agenda was expanded, however, by the Danish Parliament asking that a series of other considerations be addressed, weakening the possibilities for Danced to get more coherence and focus into the programmes.

The most dramatic change was due to the shift in government in Copenhagen after the elections late 2001. The new government decided to cut the EPSF frame in Southeast Asia by 55%, and announced this in an abrupt manner that left some local feelings rather bruised.

Despite improvements in the programming, the Second Country Programmes were still too dispersed, entailing high management costs for Danced.

Danced was seen as a highly innovative, risk-taking agency that was hands-on and solution-oriented. It remained a small agency that out-sourced non-core tasks, relying on contracting Danish firms for implementing projects. It was able to establish a network of strategic partnerships with key actors, and pursued a very successful "top-down" CDE strategy with central national actors. It also supported "bottom-up" CDE, especially through local NGOs, but did not pay attention to poverty reduction and gender, though both own policy documents and international experience note that this is warranted. Over time, this weakness was being addressed more successfully, not least of all because a number of projects began showcasing the importance of women as a key resource in environmental activities.

4. Current Country Programmes

The chapter presents the current EPSF country programmes – largely programmes and activities after 2000. This is the more important period, for several reasons. The more recent approaches are more interesting for drawing conclusions for the future. Secondly, as the programmes “mature”, it is easier to see what some of the longer-term impacts of EPSF funded activities are likely to be. Thirdly, the information this Evaluation was able to collect is more reliable and valid for the current programme period. Finally, this period includes the three Danida countries Cambodia, Laos and Vietnam. While Danida had begun the programming already in 1997, it was only at the end of 2000 that the Laos programme was approved, with the other two finalised within the next six months or so.

Since a number of the structural features of the five country programmes are similar, and to avoid the chapter becoming endlessly repetitious and long, the chapter first discusses Thailand, the largest programme. This is done in some detail, where the subsequent country sections then dwell less on what has already been said where the lessons are similar. There is then a quick review of the regional programme, before the overall lessons learned are summarised.

4.1 Thailand

Thailand has the single largest EPSF programme in Southeast Asia, with over DKK 750 million either committed or spent as of the end of 2002. Table 4.1 summarises how this funding has been distributed across the various sectors during the period 1994-2002. A total of 84 projects have been funded, of which 40 were “brown”, 28 were “green” and the remainder were “grey”.

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Table 4.1 EPSF Expenditure, Thailand, 1994 –2002

Group and sub-group	DKK million
General; institutional development; training	115
Forestry	33
Natural resources management and biodiversity conservation	147
Agriculture	39
Sub-total “green” activities	334
General, institutional development, training	74
Industrial development, Cleaner Technology	56
Urban development and infrastructure, waste management	125
Renewable energy; energy efficiency and conservation	74
Sub-total “brown” activities	328
Training and education	76
Media; information; communication	16
Sub-total “grey” activities	92
Grand total	753

Third Thai-Danish Country Programme

Thailand’s 8th Development Plan (1997-2001) moved towards a people-centred development, emphasising the concept of good governance. The 9th Plan (2002-06) reaffirmed a holistic people-centred development approach and introduced the concept of a “Sufficient Economy”, focusing on the balanced development of human, social, economic and environmental resources, and strengthening self-reliant grass-root organisations as an alternative to export-led industrialisation and growth.

The Plan notes increasing poverty, the widening income gap, and natural resources and environmental degradation as major challenges, and develops a 20-year vision to contain them. It emphasises the importance of appropriate use and conservation of biodiversity and natural resources and the need for improved town planning and pollution abatement. It stipulates the importance of good governance and the encouragement of local participation, and introduces a bottom-up planning philosophy designed to meet the needs of local populations. The Plan’s main objectives are (i) to promote economic stability and sustainability, (ii) to establish a strong human resource foundation for devel-

opment, (iii) to establish good governance at all levels, and (iv) to reduce poverty and encourage participation and empowerment.

The third CP coincides with Thailand's 9th National Plan, to which it is closely aligned. It took into consideration and supported the decentralization process that was to take place over that period, but with more focus on two "green" and two "brown" areas: biodiversity; forest ecosystems; urban and industrial environment; and sustainable energy. Two sectors were dropped: coastal zone management and agriculture.

Planning and implementation improved noticeably in the third CP. The formal management framework introduced in 1998 involving annual consultations with high-level stakeholders became a focused and purposeful process that allowed the development of project portfolios in close consultation with the Royal Thai Government (RTG). Increasing recognition of the need for local (public) participation in planning and management was shown in all components, and the term "joint management" was used for the first time regarding protected areas.

Programme Document for Third CP

The Programme Document provides a discussion of the national context regarding environmental issues in Thailand before presenting the country's policies and priorities. Then Denmark's policies and priorities are provided as a background to the actual CP.

For the first time, an overall objective was formulated for the entire Programme: *"to assist Thailand in achieving sustainable development through the implementation of environment and natural resource management projects, in line with international environment conventions and agreements and supporting implementation of the principles in the New Thai Constitution, notably decentralisation and public participation."*

The document presents the programme with two introductory sections on the general areas, and the importance of public participation as a key issue for implementation. Two sections discuss the "green" and "brown" sectors before presenting the cross-cutting issues (i) International obligations; (ii) Regional perspectives; (iii) Environmental education; (iv) Environmental financing strategies and economic instruments; (v) Research and development; and (vi) Other integrated and cross sectorial issues, including poverty reduction and gender issues.

The sectors and sub-sectors are discussed in terms of six areas of concern: (i) RTG priorities, (ii) based on this and Danish policy objectives, what the jointly agreed-to problems to be addressed are, (iii) from this, a set of focus areas within the sub-sector are identified, (iv) the objectives are defined; (v) programme indicators are suggested; and (vi) the more specific interventions are proposed. The structure of the document is thus analytical and comprehensive yet quite concrete, with an argumentation and language that makes it easy to read and follow.

The programme is thus extremely ambitious. As a management tool the document pulls in opposite directions. On the one hand, it delineates the key areas to focus on, so that managers can say "no" to a wide range of new proposals. On the other, any conscientious manager has an impossible list of concerns to attend to within the projects. The fact that the actual programme contained projects that had been initiated before the more structured programming came into place also meant that there was less coherence

and synergies among activities. For Danced managers, the programme therefore remained a collection of projects, though the programme document was helpful in pushing towards greater consistency over time.

The major advantage of the document was probably the political process that went into producing it, as it forced the various actors to come to closure on what was to be prioritised and what had to be deleted in the name of programmatic consistency.

“Green” Sector

The document discusses the third CP in terms of “the natural environment” (“green” sector), and the “human environment” (which corresponds to the “brown” sector – industrial and urban environment, and energy). This dichotomy is in line with the comments made in the previous chapter about Danced’s use of the concept of “sustainable development”: there is a man-made environment (“brown” sector) and a “natural environment” (“green” sector) where the role of man is seen to be fundamentally different. The document states that for the natural environment, “The overall objective of the RTG for sustainable natural resources management is the conservation of biodiversity through sustainable management of natural resources” (p. 24). Apart from the logical short-circuit (*definiens in definiendum*), the content of it hinges on what is meant by “sustainable management”, which is somewhat contradictory in the forest sub-sector.

Forest Sub-Sector

The document moves into the forest eco-systems sub-sector and works through the analytical dimensions – focus areas, programme objectives, etc. This is done in a coherent and well-argued fashion, and the quasi-LFA structure of the presentation is exemplary – a structure that is followed for the other sub-sectors as well.

The document notes that forest cover has been reduced by half during the previous 50 years, though the rate of forest loss is falling off. A conflict between “the preservation strategy and traditional activities by people living in the buffer zones or within the protected areas” is indicated as an important cause for this, though the document has noted that the main reason for the levelling off of forest loss is the (commercial) logging ban. Despite this, the priority for CP in the forest ecosystems sector is defined to be “diminished biodiversity due to encroachment, degradation and fragmentation of forest areas combined with overexploitation ...” (p. 25). That is, livelihood activities by the poor communities living in the areas are considered the main threat.

As noted in Chapter 2, two different approaches for addressing this issue exist. The RFD took a conservancy approach while community based organizations took a livelihoods approach. It is clear that in the RFD project areas, local communities experience their role in defining the issues and solution sets to be highly circumscribed by the RFD’s own priorities.

When it comes to the potential programme indicators, the livelihoods dimension is absent. One of the suggested indicators is in fact almost opposed to it, namely “signs of reduced pressure on the land ...” in selected areas. The most likely interpretation of this is that livelihoods activities in the areas have been reduced, in line with the RFD’s exclusion and conservancy approach.

The logic that has been pursued is therefore not quite consistent. The overall sector is defined in terms of “pure” bio-diversity objectives, divorced from the economic realities surrounding those areas as far as poor communities’ livelihoods are concerned. This is attempted addressed lower in the analytical hierarchy by introducing community participation and joint management. At the activity level, however, this dualism is reflected in the opposing approaches of two sets of key implementing actors – the RFD, which according to the communities largely does not in fact respect and implement such approaches, and community-based NGOs that do.

The reality on the ground is more complex. The RFD is a powerful agency that is mandated with managing the forested areas, and has done this through a militarised set-up. Despite the criticisms levelled at the RFD by both some NGOs (there are conservancy-oriented NGOs that agree with the RFD’s approach) and communities, it is clear that the organisation is changing. Informants experienced the RFD’s Watershed Management Division that manages the Upper Nan project as more flexible and community oriented than the Conservation Office that manages WEFKOM. Furthermore, the participatory nature of the programming in Upper Nan was much better in the second phase, while WEFKOM is still in its first phase. And Danced has supported both sides of the argument, as the CP encompasses both the community-based NGOs as well as the RFD.

The NGOs have consistently praised Denmark for this support. It has provided important financial resources for activities that otherwise would not have been easy to fund on that scale. It gave political legitimacy and some protection to the kinds of advocacy and mobilization work that community-based NGO work entails. The quite substantial funding for NGO-COD, which covered both four field-based activities (the highland forest programme was just one of them) and the central office, also provided a basis for building the organisation such that it later on has been able to receive considerable public funding. Without the Danced support, it seems clear that this important qualitative leap in terms of role and scope would not have been possible.

The bottom line is thus that the Programme Document contains an analysis that in important respects is neither consistent nor fully in line with “best practice”. But while this approach reflected reality on the ground, it was at the same time open enough to challenge the prevailing orthodoxy in the most powerful forest management agency in the public sector. This gave space for NGO approaches, which were systematically supported and thus were able to grow and occupy a consistently larger space for both policy development and practical implementation.

The *economics* of the livelihoods issues continues to hamper the sub-sector, though, as even in the NGO activities the attempts at finding viable alternative income sources for natural resource-dependent households is less successful than the mobilisation and awareness raising activities.

“Brown” Sector

As with the “green” sector, the discussion of what is termed “the human environment” is well organised, clear, and concise. What is noteworthy is that Denmark has consistently included the “brown” sector in its EPSF programmes. Focusing this much attention and subsequently resources in the areas of the urban, industrial – and later on energy – fields has often been innovative and in the Southeast Asian context also very timely. The pollution and waste management issues are increasing at a very high rate, the negative

externalities from rapid and often unplanned urban growth tend to fall disproportionately on the poor, and these groups' problems in the face of powerful bureaucracies and economic interests make agencies like Danced important. This distributional dimension is not explicitly treated in the Programme Document, however, so there is nothing said about "the human environment" and the poor.

Urban Development

The urban programme reflects Danced's willingness to innovate and spread its resources. The CODI project is small-scale, bottom-up and poverty-area focused, while the Khon Kaen project was to support innovative approaches in a middle-sized urban area. The downside was the lack of a more structured linkage between the activities, despite the Programme Document providing a logically coherent approach. The gap was in part due to history – a number of the projects were already in place so the Programme Document had to some extent to justify and accommodate what already existed on the ground rather than chart out a totally new programme purely built on "first principles". The other aspect is that since it was Danced's intention to go out and be innovative, that by definition meant it was not simply incremental and consistently building on what was already in place – it was trying to break moulds, find new approaches, identify risk-takers who would try out new solutions to old problems.

Steps are being taken during this current programme period to ensure greater coherence and build more systematically on the "lessons learned" within the programme. Denmark is to support the National Municipal League in addition to just individual city councils. This will ensure that more general principles will be discussed and implemented by those councils that really are interested in sustainable urban development/sustainable cities concepts. Since the League will act as some kind of "clearing centre", there is perhaps less likelihood of consultancy driven proposals (which was largely the case in Khon Kaen). On the other hand, the League is a weak organisation, so it may turn out to be not a very efficient partner for disseminating and supporting innovative management approaches. But by working hard to ensure that the support to the League is successful, Denmark might be providing the kind of catalytic support to a key actor that may ensure sustainable and multiplier-effects of Danish assistance.

Industrial Development

Danced supported the Polluter Pays Principle both at the general policy level through the development of "green taxes" and through the Samut Prakarn wastewater project. In both cases, the small but critical technical input that Denmark provided could have had significant multiplier effects. In both cases this may yet happen, though due to different short-comings – framework conditions that make the Samut Prakarn investments less sustainable than anticipated, and a "green taxation" project that did not generate as profound insights and knowledge as expected – this may not occur. Despite the problems on the ground, the overall approach seems a valid one, where once again Denmark has been coming in and with small resources potentially pushing important national efforts a significant step forward.

Denmark's industrial development support has been based on Cleaner Technology rather than on Cleaner Production. The two concepts seem to be equated in the Programme Document, but are not truly identical. The first focuses on the new technology *itself*, while the second is a broader concept that looks at the total solution set available for making production cleaner, including no-cost and low-cost options. The key shortcom-

ing in this sector was the focus on the technology side and insufficient attention to the introduction and enforcement of user fees on pollution generation that would assure attractive economics of cleaner technology solution sets.

Energy Sector

As noted in Section 2.2.3, the energy sub-sector has perhaps been the most successful in terms of coherence and probable sustainability. One reason is that this component came in as a new one under CP II, by which time systematic thinking regarding the strategic purpose of the support in a sub-sector was in place. A more important factor was that energy was a priority of the RTG and substantial amounts of money are available from the Petroleum Fund to support the introduction of efficiency measures. Denmark was successful in complementing Thailand's energy conservation strategy with new "best practice" approaches. While this was initially technology driven, the current approach is on institutional strengthening of the dissemination process.

Programme Revision 2002

Because of the cut-back in the EPSF frame that took place early 2002, a Danida Review mission visited in April 2002 to adjust the programme. It was agreed to focus on (i) urban environmental management (UEM); (ii) community-based NRM outside protected areas; and (iii) joint management of protected areas. The energy sector was therefore deleted.

Following this, the 2002 Annual Consultation agreed that in 2003 the NRM-focus should be on the protected areas while activities outside protected areas should begin in 2005. The reason was that despite their protected area status, degradation continues and poverty is widespread. The Review makes the point that "collaboration with people living in protected areas is generally not functioning, with top-down approaches being implemented and limited methods for joint management developed." The report notes that the reduced budget allocation and the tighter focus of assistance calls for a reassessment of programme interventions utilising a "sector programmatic approach", in line with Danida's Guidelines for Sector Programme Support.

On the NRM side, the problems to be addressed are "human poverty alleviation and the continued deterioration in the country's natural resource base", where inappropriate tenure and limited options for sustainable resource utilisation are mentioned as two of the main difficulties. The Review emphasises the support to relevant government and people organisations to develop systems of joint forest management. It indicates that assistance should be focused on poverty alleviation and environmental conservation concerns and should work both at field and policy levels in an integrated manner. It finally provides for a geographical focus in the north and north-west of the country, to build on the earlier projects there.

Overall, the programme strengthens the "people and participation" approach with increased involvement of local communities in planning and management. This stronger poverty focus under Danida is also illustrated in the Danish Government's review of official developmental and environmental assistance (January 2002), which defines the broad aim of assistance as being "promoting sustainable development through poverty-orientated economic growth."

Programme Achievements

Efficiency and Effectiveness

The use of firms to implement projects had as an early result that there was a lot of attention to producing foreseen outputs on time and within budget. While some of the first period projects were less successful even at this level of the results framework, by and large the projects have delivered as expected with regards to the outputs. The efficiency of the outputs production is more difficult to assess. All contracts have been awarded to Danish firms, which are similar in cost structures, technical skills, etc. There is therefore no ability to test out the cost-effectiveness of the Danish approach to technical assistance, which is the key component of the projects.

One conclusion is that the second phases of projects are more efficient and effective. The reason is that they build on the experiences the projects have accumulated. The framework conditions are better understood, there are better relations with local partners, there is better understanding of which skills should be recruited from abroad, and the projects are better integrated into the host institution's organizational structure and strategies. The more recent projects therefore are more realistic regarding external factors.

Impact and Relevance

No project evaluated had information that demonstrated what impact the project had made, or showed how they were planning to obtain this information. In the Upper Nan project, base-line data had been collected but no follow up study was planned to assess subsequent change. More emphasis needs to be given to monitoring and assessing impact. While results monitoring is difficult, more innovative and low-cost means should be tried out – informal interviewing and case studies, participatory monitoring, simple studies based on rapid survey techniques, etc.

What is certain is that Thailand's commitment to sustainable environmental management has grown massively over the EPSF period, and Danish support has been important. An appropriate policy and legislative framework has been put in place, although important gaps remain (such as in the area of community forestry), environmental matters are today part of the school curriculum and taught at both primary and secondary levels, etc.

Danish assistance has been helpful in developing environmental awareness and education, strengthening the capacity of cooperating ministries and line agencies to undertake environmentally-friendly activities, developing processes for community participation, monitoring environmental agreements and participating in international forums. It has also been helpful in helping RTG staff work more closely with local communities and developing and testing suitable management models. Thailand's "green" sector has moved on from a narrow environmental focus to one of sustainable development, and an increasing association with participatory and poverty concerns. However much more needs to be done in this regard before success in sustaining natural systems and enhancing economic livelihoods can together be jointly achieved.

From the beginning the programming process and selection of projects were in broad alignment with Thailand's main environmental objectives and strategies, and also with Danish government priorities. Increasing compatibility between Danish and Thai environmental agendas has been helpful in this regard. The programme has correctly identi-

fied and kept pace with the range of environmental problems and opportunities in both “green” and “brown” sectors, though perhaps more could have been done to prioritise them in terms of their environmental, social and economic significance, and the likely cost-effectiveness of Danish assistance.

The programme has kept pace with major constitutional and policy developments that took place over the eight years of assistance, particularly the new 1997 Constitution and the subsequent policy and strategic developments. The current programme supports the move towards administrative decentralisation and the devolvement of power and decision-making responsibility to local authorities and certain community bodies. A balance has also been achieved in working at both national and field levels, and supporting both the public sector and NGOs.

The focusing of project activities and the integration of cross-cutting poverty reduction and people participation concerns still have some way to go. This applies to local ownership of projects and local participation in their design and management. The formal process has worked increasingly well at both programme and project levels and there has been increasing success in getting partner agencies involved in developing initiatives in cooperation. Beyond this, however, there has been only limited success in involving other stakeholders in the design and management of projects, including those most centrally affected. This is the case in both urban and rural sectors, and includes target beneficiaries such as small and medium-size industries and groups of poor people whose cooperation is essential if environmental progress is to be made.

Sustainability

With the increasing attention by the authorities and civil society to the environmental agenda, more national resources are being mobilised. Funding is increasing, environmental issues are finding their way into national legislation and local council agendas, national NGOs and other civic organisations are mobilising around a number of themes. This means that the overall framework conditions for sustainability – legislative frameworks, public sector funding, organizational capacity, technical skills, and a larger web of alliances across former boundaries – public sector and civil society; central and local administration – are improving.

While the picture on the resources side is improving, the problems themselves are also increasing in areas such as urban sprawl and industrial pollution and the environmental degradation that follows. In other fields, such as forest and other natural resources, the rate of degradation seems to be falling – which in itself is an improvement, given the population increase and thus, all other things held constant, the greater pressure on the natural resource base.

A number of the activities supported by Denmark were designed such that their financial sustainability was largely ensured. This is clearest in cases where Denmark provides rather small contributions within larger activities, such as Samut Prakarn. The overall situation is much more positive than it was when the first Danced programme began, but the problems remain massive and the resources available insufficient. Where sustainability is more questionable, is on the skills side. Danish TA has introduced new instruments and ways of working that only now are being fully appreciated and taken up. While transfer of techniques at the individual level is reasonably simple, the more complex organizational structure and corporate culture dimensions require more time to mature. This is undoubtedly the vulnerable part of the programme.

4.2 Malaysia

As the first step in developing the third country programme, background papers were compiled by EPU with the support of Danish consultants and in close cooperation with relevant agencies. The purpose was to prepare a framework for cooperation that was grounded in the Malaysian priorities within the environment sector. Thus, programming was done in parallel with EPU's drafting of the 8th Malaysia plan (2001-05) and the country's long-term strategy document *Vision 2020*. This resulted in a close coherence between the national strategy and the priorities of the Third Malaysian-Danish Country Programme, which covers the period 2002-06. One of the nine strategies in the 8th Malaysia Plan is "adopting an integrated and holistic approach in addressing environmental and resource issues to attain sustainable development".

Table 4.2 below shows the number of projects and expenditure levels during the three programme periods. As can be seen the number of projects during the third country programme is dramatically reduced compared with the first two periods. While this implies more focus, funding is lower so there are few projects in each area, so the programme remains thinly spread.

Table 4.2: Number of Projects and Expenditures by Country Programme Period and Component, Malaysia

Component/Sector	CP I	CP II	CP III*
Urban and Industry: Number of projects	11	10	2
Expenditures, DKK million	81	60	10
Energy: Number of projects	0	7	4
Expenditures, DKK million	0	23	20
Natural Resources: Number of projects	8	8	4
Expenditures, DKK million	84	87	28
Other: Number of projects	4	7	4
Expenditures, DKK million	20	30	19
Total number of projects	23	32	14
Total expenditures, DKK million	~185	~200	
Total commitment	~364	~243	~77

*: Committed as of end 2002

Programme Document for CPIII

The structure of CPIII is similar to that of Thailand, where overall objective for the environmental cooperation is: *"Assist Malaysia in achieving sustainable development through the implementation of environment and natural resource management projects, in line with international environment conventions and agreements"*. There is thus the same

strong focus on international agreements and conventions as the basis for the cooperation, and the distinction is made between environment versus natural resource management activities. The background information and the programme structure and logic, as in the Thai document, are clear and well presented.

The CPIII was to consolidate and further develop the results from the previous CPs and support two of Malaysia's policy goals, namely improved environmental management and sustainable NRM by focusing on four themes/eco-systems: urban, energy, water, and land. This was concretised into six focus areas: (i) solid waste management; (ii) industrial environmental management/cleaner production; (iii) energy efficiency and renewable energy; (iv) freshwater management; (v) biodiversity; and (vi) forest resources. Cutting across these six areas were five integrated and cross-sectorial areas: (a) integration of environment in planning; (b) development of economic instruments and incentives; (c) environmental information; (d) awareness and environmental education; and (e) support to implementing international conventions.

In programming the CP, some principles were applied: focus on a few environmental problems; address international environmental conventions; assure local ownership and participation; address capacity building; increase awareness; support pilot or demonstration projects; support environmental investments; and increased support at state and local level.

Project selection criteria included that the projects were core activities in the chosen field; that they be part of the annual and five-year plans and budgets when it came to public sector activities; they should produce visible environmental impact; that the Malaysian partners assume large funding responsibilities and ensure participation by stakeholders and civil society; and that they include the transfer of Danish technology and know-how. The programme also foresees working with four groups of local partners: the public sector at national, provincial and local levels; the private sector; civil society organizations (NGOs, CBOs); and universities.

A final consideration that was not addressed in the document is that Denmark and Malaysia had agreed that the environment programme would be phased out with the CP in 2006. It ought therefore to have had an exit strategy to consolidate the learning that had taken place during the years that the two countries had worked together, but this dimension is strangely absent.

Third Country Programme Structure

While an overarching concern was more focus, coherence and thus synergies between activities and sectors, the actual programme structure was not much simplified compared to the previous one. The Country Programme document has a diagram (Fig 4.1 on page 26) that tries to show the linkages between the ten international conventions, the two Malaysian policy areas, the four themes and six focus areas in the Danced programme with the five cross-cutting themes, and the listing of local partners. Annex 1 to the document lists the main themes and the priority areas for Danish support within each. Some of these areas are not the same as the six priority areas, five cross-cutting areas, programming principles, or project selection criteria (ex: "effective privatisation" in the urban and industry theme). The picture is hence of a programme that is still casting its net very wide and had ambitions in terms of impact in many fields.

The management challenges also remained complex. The programme in Malaysia, in addition to covering many environmental issues, had also to take into account the political need of having a balanced portfolio of projects between the states of Sabah and Sarawak and the mainland, yet take into account that their environmental problems are very different. This the programme seems to have achieved successfully.

Unlike the Thai document, the Malaysia document does not have overarching sectors – “green” and “brown” – but addresses the six focus areas directly. While the Thai programme follows a stringent Logframe approach, the Malaysia document is more concerned with the framework conditions: the policies, plans and financing in place, the lead partners, and the rationale for the Danish-Malaysian cooperation, before the area-specific objectives, outcomes and indicators are given. The formal presentation is less structured, but contains by and large the same kinds of information. The work on the indicators is fairly loose, reflecting the fact that neither country had either baseline or benchmark data in most areas, did not have specific targets, and thus no operational monitoring system that would allow for tracking of performance.

The programme description ends with the cross-cutting concerns, which cover the same areas as in Thailand, though the emphasis and formulation is often somewhat different: (i) Integration of environment in development and land use planning; (ii) Environmental education and awareness; (iii) International environmental conventions and agreements; (iv) Economic instruments; and (v) Environmental knowledge building and information management.

Danida Re-programming Mission

In the wake of the 2022 budget cuts, a re-programming mission decided that the priority areas within UEM were to be Solid Waste Management and a cluster of interventions on Hazardous Substances Management. The programme was to include residential buildings (housing) at the awareness level since a major obstacle towards EE&RE was seen to be a lack of awareness by households regarding energy consumption and its environmental implications. The priority areas within NRM were to be reduced to a single component: conservation and sustainable use of bio-diversity. As in Thailand, an unpleasant fact was turned to a virtue: concentration and focus were improved due to budget reductions.

Programme Achievements

Efficiency and Effectiveness

What was said regarding efficiency and effectiveness in the Thailand programme applies to the EPSF in Malaysia as well. The main difference is that programming is more advanced in Malaysia where instruments like the Logframe are used more. This seems to have increased efficiency and effectiveness. It is noticeable that in activities that are accorded priority by the Malaysian government, implementation is going ahead as per plan or even faster than foreseen.

Impact and Relevance

The relevance of the EPSF programme in Malaysia is for the most part high. One thing is that the careful programming that was undertaken, and which was remarkable for its genuine partnering in formulating the general features of the programme, ensured that it has been tightly related to Malaysia’s own development priorities. The unique collabora-

tion both reflected a trust in Danced as a partner, as well as provided Denmark with the possibility of supporting the introduction of a highly value-adding component to Malaysia's own development plan, namely the "fifth fuel" of renewable energy. As noted above, the energy programme in Malaysia is the most successful and coherent sub-sector or component in Denmark's EPSF programme in Southeast Asia.

Denmark has assisted Malaysia to implement a number of international conventions. This has ensured the relevance of the activities also from the larger global perspective, as it is in line with the approach urged and supported by the international community, but also what the Malaysian authorities themselves have stated they would like to attain.

Whether the six focal areas chosen were the most relevant in the Malaysian context is another matter. In Thailand, a key area was urban planning and development, whereas in Malaysia the focus was specifically solid waste management. But the most successful urban projects are the Sustainable Urban Development (SUD) project in Kuching and Bangkok planning, indicating that Malaysia should perhaps also have gone for the broader planning approach rather than singling out particular technical areas like solid waste management.

Similar was found for the multiple-use management of forest resources. The limited focus of the Endau Rompin and Krau National Park projects led to few lessons being transmitted from one project to another. While the Krau project had some impact at national policy level, Malaysia could have gained more from these and the other forestry projects at state level if they had been structured as part of a larger programme. The three bio-diversity projects in Sabah have led to these kinds of systemic outcomes exactly because there was a larger strategic vision behind them. In this sense, therefore, the Malaysia programme achieved less than it could have.

The major shortcoming, though, is that the programme did not develop an exit strategy with systematic learning as key. If the parties had focused from the beginning of the CP on how to identify the more important lessons, how they were to be synthesised, disseminated, stored and made accessible, the overall relevance of the programme would no doubt have been higher. This, however, is still not too late: if the programme sees the last part of the third Country Programme period as one of intensive analysis and learning, this weakness can be overcome.

On the other hand, the focus on Capacity Development has been highly relevant throughout the programme. The Danish emphasis on strengthening local organisations and framework conditions has been increasingly well received.

Regarding attainment of objectives, the key level is the six focal areas. One of the best specified Objectives is for the solid waste area: "Improved solid waste management arising from an increasingly successful adoption of demand side approaches such as waste minimisation, recycling, cost recovery and awareness raising". The project looked at here, the hazardous waste management scheme, clearly contributed to this Objective. In other sub-areas, such as awareness raising, recycling, cost recovery, the Evaluation did not come across information that tracked any of these dimensions, though activities have only recently begun.

Looking more generally at the focal areas, the Energy programme and the Sabah biodiversity activities are both considered highly successful. The industrial environmental

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management area is the largest failure, but where “lessons learned” on how to design “win-win” results (pollution abatement, increased productivity coupled with cost-effective changes) may provide a way forward for Malaysian partners on their own.

The Partnership Facility that supports Danish-Malaysian private-sector (commercial) cooperation has achieved less than hoped for. The key reason is the demand that the partner must be Danish which often is not compatible with what local industry is really searching for. This problem is thus structural and there is little Danida can do to overcome it.

Some general observations regarding impacts can be noted:

- The EPSF programme has contributed to improved awareness of environmental issues, possible solutions, and ways of implementing them. The fact that Denmark has been systematically engaged in this field for over a dozen years has clearly had considerable impact on the skills and knowledge in the key public sector institutions where EPSF-funded projects have been housed. Attitudes at senior levels have also been positively impacted, as noted by a number of informants, helping to inform new policies and practices.
- Partners outside the public sector – NGOs and other civic organisations, research institutions and private firms – have likewise gained better understanding of environmental matters through the EPSF programme. Awareness campaigns through a number of projects have projected insights well beyond the project participants.

Sustainability

It is the overall experience that activities approved by the EPU and linked to the Malaysia Plan have a high degree of institutional and policy sustainability. Furthermore, the environment as a political priority is moving along an upward trend. By closely aligning the CP with the priorities of the 8th Plan, the prospects for continued political support – sustainability – are thus good.

Malaysia is by far the wealthiest of the five countries that receive EPSF support in Southeast Asia. Coupled with the political will to address environmental matters, the financial resources for sustainability in principle also exist.

Outside the public sector, the prospects of sustainability are also often quite positive. Once again the clearest example is the Kualiti Alam project, but the energy programme is also market friendly and thus likely to attain sustainability in most areas. Applying the biodiversity capacity to increase eco-tourism in Sabah is another case where “win-win” outcomes are being established, once again ensuring longer-term sustainability.

All in all, Malaysia is well situated to be able to sustain the environmental programme over time.

4.3 Laos

Subsequent to a number of Danida exploratory missions, the Lao PDR and Denmark signed a Memorandum of Understanding (MoU) in May 1997 concerning Environmen-

tal Assistance. This formed the framework for the Lao-Danish Natural Resources and Environment (NRE) Programme.

The framework and design process of the first projects deliberately followed a flexible, open-ended format to determine activities. Partner agencies within the Lao Government needed time to move through a learning process about NRM and environmental concerns. Thus both the Lao partners and the Danida advisors regarded the first phase (2000-02) as an extended Inception Phase, partly to test what would be feasible and appropriate in future work.

A key consideration in this regard was the low level of human resource development, especially in the fields of management, education and science, and weak infrastructure development. Although much progress has been made during the past decade, the capacity to plan, implement and monitor activities is severely constrained.

The Country Programme

The overall development objective for the NRE programme is “*Sustainable development through improved management of natural resources and environmentally safe urban and industrial development.*” The 1997 MoU included three areas – sustainable development of (i) natural resources, (ii) urban areas and industries, and (iii) energy. In 1999, this structure was modified by dropping the energy sector, but focusing more explicitly on national capacity building and environmental awareness.

This is in line with the National Socio-Economic Development Plan for 1996-2000, which had poverty reduction particularly in rural and multi-ethnic areas as one of the three main objectives, and with human resource development as a second one. The Plan’s three objectives were operationalised in the form of eight national programs, where four of them addressed natural resources development in rural areas.

As with the other EPSF programmes, a number of principles were put in place for programme implementation, monitoring, selection of national and provincial/local level projects, cross-cutting issues, and geographical focus. The cross-cutting issues were quite different from those in the Danced countries, as they addressed the general development concerns Danida is mandated to deliver on: equity and gender; good governance; and public participation and decentralisation.

The latter dimension of public participation and decentralisation was very much in line with the Lao Government’s own reorientation. While retaining a fair amount of control, central authorities recognized that in a country with such diverse agro-ecological zones, poor infrastructure and a very heterogeneous population, there was a need to develop new models for socio-economic development, including through devolving responsibilities to lower levels of society.

The Programme Document

As with Thailand and Malaysia, the Programme Document provides an overview of the economic and political developments in the country, and then goes on to discuss the economic situation, growth and constraints, poverty, gender, human rights, health, education, public sector reform, before delving into the environmental issues facing the

country and the legislative framework. As in the other two documents, there is a Logframe-like presentation of the NRE programme, but where the indicators presented appear more concrete and realistic in terms of “measurability”. On the other hand, the validity of some of the proposed indicators can be questioned unless they are better specified and their relevance to the objective is made clearer.

Similar to the Danced documents, the Lao NRE Document provided managers on both sides of the table with some clear and helpful guiding posts for what was to be supported, how, and why. The Lao document is in a number of areas more traditional and development oriented – the Danced documents have a language and structure that come across as more modern and management oriented. But it at the same time contains a number of annexes that are more immediately helpful – the MoU from 1997, an overview of the approved projects – that help provide transparency to the total programme.

Danida Re-programming Mission

The cutback in Danish funding for the EPSF meant the entire programme was to be stopped when the current funding commitments expire, for the most part at the end of 2003. The decision came totally unexpectedly to Danida’s partners in Laos. Denmark had built up an unusual amount of trust and good-will during the relatively short time it had been in the country. What was so surprising to Laos was that while the World Bank, the Asian Development Bank and the IMF were all praising Laos for the steps it was taking in terms of opening up both the political and economic systems, taking the environmental issues more seriously etc, Denmark suddenly announced that Laos was not living up to acceptable standards in the fields of human rights and democratisation, and therefore the EPSF programme was being shut down. The suddenness with which the announcement was presented was seen as unnecessarily rude. This was particularly difficult to understand for a regime that felt it had embarked on a route of dialogue that had taken a lot of time and resources on both sides, but where the trust that had been built was seen as solid and the increasing openness was genuine. The NRE Programme had, after all, been through a long process before both sides agreed to it – only a year before it was then cut.

Programme Achievements

The Laos NRE Programme had operated as a programme for two years when this Evaluation took place. It was therefore both in early stages of its formal development; the parties were treating these first years as an inception period; and the fairly recent announcement of the programme being stopped all made for a somewhat anomalous situation to assess. Despite these unusual conditions for an evaluation, the Evaluation believes that Denmark contributed to quite remarkable progress in a number of fields that are key to sustainable development.

The NRE promoted technical innovations such as Cleaner Production (CP) in industries, and Integrated Watershed Management (IWM) planning and the Integrated Conservation and Development (ICAD) approach to rural development. Due to the NRE, national resources are being mobilised in these areas. This catalyst role is especially appreciated by the younger technocrats who experience the NRE as an innovative programme that has opened possibilities for new ways of planning, interacting (cross-institutional and more participatory dialogue), accessing new information sources (Danida

has provided internet access and training to a wide range of officials at central, provincial and local levels), and in general empowering lower-level staff to assume more dynamic roles.

One example mentioned was the role that the IWM has played. Within one year, Ministry of Agriculture and Forestry (MAF) staff had developed two pilot projects as part of the National Integrated Watershed Management and Planning (NIWMAP) programme. The results convinced MAF of the value of IWM and ICAD approaches. As a result, own resources have been mobilised to carry out IWM planning in Vientiane province, public funds have been provided to MAF for a Natural Resources Planning and Information Centre, and national authorities are now asking other donors to also use these approaches in the activities that they are funding.

Similar trends were seen in the case of CP, where there was strong political backing for getting results, and industry was brought on board in a broad partnership approach. But here the technical skills required for continued work along the lines begun under the Danida programme are more difficult to maintain and reproduce locally. The concern is that the gains made may be lost unless a replacement for Danish funding and expertise can be found.

Recognizing the limited exposure that national staff have to more modern ways of working, Danida has encouraged information sharing and professional networking among institutions. Danish funding ensured that around 60 Lao experts, rather than international consultants, were given the time and support required to prepare the country's first National Strategy Action Plan on Biodiversity. The Environmental Inter-Ministerial Group that was supported by Danida has helped establish important dialogue between government bodies that otherwise did not have much experience with cross-institutional collaboration and networking. The Inter-Ministerial Steering Committee of the NRE also seems to have functioned fairly effectively as a useful forum for senior officials to review past activities, discuss new directions, and voice their concerns.

Broad-based training in English and computer skills – an approach also pursued in Cambodia and Vietnam – has proven very popular and useful. In addition to individual skills upgrading, Lao staff point to this training being strategic for several reasons. It builds professional confidence, it helps Lao staff establish a more equitable relationship with its ASEAN neighbours, it provides access to a professional information network as the Internet has become a cost-effective and efficient tool for reaching into international spheres. Finally, Lao professionals note that writing in English is easier than in Lao, which is constrained by its lack of technical vocabulary and its indirectness. Learning English thus helps develop the intellectual discourse in a number of fields. In this connection, it has been noted that overall reading, writing and communication skills among professional staff are improving, whereas currently proposal writing and reporting are performed almost exclusively by international advisors.

The EPSF programme was seen by other donors as unique in funding activities at all levels – national, regional and local. It then would further support the communication between these levels, ensuring rapid transmission of “lessons learned”, for example from the IWM and ICAD approaches. This ability to fund different but complementary activities that can cover a large part of a total national experience chain in a sector is an important but perhaps not fully appreciated aspect of the EPSF funding flexibility.

The cost of international technical expertise is always jarring in a poor country like Laos. The efficiency of having TA intensive projects can thus be questioned. But it is clear that what was primarily transferred were not technical skills at the individual level, but more systemic ways of working and thinking, strengthening both organizations like MAF and other public institutions participating, but also more generalised (institutional) thinking about the environment.

One area that the programme got high marks on, was financial transparency. Budgets were clear and discussed, though staff on some of the projects felt that they were not given say in allocation decisions – this was done by senior ministry officials with the advisers. On the other hand, the fact that Denmark so directly and strongly controlled disbursements was a source of sore feelings throughout the region.

Where the programme fell short was in the area of gender, where nothing was really done despite it being included as a particular segment in the NRE document. The programme did also not address ethnic diversity and the rights of indigenous peoples, even though this is a relevant issue, and Danida's policy on indigenous rights was also included in the NRE document.

The paper-based LFA-structured project design is more Danish than Laotian. Most documents were seen as long, with complex language, and directed towards fulfilling Danish requirements and standards rather than Laotian ones. The underlying assumption that an LFA matrix represented an agreement and contractual obligation is also more Danish than Laotian.

Despite the overall process towards more participatory approaches, external consultants continue to play a dominant role in several fields. Document preparation, monitoring and reporting is usually done by external advisers, so the real involvement by Laotian officials in key management processes remains weak.

Programme Assessment

An early evaluation of the capacity building project was quite critical regarding its efficiency since the project was lagging regarding foreseen outputs. This Evaluation sees the issue differently. There was weak capacity in place for planning and implementing activities. This was coupled with an uncertain ownership to a project that had largely been identified and developed by external consultants. There was therefore a need to step back and build skills and organisational culture for producing the outputs. This took time, but both Laotian officials and the resident advisors felt that this restructuring of activities was worth it. In both the agriculture and industrial sectors, the instruments and approaches developed were highly appreciated. The participatory approaches led to faster internalisation of the lessons learned, so that they spread fast (IWM through the NIWMAP is the best example). So while efficiency was initially low, effectiveness improved over time. This meant that impact was likely to become more successful than a more accelerated outputs-focus would have generated.

There are different views on this issue, as some members of the original review team still feel that more could have been done. But this Evaluation's understanding of the skills and cultural context in which these changes took place lead to the conclusion that the modified approach was right, and that the trade-offs were worth it: the higher-level

objectives were successfully attained because the process was done well. The fact that this has a time-cost should therefore be accepted.

This lesson by and large sums up what has been achieved throughout the programme. The early activities were usually designed by outside advisers who consulted but often did not involve the local stakeholders in the full identification and design. Much of the consultation was also in smaller groups rather than providing space for stakeholders jointly to consider issues. Over time, however, this has been replaced by more inclusive – but time consuming – approaches.

The sustainability of the EPSF programme would always be suspect, given the general poverty and capacity constraints Laos faces. But the kinds of partnerships that were being developed in CP, IWM and ICAD pointed to possibilities for mobilising additional resources and commitment that would certainly strengthen though hardly guarantee sustainability.

The programme was relevant to the Laotian situation and own priorities, and in particular the natural resource-component addressed poverty, NRM, decentralisation and democratic participation through the instruments developed. The urban and industrial sector was not as high on the list, but was thus also not given as much attention in the NRE. But the appropriateness of instruments and approaches of the programme overall is seen as good. It can be argued that the hands-on participatory approach that over time characterised the Danish programme throughout was in fact a lot more culturally appropriate than Danida at first appreciated.

4.4 Cambodia

Natural resources and environment are fundamentally important for Cambodia. For the 90% of the population who live in rural areas, poverty reduction and sustainable livelihoods in the foreseeable future will be natural resource based. Rural development is one of the three main pillars of the Royal Government of Cambodia's (RGC) "development policy triangle", and sustainable rural development is not possible without sustainable and equitable use of forests, fisheries, and agricultural lands.

Denmark began providing transitional development assistance already in 1992, and the first environment project was support to Coastal Zone Management. But the design of the Natural Resources and Environment (NRE) *programme* began in May 1997 with the signing of a Memorandum of Understanding (MoU) covering an initial five-year period to 2005, but also setting the framework for an intended longer collaboration. The approach is intended to address strategic challenges to Cambodian natural resources and environmental management, including comprehensive policy and legal development, institutional capacity building, the decentralization of government, livelihoods and local NRE management, land use planning, urbanization, and donor coordination. It is to respond to international environmental agreements, create partnerships within government and with civil society, and support decentralization.

Because of political developments in Cambodia, in particular the donor community's concerns about how the change in political power took place in 2000, Denmark delayed the final approval of the Country Programme till the situation was deemed to be clearer

and stabilised. The NRE programme was therefore finally submitted to and approved by the Danida Board in May 2001.

The NRE Programme

The Development Objective of the programme is *“Sustainable management and equitable use of natural resources and protection of the environment in Cambodia to improve the livelihoods of poor people and support balanced socio-economic development.”* The programme contains four components, each one consisting of 1-3 projects: (i) capacity development, environmental education and monitoring; (ii) land use planning; (iii) urban, industry and energy environment; and (iv) natural resource management.

Like the Laos document, the Cambodia document is more traditional development oriented in contents, with presentation of the country’s political and economic situation, followed by an excellent overview of the natural resources and environment situation: national objectives and policies, legal and regulatory frameworks, funding, role of other donors, the public sector and other relevant actors, before presenting the Danish framework conditions.

The presentation of the programme itself is very structured and clear, with a good linking of the different levels in the activity- and goal hierarchy down to each project. While the Malaysia, Thai and to some extent Laos CP documents spend space discussing the areas of intervention, with analyses of actors, indicators, etc., the Cambodia document is very sparse, with a simple rationale for and description of the four areas. Instead it discusses the geographic focus and links to key national and international environmental issues in some detail.

The Cambodia document is therefore information rich and provides a good background for the external managers involved in the programme. It is less analytical and searching in its discussions of the programme, but has a clear and concise presentation and structure of it that makes it a good management instrument.

Programming the NRE

Danida decided early on that the programming had to be based on full local involvement, and that the programme had to be anchored in a central strategic institution, the Council for the Development of Cambodia, CDC. This office both serves as a one-stop shop for private sector investments, but has also the overall coordinating responsibilities regarding foreign assistance. It is thus a key agent for ensuring that national environmental policies are known and implemented by both national and foreign actors. Danida placed a full-time adviser in the CDC to support it in its dual functions, while also using this as the starting point for the programming process.

There were several reasons for this approach. One was that Cambodia was a new country to Denmark, and thus there was a fair amount of learning required on the Danish side to ensure that they understood the framework conditions. The second was the recent political history of the country. This meant that Denmark needed to be cautious, as there was both the violent past but also the existing tensions over more recent steps taken by the government that had raised concerns regarding the regime’s human rights and democratic participation intentions.

Danida also wanted to ensure that participation and ownership was in place. One reason was the general lessons learned elsewhere. Another reason was the lessons learned from Denmark's first activity in Cambodia, the Coastal Zone management project. This had shown the fragility of the public sector, and hence the need to plan carefully, but also the problems that multi-sector and multi-agency projects would face in terms of implementation.

The process took a full year, where the Danish consultant spent a lot of the time organizing meetings, workshops, and seminars, both to bring various actors together to discuss key issues, but also to use the events to hammer out increased mutual understandings, agreements and consensus. All Cambodian stakeholders with whom the Evaluation spoke were unanimous in their praise of this.

The Evaluation believes that this careful process has shown tangible results in the quality of the NRE Programme Document that was produced, and in some of the key activities that Danida is supporting. The Programme Document is highly praised, one donor representative calling it his "bible" when it came to the environmental sector in Cambodia. On the activity side, the planning and apparently so far successful implementation of the National Capacity Development Project (NCDP) is in large part due to the process that went into the overall programme design.

The fact that Danida did not have an office in Cambodia until the fall of 2002 created some management design problems. The programme was managed in part from Copenhagen, in part from the senior adviser who was based in CDC and was the Chief Technical Adviser for the NCDP. At the same time, the Embassy Local Grants programme was handled by the Bangkok Embassy, since Cambodia sorted under that. The programme officer in the Thai Embassy was therefore working within a Danish environment but handling a programme within a Danida context. While the programme officer in charge did visit on a number of occasions, the monitoring was necessarily expensive and thus more sporadic than desirable.

Once the Danida office opened during the fall of 2002, a number of changes took place. The policy dialogue with national authorities and other actors was moved to the Danida office. The post of CTA on the NCDP was redefined to become more of an adviser to the CDC, and thus neither programme manager nor really a CTA for the NCDP. Finally, the time-intensive work of monitoring the NGO activities in general and the Local Grants projects in particular have also been handed over to the Danida office.

Programme Achievements

Denmark's programme is highly ambitious, along two dimensions. One is that it contains four quite different components. While the capacity development component is a cross-cutting issue, the other three address problems that can be considered to be at sector level. The other is the large number of small-scale activities implemented by NGOs. These activities are pushing in different directions, but contain an overarching commonality of strengthening civil society. But monitoring such a programme requires considerable management time from Danida, as well as willingness to spend considerable amounts of Denmark's good-will or "political capital" on defending and developing further these activities.

Sector Focus

As in Laos, Danida's cross-cutting issues – poverty reduction, gender equity, and human rights and democratisation – are to be considered in connection with EPSF programme development. It is thus clear that rural development, including sustainable management of forests as a key resource in the Cambodian context, should be focal. Of the three sector areas, urban and industrial development would logically be the lowest priority, as land use planning and rural NRE are strongly inter-connected and critical to sustainable NRE.

The cuts in the EPSF frame have fallen mostly on the urban waste management component. At the 2002 Annual Review, this component was deferred until further notice. Deleting this area for the duration of this Country Programme cycle (end of 2005) makes sense.

Support for the development of the Natural Resource Management (NRM) strategy within the local planning and governance programme known as Seila is important. This will help Cambodia develop a more coherent framework for its various activities in this field, including the areas that Danida is supporting, such as forestry activities. Support to participatory land use planning within the Seila initiative further strengthens the strategic aspects of the Danida programme.

NGO-Local Grants support

The establishment of a funding window for NGOs and CBOs, to support NRE activities among civil society in provinces and communes, will both provide funding and contribute to strengthening decision-making at this level. As the Seila mechanism is the chosen instrument of national decentralization and fiscal deconcentration, these Danida initiatives are even more relevant than they were when recommended by the Annual Review.

For the NGO/CBO window, Danida might wish to move from selecting and supporting individual projects directly to begin strengthening joint mechanisms for selecting, monitoring and evaluating CBO and NGO activities locally. Technical assistance will undoubtedly be necessary for pro-active project development especially among CBOs, and for monitoring. Such a mechanism could then also be used for the Embassy Local Grant authority. Its relationship to the Seila programme should be discussed, but the idea would be to ensure an independent and professional mechanism for strengthening civil society organizations and activities. A key characteristic of activities like community forestry, participatory land use planning and similar approaches is that they enable and encourage the poor to have a greater voice in decisions that affect their lives and livelihoods. This is of particular importance in a country like Cambodia where the recent experience of a totalitarian political system has weakened the voice and confidence of civil society. Danida's strong support in this field is thus important.

Efficiency and Effectiveness

The efficiency of the programming was criticised for being low and taking too long. Compared with Laos, however, the programming process was allowed to run its full course from the start. While Laos had a more iterative process of learning and implementation, leading to the first years being seen as a long inception period, Cambodia has largely been able to avoid this.

Similar to what happened in Laos, the national capacity building project was able to take advantage of the participatory approach that the overall programming used. There have therefore been important synergies between the general programming and the planning of key coordination projects in both countries.

More important, perhaps, is that the experience gained by important national stakeholders by participating in these processes has helped introduce participatory processes and provided them legitimacy also among decision makers. The participatory processes, while being up-front costly (a lot of time), have led to qualitatively good “products”: programmes, projects and documents. These have helped to set priorities, streamline procedures, and get agreement by those involved. Effectiveness regarding programming – generating ownership and participation – thus appears quite good.

Regarding implementation, activities are so recent that it is difficult to provide clear answers. The coastal zone management suffered from the “early project” syndrome: it was too consultancy driven, too technical assistance intensive, not very successful in reaching out beyond the core constituency. The NGO-intensive part of the portfolio is costly to Danida as a management agency. Whether the projects in themselves are efficient is not entirely clear. The Santi Sena project is neither efficient nor effective, the community forestry project appears to be both, and the forest monitoring is potentially very effective – but not till framework conditions improve.

The contributions by individual projects to the sector objectives are still too early to assess, especially since many of the activities were to come online this year and last.

Relevance and Impact

The overall programme is in line with national objectives and policies, the linkages to projects are clear, but the NRM and land use planning components seem more relevant with regards to national environmental problems and poverty reduction objectives than the urban, industrial and energy component. The overarching component of capacity development is key to a skills-scarce country like Cambodia as well as providing a focal point for the overall programme.

The first-level impact that can be seen already is with regards to the method used in the planning. The participatory approach used in designing the programme and the NCDP with the cross-institutional linkages has, like in the other countries, improved dialogue among the actors in the environmental field.

Sustainability

Cambodia on its own is today in no position to ensure sustainability. But if the government so wished, more resources could be mobilised, for example through commercial logging income (stumping fees, etc). Most of this economic rent is today pocketed by corrupt officials and business people, but is potentially an important source for environmental activities. But for the foreseeable future, Cambodia will be dependent on donor support, both for funding but also for technical skills in a range of areas.

4.5 Vietnam

Vietnam has been undergoing rapid political and economic changes since the late 1980's. Reforms have led to an increased role for the private sector, rapid rise in small-scale firms in both rural and urban areas, an increased voice for civic organisations (though still limited), and a decentralisation and opening up to participatory processes regarding public sector management. Largely in response to this, the economy grew by 8-9% a year during the 1990's. The environmental challenges facing the country are thus increasing due to these rapid changes.

Vietnam's Environmental Policies

Vietnam was a signatory to Agenda-21 at the Rio Conference, and has undertaken a number of activities to pursue these principles. The Ten-Year Socio-Economic Development Plan and Five-Year Plan reflect key sustainable developments issues. The Ten-Year Plan states that it is "to ensure rapid, efficient and sustainable development, economic growth is going along with social progress and equity, and environmental protection".

The key development agenda is the Comprehensive Poverty Reduction and Growth Strategy which was developed through a highly participatory process. It underlines implementation of the National Strategy on Environmental Protection; constantly improving the quality of the environment and use of natural resources in an appropriate way; concentrating efforts on dealing with environmental deterioration in industrial zones, densely populated areas; implementation of the National Strategy for Rural Clean Water Supply and Sanitation; and completing the system of State administration on environmental protection from central to local levels.

Vietnam enacted a law on Environmental Protection already in 1994 followed by a Biodiversity Action Plan in 1995 and a Water Resource Law in 1998. In June 1998 an instruction was issued on "strengthening environmental protection in the period of industrialisation and modernisation" that contained six key actions, including the development of a National Strategy on Environment Protection and Sustainable Development 2001-10. This Strategy was developed by National Environment Agency in wide consultation with ministries, regional and lower-level administrative units, academic institutions, civic organisations, and NGOs. Focus was on continued institutional development and capacity building, and the integration of environmental considerations into mainstream economic planning and decision-making. The Strategy contains 13 major programme areas and eight cross-cutting areas which are to be operationalised in annual and five-year plans.

Danish Environmental Assistance (DEA) to Vietnam

The discussions on Vietnam's EPSF programme began in 1997. The programming had to take into consideration that Vietnam, unlike the other four countries, also receives Danish bilateral development assistance, and therefore should complement but not substitute for this. The DEA programme ended up with four components: (i) institutional strengthening, capacity and awareness building, and environmental education ("grey"), (ii) biodiversity conservation and sustainable management of natural resources ("green"), (iii) sustainable management of coastal zones and marine protected areas ("blue"), and (iv) sustainable development of urban areas and industry ("brown").

The Development Objective is “*environmentally sustainable management, equitable use and protection of Vietnam’s natural resources and environment, contributing to enhanced livelihood of poor people in the rural and urban communities*”. Each of the four components then has its own Intermediate Objectives. Livelihoods of poor people are considered an integral part of the environmental programme.

The strategy was to focus on (i) the four components; (ii) a few selected provinces; (iii) the situation of the poor, and (iv) build on and complement other Danida activities: bilateral cooperation in the fisheries, agricultural and water sectors, the Private Sector Development program, the Mixed Credits facility, and Danish NGO assistance.

As far as programming of resources are concerned, key principles were the following: (i) the four components are to serve as a strategic framework for projects; (ii) the four components are to ensure dialogue between project and national and programme levels and strengthen cross-project complementarities; (iii) DEA can be “seed money” to help design activities that can receive funding from other actors to maximise complementarity and avoid duplication; (iv) strategic focus is important to avoid proliferation of minor projects; (v) each project is to be designed according to local circumstances.

Projects at national level were, among other things, to (i) support development of policies and strategic frameworks and integrate environmental concerns into sectorial strategies and action plans; (ii) involve relevant stakeholders and institutions according to their mandates; and (iii) contribute to capacity development in key institutions and cross-sectorial collaboration in line with the DAC CDE principles. In each of the four programme areas (“components”) there were additional objectives that were to be pursued. Danida had thus structured an ambitious programme in terms of objectives to be addressed, in a country with a population 15 times larger than Denmark’s on an area eight times Denmark’s size.

The discussions that led up to the production of the Programme Document were thorough. The Danida staff and consultants who prepared the various drafts consulted widely, and took care to base the work on the Vietnamese documents. The identification of the four components, the immediate objectives for them etc. were therefore in line with Vietnam’s priorities and policies. While the process itself seems to have been a consultancy-heavy one, the fact that Vietnam had its own policies in place meant that they largely defined the DEA programme. The Vietnamese experienced the Danish programming process very favourably with that of most other donors.

The DEA Programme

The DEA Programme document covers the period 2000-2004 and includes 16 projects with total funding of DKK 312 million. The largest project, Coastal Wetlands Protection and Development, is co-funded with the World Bank with a budget of nearly DKK 84 million – over one fourth of the programme. An additional 14 projects were under preparation, of which two would be under the Embassy’s own Local Grants facility. One of the key principles pursued in the DEA was to structure the programme around four components: “green”, “blue”, “brown” and “grey”. While the EPSF had to programme resources by project, the problems that arise from this are well known. Danida is thus trying to address these by moving to a quasi-sector approach similar to those in their bilateral development cooperation.

The Programme Document was only finalized in 2001, but Danida had a good idea of the areas that were to be supported as of 1997. Programming took place quickly due to the commitment frame expanding so fast. Projects that were ready to go and had some track record that indicated that chances for success were good were quickly taken on board. As a result, the programme has many NGO projects and a large co-financing component (see Annex H). The programme is hence quite heterogeneous, with a number of different implementation and funding modalities compared with the other four programmes in the region. This means that the achievements in various areas also have a more varied set of causes.

Towards the end of 1999, the MPI and UNDP jointly published “A Study on Aid to the Environment Sector”. Among the key lessons the study pointed to were: (i) external assistance that combines field based and institutional capacity building components complement each other and have proven effective; (ii) external assistance has contributed to environmental policy changes when it is long-term, process oriented, and supportive of Vietnamese driven initiatives; (iii) multi-phase projects that begin with small projects and gradually develop have proven more successful than one-off projects; and (iv) local level participation has significantly increased the effectiveness of environmental projects. These points are in line with the findings of this Evaluation, and also those that were pursued by Danida in programming the DEA.

Reprogramming in 2002

The reduction in the EPSF facility meant that the annual commitment frames for Vietnam were reduced from the foreseen DKK 140-210 million annually for the years 2002-04, to DKK 50 million a year. The Danish Government policy paper noted that the DEA in Vietnam was to focus on capacity building in environmental assessment, and on “brown” projects. No further support was to be given to the “grey” and “green” components, and support to “blue” activities were to continue but at a lower level. In order to reduce budgets, objectives and some outputs were scaled back and input levels, in particular for equipment, were reduced. An adviser for the “brown” component was suggested to take on a component coordinator role. The net result of the re-programming effort was that foreseen commitments of about DKK 340 million for 2002 and 2003 were reduced to DKK 100 million.

Joint funding with other donors has been identified for some projects, and Vietnam has come up with more own funding. The net result is one that the two parties believe can largely salvage the overall programme. But while some Danida staff believe that the cutback in equipment and other “slimming down” was not necessarily all bad, others fear that the dramatic reduction is affecting the overall quality and hence future impact.

As in Laos, the way the cutback was handled rankled. But the Vietnamese have also raised issues on financial management and the use of technical assistance. On the face of it, these relate to implementation of projects, but in fact are concerned with ownership. The Vietnamese feel that the Danes take too much control and use Danish technical assistance where the Vietnamese claim they have the necessary skills (though the Vietnamese may be un-critical to the quality of local skills – nevertheless local skills are used more especially for short-term assignments). These issues have been raised in annual meetings, though at a review of the DEA that Danida organized with Vietnamese stakeholders in June 2002 they were not included for discussion.

The Project Portfolio

While the projects are clearly grouped into the four areas identified in the programme, to this Evaluation the Vietnam portfolio appears scattered, with few projects that have close links to each other. Reporting is in part fragmented, as some NGO projects have reported through their NGO head office to the NGO unit in Copenhagen rather than to the Embassy or the regional desk. This is now being addressed by having all projects report according to Vietnam's own procedures – though how well this will function was at the time of the Evaluation unclear.

Danida believes, however, that the structured programming process that was followed, and in particular the joint screening with the MPI of project proposals, based on the programming principles noted above, provided a programme that is coherent with respect to the overarching principles. Once a project proposal had been accepted and funding was available, the normal Danida project formulation and appraisal process was followed. There is thus disagreement with the Evaluation's findings that the Vietnam programme is any more scattered than elsewhere.

The cutback in the "green" sector is problematic from the poverty reduction perspective as rural poverty is clearly the main issue in Vietnam. On the other hand, most other donors are involved here, so Denmark is not a strategic partner. In the "blue" sector, due to Danida's fisheries sector support, the DEA is strategic, so continued support to Marine Protected Areas is important.

In the "brown" sector, greater coherence is being generated in part due to the greater focus on the component concept. What is unclear is what the contents focus will be – capacity development or capital investment. The issue of "visibility" has supposedly come up, where capacity development is seen as being unclear both in content and results. This Evaluation, however, sees the capacity building efforts as the single most important investment Denmark is making in Vietnamese society. It is enabling the Vietnamese – authorities, civic organisations, local communities – to identify their major environmental concerns, find which means they wish to use to address them, and then have the resources and confidence to move ahead on solving them. This is happening slowly, unevenly, not always in the most cost-effective manner (too much external and costly TA). But on all the projects, Danida is given praise for its support to developing local capacities, and in the better projects actors are clearly developing skills, attitudes and organisational capacities that enable them to manage their livelihood situation better.

In this connection the "grey" component merits attention. Results in the Environment Education project are so far limited. But if project constraints can be addressed, the positive framework conditions mean that the project can play a strategic role in a country where the problems are increasing rapidly and "business as usual" simply is not good enough (see Section 2.3). The need for new insights, new awareness and first and foremost new action and behaviour is important. Along with systematic capacity development, this is among the most important contributions.

Programme Achievements

Efficiency and Effectiveness

While taking projects that were “ready to roll” may have been cost-effective in the short term, it often meant they had been identified based on different criteria than those laid out in the DEA document. The current programming, which tries to build explicitly on the experiences gained through first phase activities and the overarching objectives of the various components, will lend more coherence and hence efficiency.

Implementation is less dependent on costly Danish firm contracts than in most of the other countries in the region, due to the large number of NGO projects and co-funding with multilateral agencies. The use of local skills could still be improved considerably, though this will both require efforts in terms of supporting local institutions that are to supply the skills, and also on the monitoring of performance.

On the financial management side, the Danish control approach costs a lot, and moving towards national implementation as on the MPI project should over time lead to efficiency gains – as long as quality assurance/public finance management criteria are met.

Relevance

The DEA programme as laid out in the document is relevant to Danish and Vietnamese environmental priorities. The approaches are in line with what seems to be known about “best practices”, is derived from lessons learned by the EPSF programmes in Asia and Southern Africa. The focus on capacity development as a key component of all the activities is crucial to the long-term impact and sustainability of the DEA.

But the programme as it stands today is disjointed due to the history of how individual projects were identified and included. This means relevance varies from one project to another, though the trend is towards more programmatic coherence and relevance.

Learning and institutional memory need to be paid more attention. Learning from and between projects and from the projects to a wider audience is needed. Using modern communication technologies, such as the Internet – as is beginning to happen on the MPI project – provides an important gateway to key informants and decision-makers as Vietnam rapidly increases its Internet use. At the level of communities, NGOs and mass organisations, workshops, joint visits, and other more traditional forms of face-to-face interaction remain important avenues for efficient learning and development.

Impact and Sustainability

The sustainability of the programme is a major problem since the public finances of Vietnam are constrained. The cut-back in the EPSF budget and concentration on the “brown” sector may however increase sustainability since many of the more obvious environmental problems – urban areas and industrial pollution – is where the public finances to address them may be more readily available.

But the impact in terms of supporting livelihoods for the majority of the population (rural), assisting the management of the natural resources etc. will clearly be considerably reduced. Impact on the overall Development Objective of the DEA will hence be limited.

4.6 Regional Programme

There is no formal regional programme. Rather there are a few projects that have a regional reach, such as the RECOFT training centre, or are structured to be regional with clear national components, such as the tree seed project, or simply are open to participation by actors in the region, such as the environmental journalism training project.

All the so-called regional projects suffer from the kinds of asymmetries that come with the fact that each project needs to have a “home”: Thailand in the case of RECOFT, Vietnam in the case of tree seeds, etc. The host country tends to both bear the brunt of the costs and capture the lion’s share of the benefits. The incentives for the other countries in the region to engage fully are thus limited.

The Evaluation was not able to identify any strong constituency across the region that saw value-added to regional activities or perspectives in the environmental field, except at the very general analytical level. There therefore does not seem to be much in the way of commitment to regional activities, and hence no demand for them. If countries were given a choice between using a certain amount of resources for national or regional activities, it seems clear that national activities would always be given a preference.

Denmark’s insistence on the regional dimension is also somewhat uneven in the different country programmes. This in part reflects how strong a formulation they were able to coax out of the national counterparts when drafting the programme documents.

The cutback in EPSF funding has led to the regional programme being dropped, but the Evaluation did not come across any informants in any country that lamented this situation.

While there are some obvious areas where truly regional cooperation is required – the Mekong River basin is the most obvious case – the very different agendas and capacities between countries makes it difficult to come up with burden- and benefit-sharing approaches that appear transparent and equitable, and hence politically acceptable and financially and economically sound. Because coordination and other transaction costs in these cases tend to be very high, unless and until the parties themselves have found ways of coming together around some clear and focused matters, the regional programme should not be considered a priority.

4.7 Findings, Conclusions and Recommendations

The financial crisis that hit Southeast Asia in 1997 is still being felt throughout the region. It has had two contradictory effects on the environmental agenda. On the one hand it sharply reduced resources available for environmental interventions. On the other hand it seems to have made governments and the public reflect on what kind of development they want. In countries that had experienced high growth, it became apparent that this growth could not continue forever. This meant that the idea that one would always buy one’s way out of problems somewhere in the future – including environmental – was fundamentally flawed. This led to an increased attention to sustainable development. The issues that Denmark had been supporting now gained further credence.

Programming the EPSF

Programming the Third Country Programmes in Thailand and Malaysia was improved in terms of clearer linkages to national plans and policies, more strategic focus, building on the experiences from own projects and programmes. Formal structures for discussing and finalising the programme were in place, with national authorities fully in agreement concerning the contents and form of the programme.

In Cambodia and Laos, where Denmark was developing a cooperation programme for the first time, a more time-intensive process was pursued – in Cambodia by design, in Laos somewhat by default. Vietnam is already a development partner, so the EPSF programming built on relations and experiences in place. Despite this, the Evaluation feels that the programming too easily went for projects developed by others (UN, World Bank, NGOs,) and thus lacked internal consistency. This view is strongly contested by Danida staff, who note that the rapid increase in resources, to DKK 210 million in 2004, made it necessary to adopt a fairly wide scope in programming. A Vietnamese-Danish partnership approach to identification was adopted, where project ideas put forward by Vietnamese agencies were pre-screened by MPI and the Embassy and placed in a “soft” pipeline, followed by a Danida screening mission. If the screening (against the guiding principles in the DEA Programme Document) was positive, the project idea was then placed in a “hard” pipeline, and the next step was a Danida formulation mission, followed by appraisals on both the Danida and the Vietnamese sides. At the same time, Danida and MPI looked for opportunities for synergies and partnerships with other donors and international NGOs, such as the environmental education project with UNDP, the coastal wetlands project with the World Bank, and several NGO projects.

While the process involved a fair number of Danish consultants and followed Danish guidelines, Danida and MPI were careful to follow partnership principles in the programming, and particularly that national authorities felt comfortable about the process. Overall Denmark got high marks for being a listening and open partner that took the dialogue seriously.

The Country Programmes

The country programmes are all very ambitious. They cover a number of sectors, components or areas (the language varies across countries), in some cases they are quite broad (capacity development), in others quite specific (solid waste management), but in all countries they include “green”, “brown” and “grey” sectors.

In addition to addressing sector- or area-specific objectives, the programmes are to take into consideration a number of other concerns: specific principles for the programming that varied from one country to another (regional perspective, international conventions, etc); cross-cutting issues; criteria for project selection; possible geographic focus. The cross-cutting issues varied, especially between the Danida countries on the one hand, and the MPI ones on the other. The latter included poverty reduction, gender equity and democratisation/decentralisation, in line with Danida’s general policies, while MPI had more country-specific dimensions.

All the programmes are in line with national policies and priorities, though Denmark tends to give higher priority to “brown” sector issues than the partner countries. The alignment between Danish and partner country priorities has improved over time as the

Southeast Asian countries increase their attention and concern with environmental matters. Denmark also understands the country-specific situation much better, either due to history of cooperation (Malaysia, Thailand, Vietnam) or the time-intensive programming process (Cambodia, Laos).

The programmes have been torn between the ambitions of putting together comprehensive and inclusive programmes, on the one hand, and the desire for focus and coherence on the other. The ambitions have largely been driven by overall frameworks given to Danced and Danida from Copenhagen, either in the form of the overall EPSF strategies, debates and recommendations from Parliament, and the international conventions, but also from the partner countries' national programmes. The desire for focus has been based on the need for reducing management and administration costs, but primarily to ensure that activities address priority issues, that there is symbiosis and thus learning between activities, and the general lesson that spreading efforts too thinly means that impact and sustainability are likely to suffer.

Fragmentation was somewhat reduced with the Third CP in Thailand and Malaysia compared to the previous periods. In all five countries, however, programmes remained spread across too many objectives. Components were becoming more pronounced in all programmes, however, where examples of successful ones include energy in Thailand and Malaysia, rural development in Laos, biodiversity in Sabah, forestry in Thailand and Cambodia. Marine areas are becoming a more coherent component in Vietnam, and the "brown" sector in general is showing more cohesion around key themes (urban development, industrial pollution abatement, etc) in almost all the countries. The cutback in EPSF resources has accelerated the concentration process.

With the increasing coherence, the potential for generating lessons valid for the sector are better but do not always lead to this (forestry in Thailand and Cambodia). Where it has been successful, the strategic focus has often been provided by the programme up front (energy programmes – rural development in Laos being somewhere in between). The importance of not only having such a focus but in fact designing the projects to fit within it therefore seems clear.

The Programme Documents

The documents for all five countries are well written, clear, with a similar basic structure of describing the countries' environmental challenges, the framework conditions for environmental action, and then the actual programmes. These are presented in an organized manner, though the structure varies from one country to another. Where Thailand begins with overall sectors – "green" and "brown" – Malaysia goes to the six (sub-)areas immediately. These two plus Vietnam provide a programmatic justification for a portfolio that largely came into being before these programmes were fully defined, so links between individual projects and the strategic intentions of the programme, while they can be found and justified, are in some cases tenuous. Once the programmes had been put in place, however, they were over time used to weed out those projects that no longer fit the strategic vision.

The documents serve important management functions. They provide the overarching view of what is to be supported, and through this give management the ability to exclude a wide range of environmentally relevant activities from Danish funding. They give a succinct statement of priorities, and provide a good rationale for choices made.

They have a Goal hierarchy spelled out, starting with an overarching Objective for the programme and going on to Intermediate Objectives for sub-sectors/areas, along with some discussion of indicators. They provide the public at large with a good overview of what Danish funding is supporting.

The documents do not contain targets, and the discussion on indicators is weak. This is in part because partner governments themselves do not have targets or monitoring programmes in place, and in most fields Danish-funded activities constitute a small share of total sector activities, so the issue of attribution of results is problematic. In general this is a weak part of the programmes, but for good reasons: the issues are conceptually difficult and would require considerable support from Copenhagen to address properly. As noted in chapter 2, there is very little impact tracking at project level – there is thus even less at sub-sector/area, sector or national levels.

Thailand's Country Programme

The EPSF programme has provided systematic support for promoting the environmental agenda in Thailand, strengthened environmental management in key public sector agencies, supported decentralization efforts including more support to local municipal councils, developed new tools and approaches for more participatory programming and implementation, though there is still need to strengthen such skills. EPSF has financed a range of NGOs, strengthened their advocacy work and voice, the development of innovative approaches and results in fields like community forestry, environmental education and awareness, small-scale urban development, and in the public sector “polluter pays” principles.

EPSF came onto the scene at the right moment – as environmental issues came higher on the national agenda. What EPSF in particular has done is provide ways of assessing and addressing environmental problems that empowered a range of actors to take on issues with more confidence. More cross-institutional, open communication, within and between actors, public and civic, with ever-more programmatic analyses has supported systems thinking and broader policy-based debate. One key area that requires considerably more work is market-friendly solutions in the natural resource management field, where conservancy and livelihoods concerns often clash.

After the EPSF cutback, the programme essentially consists of two areas – UEM and forest resources management. In UEM, the “tripod” of large-scale metropolitan planning (Bangkok), more general UEM through the League building on Khon Kaen experiences, and community-based bottom-up activities (CODI) provide a strong basis for sector-wide thinking. Building on current achievements, issues that should be pursued include (i) disseminating participatory planning approaches for local community tasks, (ii) linking local community tasks to overall municipal planning, (iii) using the internet for disseminating information and establishing accessible institutional memory regarding UEM, (iv) using modern communications – CD-ROMs, internet – for training and dissemination of tools for new staff, addressing the problems of high staff rotation; (v) developing pilot indicator activities with participatory monitoring for testing out/developing simple impact tracking schemes – not least of all as a means for supporting dialogue between stakeholders on environmental performance.

In forest management, there is again a strong base from which to generate further lessons: (i) developing models for joint management of the various forest classification

areas that address the joint objectives of biodiversity conservation and livelihoods for the poor (the issue of genuine participatory methods is central); (ii) develop and test other income generating activities including testing the “market friendliness” and thus financial viability for the poor; (iii) develop mechanisms for sharing experiences, systematic testing new ideas, and recording and disseminating results; (iv) again develop pilot indicator activities with participatory monitoring for testing out/developing simple impact tracking schemes.

The third vector should be to terminate on-going activities outside these focal areas in a structured way, where focus is on recording results achieved, dissemination of lessons learned, and in general trying to ensure that the institutional memory of what was done and achieved is accessible in a manner useful to interested parties.

Malaysia’s Country Programme

Malaysia’s programme exhibits some of the same traits as Thailand’s: Danish support came in at a time and a manner that has strengthened the environmental discourse and action across a number of sectors including more voice for civil society and private sector actors. It can point to a notable success in the energy sub-sector, but otherwise has been more fragmented in terms of sector lessons and thinking. This is largely due to Malaysia using technical assistance as a complement to own efforts rather than for systemic capacity development. This has changed over the last several years, and with the funding cutback has also experienced greater concentration in the programme.

Given that the programme is to end just a couple of few years from now, the focus during this remaining period, rather than being a sector-one, should be a thematic one: how to extract, structure, disseminate and discuss “lessons learned” from the years of Danish-Malaysian collaboration. EPU could play a lead role in structuring an intensive learning and institutional memory-building process.

This process should not be limited to the activities that have received Danish support. While Denmark has supported forest and natural resources management in several states and at the national level, other donors such as Germany and Japan have also supported such activities, apart from all the activities funded by Malaysia itself. Looking at the issues from a national environmental perspective rather than by source of support would be the most useful.

Possible topics to include in such a review process: (i) A number of stakeholders pointed to work approach and methodologies introduced by Denmark in EPSF projects as of major interest. This could be a cross-sectorial topic: how to structure more open and participatory processes for planning, implementing and evaluating environmental activities. (ii) The work begun on developing environmental indicators and how to use them could be another cross-institutional topic. (iii) Within each sector, a process of assessing achievements and shortcomings from environmental projects as a basis for deciding future priorities would be of help to the EPU as well as the sectors.

A flexible process of workshops, commissioned studies, brain-storming sessions, facilitated debates etc could generate a lot of inputs over a reasonable time horizon, given that Malaysia has so much own capacity and has a number of finalised projects to base such a process on.

4. CURRENT COUNTRY PROGRAMMES

Such a process could have as one of its objectives to identify options for future relations with external actors such as Denmark in the environmental field. The premise is that these linkages would be different than the current one since the grants-funded EPSF programme is ending. But Malaysia has own resources it can use if it finds that such ties make sense. The challenge is to find the areas and the ways in which Danish and other expertise can continue to strengthen the environmental work in the country.

Laos' Country Programme

Laos was beginning to build a very successful programme, first in rural development, secondly in national capacity development and cleaner production. The most interesting dimension was the close interaction between local and national efforts in rural development, and the links from this to central capacity development – a very powerful and rather unique nexus.

The decision to cut the Laos Programme is not likely to be reversed in the short run, no matter how unfortunate this conclusion is seen to be. The main consideration now is to consolidate the already considerable achievements in two ways. The first is to assist in finding additional funding for activities underway, especially in rural development and national capacity building. The other is to help the Laotian authorities to summarise the lessons learned in a way that makes them useful for future action. Again the issue of means of storage, accessibility and dissemination are important in order to make these insights operationally useful.

Cambodia's Country Programme

Cambodia has also gotten off to a good start, though without the same clear sector cohesion and results that Laos was developing in rural development. While a number of good activities are supported, there are not the kinds of “smart links” between them that generate synergies, broad-based ownership and thus sustainability.

The Cambodia programme faces several challenges. It should focus on fewer sectors; address the management costs of having many NGO-activities in the portfolio; improve sustainability of long-term projects working in a weak public sector where salary supplements and general rent-seeking are endemic; and in general support continued capacity development.

Linking the environmental agenda with poverty reduction means a rural and natural resources focus – urban issues are less critical. This should also be the guiding principle for NGO projects, but where in addition Danida should support the development of national umbrella mechanisms for funding local environmental NGOs. Denmark has announced that it will not continue general topping up of salaries, but the kind of activity-based supplements that take place on the national capacity building project are highly distorting and not sustainable. It is better to be part of a non-optimal system – such as the understanding being promoted with the UNDP as focal donor – rather than having own systems, even if they are believed to be better because they are activity-based and hence the incentives supposedly are market-friendly².

2) *Though this Evaluation believes that the Danida system is far from being a good incentive system – see Annex Q.*

Vietnam's Country Programme

Vietnam's programme comes across as the most fragmented. It has a very high share of jointly funded activities with UN and World Bank, and major NGO projects. It has activities in all four "sectors" – "green", "blue", "brown" and "grey" – that tend to be poorly linked. The overarching capacity building project was limited to one ministry, and largely to one department.

The most successful is the marine protected areas (MPA) component, where a number of good initiatives that combine livelihoods and resource management point forward, including in terms of methodologies and broad-based participation. The urban sector, which is now to be given priority, requires a major effort to become more coherent and focused on what is to be achieved.

Vietnam, on the other hand, has itself moved ahead on a number of key policy fronts, so that the framework conditions for Danish support are improving. Given this situation, a three-pronged programme makes sense: (i) continue developing the MPA programme, (ii) review what the strategy for the urban sector should be, given the priority that this is to be given, (iii) reconsider the "grey" sector as part of the capacity building efforts, since the advances made here are important for long-term behavioural change and impact.

Regional Programme

The regional programme has not achieved much, so its termination is not an issue.

4.8 Recommendations

The main recommendations at the level of programmes are the following

6. Structure Country Programmes for impact and sustainability

The Country Programmes are becoming more focused, based on fewer sectors and objectives. This will allow for more realism in terms of *impact* and *sustainability* (*relevance* is by and large not an issue given the broad environmental agenda in all five countries). Having these two dimensions as the starting point for assessing choice of activities will make for better resource utilisation, especially in a situation of more limited resource availability.

7. Continue/strengthen component programming based on CDE concerns

Activities should be designed to complement each other in a component/sector perspective. CDE should be a key concern for the component as such, where NGO activities can provide "value-added" innovation

8. Continue the development of Country Programme documents

Denmark's country programme documents are "best practice", given high marks by all. The overall structure is clear, informative, and concise. The area that requires more attention is targets and indicators, where the component focus should make it easier to show the strategic links between activities/projects and sector/component, and what is to be achieved.

9. Strengthen Thailand's two-sector programme

Building on achievements to date, strengthen the UEM and forest resource management components through more participatory programming and implementation, better cross-project learning, more systematic development of tools and institutional memory, while terminate the activities in the other sector in a systematic way by recording and making accessible "lessons learned".

10. Develop an intensive learning process in Malaysia

Given that the EPSF programme is coming to an end in 2005, the parties should ensure an intensive learning through a structured review, recording, discussion, dissemination and institutional memory process. This should include identifying future roles for external partners such as Denmark.

11. Consolidate gains in Laos through structured phasing out

Denmark should assist in securing funding for the key areas of rural development and capacity building, ensuring that the achievements and lessons learned are recorded and made widely available.

12. Focus Cambodia's programme

Cambodia should focus on natural resources management and capacity development, including the NGO projects but finding umbrella mechanisms for supporting NGO activities, and find ways of supporting more systemic answers to the public sector problems of rent-seeking.

13. Strengthen the components in Vietnam's programme

The fragmented programme should be addressed through a review of the urban sector strategy, development of the "blue" sector along the lines currently envisaged, and considering a "grey" component that would include capacity building but also environmental education and awareness due to its strategic impact.

5. Cross-cutting and Thematic Issues

In addition to tackling specific environmental issues, the EPSF programme is to address other dimensions as well. The key one is capacity development, which is contained in all the programmes and projects. Another concern throughout the EPSF is participation and ownership in planning and implementation. This is considered central to longer-term sustainability.

Poverty reduction, gender equity, and human rights and democratisation are objectives in a number of projects and programmes, and a number of these have interesting experiences to show to. The use of technical assistance, which turns out to be both one of the most controversial but perhaps also most interesting aspects of the EPSF is then considered.

A central issue is if and how awareness about environmental issues leads to changes in actual behaviour and action, which is discussed next. Following this is the general issue of the learning that is taking place, and in particular who learns.

This chapter focuses on principles and “best practice” cases. The projects are not “typical” or meant to represent a picture of the EPSF programme as such. The intention is rather to provide recommendations based on the successful examples that the EPSF programme has produced.

5.1 Capacity Development

Danced and Danida both emphasize Capacity Development in Environment (CDE) as a key attribute of their EPSF projects. Overall, Denmark was given high marks throughout the region for this focus. In Vietnam, a 1999 UNDP study noted that only 5% of ODA funding for the environment and 10% of the projects supported capacity development. The Danish programme is way above these figures. The heavy use of technical assistance is largely driven by the attention to capacity development (see Section 5.6).

Snekkersten and Beyond

As the EPSF programme got under way, Danida and Danced organized a seminar at Snekkersten in May 1998 to identify what was considered “best practice” in CDE, ending up with a document on key principles for CDE programming. These are in line with LFA programming and recent partnership concepts: inclusion of relevant stakeholders, ownership, transferring responsibility to the partners, etc. The new dimension is the identification of the capacity gap and the need to carry out a gap and organisational/institutional analysis as part of the planning. As with standard LFA programming, there is a need to agree on progress monitoring, indicators and time frames, and then link the monitoring information with decision making and re-design of the activities. This was seen to be better achieved in the contexts of programmes rather than discrete projects.

Danced followed this up with a “Reference Note” on Capacity Analysis that structures this capacity gap analysis (Danced 2001c). It notes five environmental management

functions identified at Snekkersten as key to CDE (information management and awareness raising; policy making and planning; institutional framework; implementation and enforcement; resource mobilisation), and then looks at six dimensions of an organisation's capacity to successfully address these five functions. Though the note is only six pages, it recognises the challenges of the analytical task: "to ensure that the complexity inherent to Capacity Development efforts are grasped and adequately analysed, Danced cannot allow blinkered experts on one issue or the other to use narrow definitions of what Capacity Development means" (op. cit., p. 5).

A year later, Danida commissioned an evaluation of capacity development, but in the context of sector programme support (Boesen et. al. 2002) that presented a different analytical framework for capacity development. Based on what is termed an "open systems approach", the authors distinguish factors in the environment that can be influenced by the organization and those that are beyond its influence. They then show how the interaction between internal and external factors coupled with different kinds of capacity problems leads to different capacity development types or forms of support. The study then gives a series of factors that, from experience, are found to be important for successful capacity development.

In 2002, UNDP published its "Capacity for Development: New Solutions to Old Problems". They point to two common errors in most capacity development efforts. The first is that existing capacity is ignored and overlooked in benefit of the ideas coming from the outside, so they replace rather than develop and transform. The other is the asymmetry between donor and recipient that makes genuine partnership difficult to establish.

Capacity Development in EPSF

Virtually all projects pay serious attention to the CDE dimension, the better ones looking at individual, organisational and sometimes at policy (institutional) level. This was, however, largely based on a pragmatic approach rather than using tools such as the gap analysis proposed at Snekkersten or the scheme developed in Boesen et.al.

The mid-term review (MTR) of Vietnam's Capacity Building project (Annex Q) complained that little had been achieved even in defining the criteria for CDE success, despite this being a key activity. The project had tried to, however, entering into collaborative arrangements with the World Bank, yet even jointly they had not been able to identify good success criteria. And no wonder – this is an area where the OECD countries themselves have not been good at defining monitorable indicators and means of verification.

The MTR of Malaysia's "Capacity Development at Department of Environment" (DOE) (Annex Q) provides interesting insights, however. It discusses what was achieved, stating that CDE was used as meaning "doing things better" in relation to the objective of "increased capacity to manage the continuous process of responding to present and future needs and expectations of DOE". While the project delivered on all its Outputs, the more important question was if this had contributed to building DOE's capacity to address its evolving task regime. Four areas were mentioned: (i) The DOE's training institute was established on the campus of the National University of Malaysia with a "research and consultancy" branch in addition to the teaching function; (ii) a Training Management System has been institutionalised and a permanent staff for EiMAS estab-

lished; (iii) Course programme, structure and contents have been improved. Performance evaluations are now standard for most courses, leading to noticeable improvements in trainees' performance; (iv) DOE now has training packages available, manuals for how to develop new courses, and staff who are capable of developing and quality assessing courses.

The MTR notes that capacity increased at all three levels: individual, organisational, institutional. The first two are internal to the organisation (skills upgrading, organisational effectiveness) while at the third level it has contributed to improving the supportive institutional and legal framework.

In the Final Report, a survey of DOE staff listed the key CDE changes as experienced by them – a “stakeholder satisfaction survey” which could be used a lot more for tracking such impacts.

Summing Up

The more successful projects have addressed the two dangers that the UNDP study points to, by building on existing capacities and developing more genuine partnerships based on this, and thus building ownership to project achievements. The urban development projects in Bangkok and Kuching used mentoring rather than formal training, and the emphasis on learning tools rather than solutions addresses the “development not replacement” issue.

Other good examples of CDE also exist, but the Evaluation did not find examples of formal gap analysis leading to strategic planning, on the one hand, and operational indicators and monitoring, on the other. With the movement towards components, however, this becomes more meaningful and feasible, preferably as part of the host country's own monitoring efforts. Establishing baselines becomes important, so that improvements are identifiable.

One key difficulty will be to develop cost-effective means of verification so that changes over time can be monitored. Qualitative and participatory monitoring should be used. Support from Danida/Copenhagen would be helpful. Two possible steps could be to (i) organize a workshop in the region (“Snekkersten II”) to summarize with local partners what has been achieved, and (ii) based on the recommendations, test some pilots to see how proposals can be implemented.

5.2 Participation, Trust and Ownership

Participation, trust and ownership are key concerns when discussing sustainability. In “top down” activities, *trust* is central, because the hierarchical structure of most organizations means that if the key decision makers like and take ownership of a concept, the organization as such will take on and implement the new approaches. The sustainability is thus a function of how well managed the organization is once the decision is taken. What Danida in particular has been very successful at, is establishing relations of trust with key decision makers in central institutions. This has led to Danish advice being listened to and having impact even at policy levels regarding environmental issues that goes far beyond the importance that could be expected as a function of the funding levels Denmark made available.

In “bottom up” activities, the problem is different, as one starts at the bottom of the pyramid. Developing ownership requires that the stakeholders that are to ensure the sustainability are convinced that the analysis and solution set is the right choice. So the “fragmented bottom” needs to come together, and the best tool for this has proven to be participatory processes.

But also in “top down” activities participation is of great value. While decision makers can get their own organisation to accept, all organisations need to interact with others to implement, and participatory methods facilitate dialogue, consensus and agreements on success criteria across organisational boundaries. The most successful sector activity, the energy programme in Malaysia, benefited greatly from stakeholder workshops, as did the Kuching UEM. The concept and practice of “participation” covers a range of interaction, however. One typology that is helpful in this context is the following³:

- *Contractual*: largely a remunerative arrangement for ensuring engagement by the subject/s;
- *Consultative*: the subjects’ opinions are asked for;
- *Collaborative*: the parties work together on design, implementation and management; and
- *Collegiate*: full sharing of responsibilities and decisions – power and influence is deliberately equated as much as possible with all parties intent on sharing and learning from each other.

These approaches map a continuum of steadily increasing participant engagement and control. In essence, the level of participation is dependent on how power and decision making is shared between the project and stakeholders.

Trust and Organisational Culture

Trust has been a hallmark of the EPSF programme. Danida but in particular Danced have been highly successful in establishing relations of trust with both central government and civil society actors. The differences in organizational culture between the two can explain the differences in opinion that actors who have worked with both agencies (in Thailand and Malaysia) have. Danced had unusual continuity in personnel so that personal relations were stable. Danced management gave considerable authority to the desk officers to take decisions and be flexible when facing options. Danced was willing to take risks, and allow the local partners to move ahead based on their understandings. This “revealed trust” was contrasted by several informants with the more impersonal institutional approach that they experience with Danida. More reporting is expected and thus more control from the donor’s side is being felt. Danced was therefore seen as more genuinely partner-based, though Danida is also compared favourably with most donors.

Participation over Time

Differences in achievements of similar projects are often ascribed to the differences in the degree of participation. This was the case with the two district development projects

3) See Cornwall and Jewkes, “What is Participatory Research”, Social Science and Medicine 1996

in Laos, the two environmental projects in Bangkok, some of the differences in the urban projects Than Xuan Bac and Thai Nguyen in Vietnam. The trend is towards more participation – though the degree of engagement still varies considerably. But the need for local ownership through participation has been given much greater attention in recent years throughout the region, especially regarding project preparation and design. The positive results from the consensus-seeking stakeholder workshops used for the Energy Programme and Kuching project in Malaysia has encouraged the authorities to extend this “best-practise” to other new ventures.

Participation is easier in smaller projects, in part simply due to coordination costs: the larger and more diverse the stakeholder universe, the costlier the participation process. Another advantage of small projects is the flexibility to try out new methods. Big institutions and the public sector in general want to see what works before they decide to change. The fact that Danced and Danida have funded a number of small-scale innovative projects has therefore been very important, both because of the value added this provides to local communities, but even more important as a source of generating new “best practice” approaches in fields like participatory processes which the public sector can also learn from. Vietnamese officials were impressed with the lessons from Hon Mun marine project, the Ministry of Education in Thailand is using the lessons from River Spy to give content to their educational curriculum, and BMA officials are working closely with CODI for more innovative local community development. But even large organisations can have small innovative areas that function as spearheads for more general organizational learning. The Bangkok project is introducing a new, open and participatory planning approach which is now being spread at central and district levels by “champions of change”, including political leaders and key civil servants. So participatory approaches have been highly useful also in larger settings, especially when seeking new solutions to problems or introducing reforms/changes.

Lessons Learned

Trust is both personal and institutional: Danced’s unusual success in establishing trust was both a function of the continuity in personal ties – more important in the partner country cultures than in Scandinavia – and the fact that Danced in practice showed a lot of trust in the local partners by not imposing solutions. Danced was supportive of NGO initiatives, allowing them considerable flexibility in how they implemented activities. Both Danida and Danced have been highly respectful of the priorities of the partnering governments, which is appreciated throughout the region.

Longer time frame needed: It takes time to develop trust and test out participatory models. A minimum of four to five years is usually needed to give the projects the test of time, and let other projects/ministries become familiar with them, draw positive conclusions, and gradually take over and use the models. Danida should allow sufficient time for such innovative projects.

Networking is important: Lessons learned do not spread easily – active dissemination is needed, and the messenger needs to be credible. Best results have been attained when those directly responsible for activities have shared experiences with others in a similar situation. Such networking has been successful in the CODI and NGO-COD projects in Thailand. Denmark has actively supported such networking, but can also facilitate further dissemination since it is seen as a credible and unbiased facilitator and source of information.

Danish contributions support decentralisation and validate communities: The fact that Danced and Danida provided funding directly to NGO and community projects has provided the projects with legitimacy and credibility. This has often been important, especially in relation to the public sector that preferred more direct control through traditional top-down management structures and relationships.

More action with less resources: Projects built on participatory principles are cost-effective because communities mobilise own resources based on their commitment to the goals and conviction that they will benefit from the positive results being produced.

Participatory approaches are relevant. Recent laws emphasise decentralisation with increased participation at all levels of society. Having the EPSF-funded activities support these very progressive changes within the public and NGO sectors is thus in line with both stated government policy and civil society wishes and tendencies. The approaches are also relevant because of their proven effectiveness in promoting ownership and sustainability of development initiatives.

Participatory approaches strengthen impact and sustainability. Participatory approaches provide actors the time and confidence required to plan and implement activities they prioritize, at a pace where learning can take place. This develops local absorption capacity, allowing the communities to develop a strong ownership to process and outcomes, and thus take a strong interest in achieving and maintaining the desired results. This ensures impact. Participatory approaches have proven to be effective in facilitating ownership and sustainability of results.

Participation ⇒ ownership ⇒ sustainability. Using the typology introduced at the beginning of this section, the Evaluation would claim that participation of the contractual and consultative form has little impact on ownership. They foster little partnership and hence no ownership from local stakeholders. This problem is typical for consultant-driven activities. On the other hand, the Evaluation would also claim, based on what has been seen in the successful EPSF projects, that while collaborative mechanisms foster ownership, collegiate approaches also build empowerment. Ownership and even more empowerment are in turn seen as critical dimensions of sustainability – a major challenge in development cooperation.

Summing Up

Trust and participatory approaches throughout the activity cycle: While governments in several countries now emphasize bottom-up strategies and participation, there is often a lack of locally suitable models to put the new intentions into practice. Danida should continue as a “best case practitioner” in this field by systematically employing participatory approaches in their programming as well as monitoring and evaluations. Danida should also provide training for key TA personnel in participatory methods so that they can use them well. Many have knowledge about such approaches, but the Evaluation found that most have limited skills and little experience in using them.

Focus on collegiate participation. Several projects have been developed on collaborative or collegiate principles (CODI, Hon Mun, to some extent Than Xuan Bac, U Min Thuong, River Spy). Ownership has been strong and expected results seem more sustainable. While most of the successful activities in terms of participation are NGO projects with limited Danish TA involvement, most projects become better along this

dimension over time (second phase projects were almost always more participatory in design if not in implementation).

Address the issue of power: Participatory methods assume sharing of voice in decision making. This in turn means a shift of power from the project/institution to the communities or target stakeholders, and this can be problematic, especially in traditionally hierarchical cultures. This distributional dimension should not be ignored, since otherwise real participation may become difficult to achieve.

Review the trust/participation \Rightarrow ownership \Rightarrow sustainability nexus: Danida should support action research – preferably with local research institutions – on the relationship between the nature of participation, the degree of ownership experienced by stakeholders, and how this impacts on sustainability. This Evaluation claims there is a strong linkage based on the empirical evidence seen, and this is a key issue regarding approaches to socio-economic and environmental development that merits more investigation.

5.3 Poverty Reduction

The Rio Declaration and Agenda 21 resulting from it contain clear statements on the linkages between sustainable development and poverty reduction. This theme was reinforced at the Johannesburg “Rio +10” summit in 2002. This link has been clear in Danida’s programming of the EPSF resources. The Vietnamese DEA is the most explicit, where the Objective includes “contribution to enhanced livelihood of poor people in the rural and urban communities”.

Danced did not include poverty reduction as an explicit concern as this was neither in its mandate nor accepted as an issue by its partner governments. The consequence was that the NRM sectors have had different slants to their approaches – the forestry sub-sector in Thailand versus the rural development approach in Laos. The more recent Danish discussions with Thailand, however, have concluded that poverty reduction is now an important objective also in this country.

Poverty Reduction in EPSF Projects

One general finding is that the more participatory the planning process, the more likely it is that poverty reduction concerns are included and better addressed. The reason is obvious: livelihood concerns of the poor require that the voices of the poor be heard, such as when NGO-COD discusses forestry management issues with the local communities.

Even in local settings, however, differences in approach are important. Poverty reduction is at the core of the community development projects in Laos, but the Nam Neun team was more aware of poverty distinctions than the NEPL teams. From working on community development subjects, the Nam Neun team recognized the need to identify poor households within a village, especially for fair distribution of services and land allocation. Nam Neun’s training on setting criteria for village selection and on Participatory Rural Appraisal method developed team awareness on poverty identification and then finding solutions to the distributional questions.

Livelihoods are more directly linked with natural resources exploitation so “green” projects tend to have more explicit poverty dimensions included. While some “brown” projects make reference to poverty concerns, they are less operational and specific. In the industrial sector, the usual approach has been to identify small and medium enterprises as a target group for industrial intervention, and then assume that this will be pro-poor. While this is a better targeting than addressing industry at large, the Evaluation did not see any analysis of sub-industries used to target industries that either predominantly were affecting the poor (had a particularly negative impact on the life quality either of the workers or the poor living there and affected by the industries’ environment), or would have more poverty-reduction impact (simple skills-intensive jobs and/or large employment numbers). Similar holds for urban planning. Except for the small-scale projects like CODI in Thailand and Thanh Xuan Bac in Vietnam, there were no explicit discussions of distributional impact of the UEM activities. The improved planning in BMA does not include analyses of distributional effects, nor does the “green taxation” project in Thailand.

The Cambodian “National Capacity Development Project” is the only national-level project that seems to address poverty more systematically. It argues that improvement in NRM will benefit the poor proportionately more. The case studies that the project will fund will include monitoring of socio-economic variables that include livelihood dimensions of relevance to the poor, so will contain poverty-relevant distributional information. Finally, the specific interventions regarding industrial pollution and industrial zoning will improve living situations of the poor more since they are typically the ones living the closest to such areas.

Ethnic Sensitivity

One particular sub-group of the poor in most of these countries are ethnic minorities⁴. Many of these have been pushed onto more marginal lands, and are thus often highly dependent on natural resources exploitation in precarious areas: the northern mountain regions in Thailand, much of the uplands in Laos, border regions in Cambodia and Vietnam.

Both the community development projects in Laos are largely populated by a variety of non-Lao ethnic groups. Within several of these groups, many women and men do not understand Lao well or at all. For introduction of new concepts, changes in practices and the acceptance of risks that go with them, it is important to have staff who are familiar with traditions and ethnic social and economic systems, that speak fluently the local language, and that have good cultural inter-action skills. Inter-cultural communication can be greatly improved during personnel selection, bringing in minorities on project teams. Some projects are setting up “special apprenticeships” for disadvantaged ethnic people to learn community development skills. They are paid by the project as volunteers. By and large, however, this dimension has been poorly addressed.

Summing Up

The sustainable development \Leftrightarrow environment \Leftrightarrow poverty reduction nexus is now largely accepted throughout the EPSF programme, though in practice only parts of the

4) Immigrant communities like the Chinese and Indians throughout Southeast Asia are generally in a very different category and are of course not the ones being discussed here.

“green” sector are systematic at addressing it. There is considerable scope to do better both in the “brown” and national capacity development activities, but the “green” sector can also be more pro-active. The Laos rural development projects provide examples of how the issues can be addressed, including the need for using participatory approaches and the ethnic minority dimension. In the “brown” sector, more work needs to be done, however, to bring the poverty dimension explicitly into planning and implementation, as there is plenty of scope for this.

5.4 Gender Equity

Women are a valuable resource in environmental management. They play a key role in caring about and managing household resources, whether in rural or urban settings. They also transmit values and lessons to the next generation, including about environmental issues. Overlooking the gender dimension thus leads to missed opportunities for involving women as a positive resource in environmental projects.

This approach is not much present in either Danced or Danida projects. In the Danced countries, the authorities clearly were not interested in including this dimension, but in the Danida countries, gender was also mostly absent from documents and dialogue. This is unexpected as Danida has an excellent gender manual and policy, and has a reputation for addressing this dimension well. While EPSF focuses on environmental concerns, the gender dimension is relevant in terms of how to address a wide range of issues – and the programme is missing out on not including women more forcefully in projects.

A general observation is that addressing gender has improved over time in some of the projects. Women now play an important role in Thanh Xuan Bac and to some extent Thai Nguyen in Vietnam, though they had to struggle to get their roles acknowledged.

In the River Spy project, women have a natural role as teachers to take children to the streams to investigate the “health” of the water, and then decide on action to improve the situation. Women have a strong role in this project – not as a consequence of a conscious gender planning, but as a consequence of them being teachers, and being invited (at the same level as the male teachers) to receive the River Spy training. There appears to be a strong gender aspect in the practice of this method, where the vast majority of the teachers who attended the stakeholder workshop conducted by this Evaluation were women. These female teachers were also the ones who shared the most examples of success stories based on the activities and findings of the students.

Best Practice Examples

In the Lao rural development projects, both projects made attempts to include women in village activities and discussions, created specific “women’s projects”, supported the Lao Women’s Union’s (LWU) efforts to conduct gender training for villagers and staff, and included local representatives of LWU on their teams “to talk and work with women” (see Annex N). These were useful starts, though much more good could have been done within the context of the project foundations at little effort. When recruiting staff and advisory personnel, no gender-balanced criteria for selection were suggested. The gender-imbalanced situation goes counter to current government policy which encourages the promotion of women into technical fields of work. Currently, the few women team members “feel alone” and therefore hesitate to speak up. But the workload

of project teams is often imbalanced. On a seven-person district team, there are usually six males who work largely with men, and one female team member working with women.

CODI also had a strong gender aspect, undoubtedly because the project has female leadership. While this provided more possibilities for women, the actual involvement was characterized by women taking action to solve problems, often as a reaction to existing male structures not working well. The project encouraged and supported such activities, and through their networking mechanisms facilitated the spread of the ideas as well as the methods the women had used to achieve their successes. Thus, the progressive gender aspect was a process generated from below, and project structure and philosophy helped it continue to grow as project workings were highly collegiate (see Annex R).

Summing Up

Gender, with very few exceptions, was not addressed at the analytical and design stages at either programme or project levels. The majority of projects where gender is explicitly addressed are NGO projects, but even here it was only addressed in a few cases and usually as a result of participatory processes where the role, needs and contributions of the women became obvious. In projects where the planning process was given time and the project encouraged or was open to initiatives from women, the women took action.

Women confront many of the key environmental issues in both the “green” and “brown” sectors in their daily lives. They have also shown that they can contribute to finding practical and sustainable solutions, and implement them. Women are thus above all an important asset and key resource for addressing environmental concerns, but their ability to participate and contribute is often being held back by traditional approaches to design and implementation. Danida should rely more on its gender manual, since it provides the kind of advice that can address today’s gross gender inequities. A main aspect is to make gender assessment obligatory in the analytical phase of the project. In addition, Danida should focus on some of the “best” or “good” practice examples from the EPSF portfolio and use these as tools in the further learning process.

5.5 Human Rights and Democratisation

Human rights, democratisation and good governance tend not to be discussed directly in the projects. But EPSF projects have contributed to democratisation/good governance along three dimensions: decentralisation; improved financial transparency and accountability; and more open and transparent information dissemination and accessibility.

The human rights dimension is less apparent, but there is an important contribution with the use of participatory methods. This will in general strengthen the voice of the resource-poor and in some cases clearly empowered them to be able to better defend their own interests and rights, for example in terms of access to land, rights to public domain resources, etc.

Decentralisation

Denmark has long been a strong supporter of decentralisation in developing countries, and has followed this up also in the context of the EPSF. As of the second country pro-

gramme period, Danced supported the strengthening of local authorities in addressing environmental issues. Danida also included the decentralisation theme in the three country programme documents.

In Malaysia, this was clear with the projects in Sarawak and Sabah, but also projects at state level on the mainland received more support. Several of the “green” projects were managed at lower administrative levels. A similar approach was developed in Thailand. The support to NGOs like NGO-COD similarly reinforces civil society at lower levels, strengthening the voice of the resource-poor through active support to pilot projects, networking and advocacy activities, etc.

Perhaps the most successful overall programme approach to this was the Lao “green” sector. The bottom-up planning and implementation based on area activities got linked to the national capacity building programme in a way that “lessons learned”, policy developments etc. flowed back and forth. This was done in line with the decentralisation efforts undertaken by the authorities, and was seen by a number of informants as a “best practice”, in the Lao context, of how decentralisation should and could work.

Overall, EPSF has funded both pilots and larger-scale activities at lower levels of the public administration, including NGO activities, in a fairly consistent and increasingly important effort at supporting decentralisation. More structure could be brought to bear, however. Denmark’s aspirations of moving UEM support in Thailand from specific urban administrations to more general support through the League of Municipal Administrations (LMA) could be an important step – if the LMA in fact is operational and becomes a good partner in this endeavour.

Financial Management

Denmark was consistently given very high marks for transparency in budgeting and accounting for project funds (and also consistently criticized for taking too strong a role in the management and disbursement of funds). The partners felt that this openness about what funding levels were available, what the different allocations were being used for, and Denmark’s willingness to listen and adjust budgets in line with partner views, was very positive. Denmark’s long-term commitment (up until the cut-back took place) was part of the transparency that partners appreciated. In several cases informants noted that Denmark’s openness in these matters were being used as an argument for greater transparency within the host institution in general.

The fact that Denmark was very tough on accounting and auditing was also appreciated by many. This is a region where corruption remains a major problem, which is an issue that Denmark has raised on several occasions. The argument was that by on the one hand being very open and listening on the budgeting side and then demanding serious accountability on the expenditure side, Denmark was providing a “best practice” example for sound financial management that all actors in principle felt ought to be adhered to.

Information Management

A number of EPSF projects supported more open and structured information storage and dissemination. The Bangkok project was not only providing planning tools on CD-ROM, but was also distributing the actual planning information, getting working

groups to come together across institutional boundaries, establishing a more open information flow between the central and district authorities, and also hoping to push information out to the public in general by putting some of the planning information on the internet.

The Cambodia “National Capacity Development Project” is providing support to building up a number of databases in the five ministries participating in the project, where staff in one ministry should be able to access the databases in the other ministries. This open access policy is new and – if successful – can pave the way for more open access to information in general. Furthermore, information being stored can provide insight into how some of the country’s key natural resources, such as productive forests and marine resources, are being managed, who has access to them, fees being paid, etc. To the extent the project is able to institutionalise the “best practice” aspects of these databases, it will have made a major contribution towards more modern public sector management practices.

A number of projects are promoting more modern forms of information management. This is supporting transparency, collaboration and potentially good governance practices, and was again an area that many informants appreciated. Especially the public sector is seen to use information as a power instrument, and offices are reluctant to give out data even if they clearly should be in the public domain. EPSF projects that spearhead openness and modern information management are therefore highly appreciated. For many informants, the key is once again having examples on the ground that show how things can be done and can prove the benefits to society of a more sharing and open approach to information and knowledge management.

Summing Up

Denmark is supporting decentralisation in a constructive fashion, including strengthening the voice of civil society. It has provided a number of “best practice” examples in the fields of financial and information management, both areas important for modernising the public sector and promoting Good Governance in the region. When genuine participatory approaches are employed in planning and implementation, this has strengthened basic human rights of the poor by giving them voice and enabling – sometimes empowering – them to defend their interests and rights concerning environmental concerns.

Denmark has both credibility (as an actor without a hidden agenda) and legitimacy (as a grants donor it is providing free resources in order to promote a common agenda) when it raises these issues at the political level and promotes examples at the programme and project level. This rather unique status should be exploited to its fullest to ensure that these important dimensions of Danish development policy are pursued throughout the EPSF programme.

5.6 Technical Assistance

Technical Assistance (TA) was the most controversial part of the EPSF programme (see Annex S). The more critical issues are addressed below.

Intensity of Technical Assistance

Danida has for years attempted to reduce the use of TA in its programmes. A MTR of Danida's entire programme in 1997 found that there had been an increase in the use of TA. The EPSF programme is particularly intensive in TA use, for several reasons: (i) in the two middle-income countries Denmark largely funds only TA; (ii) because the environmental field is so recent, there were few local skills available, leading to a need for more external TA; (iii) the project-specific allocation of EPSF resources means there is no rationalisation of tasks within a sector, each project being put out to separate bid, different actors managing the projects. The typical project has spent 50-60% of the budget on TA, some projects reaching 90%.

Assessment of Technical Assistance Personnel

A study of TA personnel in Danida surveyed nearly 100 advisers (Boesen 2001). Regarding time use, they noted that only one-third of the time was spent on direct TA services. 30% of the time was used handling Danish policy and management concerns, including planning and monitoring, and the remainder 37% on financial and other administrative tasks. On the TA use in the EPSF, the study noted that "the use of short-term company contracts is most frequent in the environment sector. This sector spends 5% of the aid budget, but since 1997 has spent 25-35% of the person-months contracted in this manner" (Boesen, p. 12).

Regarding roles and loyalties, the report says: "The overall picture is fairly clear – advisers are largely perceived and perceive themselves as loyal to Danida. This is also the case of company-recruited advisers" (Boesen, p. 22). Spending a lot of time ensuring that Danida-related tasks are done properly is hence seen as not only acceptable but in fact a requirement. Another important conclusion of the study was thus that if the main objective of TA is capacity development, the advisers are not filling their jobs properly.

The findings of this Evaluation are similar to the Boesen study conclusions:

- Danish TA is seen as efficient, committed, and generally gets high marks for skills. It is pragmatic and results oriented, and has in many instances succeeded in introducing new ways of thinking about environmental problems and solutions to them. Danish TA has contributed at policy, organisational and individual skills levels, though the efficiency of some of the training and capacity building is questioned due to the high cost of the expatriate experts.
- Danish experts are seen as forthright and easy to work with – there are no "hidden agendas". The major exception is role conflicts, as Danish advisers are seen to answer primarily to the Danish Embassy, who is the paymaster. This is not in line with being independent advisers having the partner organisation's concerns at heart.
- The better Danish experts are seen as inclusive and strategy focused. This open and strategic way of thinking, working and interacting is very much appreciated. Danish experts are used to work in "flat" organisations and thus freely share information and discuss issues and roles. Participatory methods are in principle to be used, but the skills are often weak.

- Many informants found the use of TA excessive, some considering it part of “the costs of doing business with Denmark”, where the other Scandinavian countries, the UK, and the UN are seen to have better TA policies.
- Since Denmark largely awards TA contracts to Danish firms, this limits the value-for-money for this high-cost item. Several noted that the consulting milieu in Denmark is small, and that Denmark simply does not have the quality and quantity of skills that is required for real competition to be feasible.
- There was criticism of the high share of time spent on administrative, financial and reporting requirements. This undermines the independence of the advisers – they are constantly being held accountable by the Danish paymaster – but also is poor utilisation of high-cost time.

The bottom line for virtually all those spoken with, however, is that Danish TA is needed and is appreciated. The concern is that it should be provided in less costly form, in a way that is managed more by the partner, is provided on a more open and competitive basis, focuses on the advisory tasks and addresses local priorities in a manner and language that the local partners can most easily relate to.

One area where Denmark gets low marks is the use of local and regional skills. Data did not allow estimating possible changes over the last five years, but here the partners can monitor and set targets regarding shares (in work-months or monetary terms) to be attained over 2-5 years.

The Future of Danish TA

External TA can be intrusive and costly to an organisation’s functioning. But Scandinavian organisational thinking is highly appropriate for the more participatory and “human needs” dimensions critical to successful organisational change and development. The more equitable the TA modality, the better. Good examples of this include the research/university consortia, where Danish students and faculty work alongside local partners on joint tasks. Other equitable arrangements are institutional twinning and private sector joint activities.

Where the institutional basis for more equitable relations do not yet exist, it is important to develop joint learning processes. These can include sector-based workshops to identify “lessons learned” and “best practices” from a range of activities, not just Danish-funded projects. Relying on local instruments, reporting systems and financial management procedures is also empowering and lowers the concern among partners.

Corporate Culture and Tacit Learning

One striking finding on Danish TA is the increasing interest and appreciation partners in the region attribute to what they often refer to as “the new way of doing business”. A number of informants, government officials as well as NGO representatives, say that what they appreciate the most from working with Danish experts is what might be called “corporate culture” insights. There are two dimensions that stand out. The first is the “horizontalism” of the Scandinavian approach – the emphasis on group work, collegiality and sharing, based on assumptions of mutual respect, interest and trust. Experiencing this in day-to-day work has clearly been an eye-opener to many. The other is

treating the partner institution as a “learning organisation” – that it is not enough to find better solutions, but develop an attitude to continuously learn and develop.

Much of this learning is tacit – learning through observing and assimilating new ways of working that are not explicitly being trained in. This happens as partners discover that “new ways of doing business” are efficient and effective: they are able to achieve more durable results faster.

Institutional Twinning

There is thus a somewhat contradictory message that arises: TA using expatriate skills should be reduced where possible in favour of local skills that are more cost-effective, and politically and culturally more sensitive. But corporate culture and “new ways of doing business” is seen as a most valuable aspect of Danish-supplied TA. But this requires permanent TA, and for a substantial period so that lessons really are assimilated and implemented organisation-wide.

One way of overcoming this contradiction is through twinning between institutions that play similar roles in the two countries, and thus are likely to find professional and organisational reasons for collaborating, such as the university consortia in Thailand and Malaysia. Other cases were presented at a Nordic seminar on South-North twinning (Chr Michelsen Institute 1999).

Role of TA Changing

The ideas concerning TA are changing. Partners want more focus on instruments and tools instead of advice on solutions – advisers should empower the partnering institution to develop the solutions. One reason is that tools and instruments are fairly outcome neutral – the adviser is seen as not interfering in decision-making. TA is being asked to focus on the “how” – the partner will take responsibility for the “what”.

Partners want a stronger role in the hiring, renewing and paying of consultants, a greater say in the management, including the financial aspects, and even to be the owner of the contracts instead of Danida. The profile of the TA expert, particularly the CTA, is also changing, pushing towards the facilitation, communication, management skills and less on the technical areas.

But while these are *trends*, the important thing in each case is clearly to reach a realistic consensus on what the parties want and can offer.

Summing Up

TA is both the strength and weakness of the EPSF. The strength is in the intensive partnering on programming and implementation of activities. The downside is that Denmark may be too dominant and thus may undermine local ownership, apart from providing TA that is too costly.

The overall TA content should therefore be reduced; the project by project identification creates major inefficiencies – to Danida, national authorities, and the projects themselves. Too many resources are required to administer the projects, and there is too little reliance on national systems for programming, monitoring and reporting. Programming,

quality assurance and learning activities are too Danish-driven, not providing much space or scope for local participation, learning and leadership. There is a need to shift towards the communication, facilitation and mentoring skills, and the new emphasis on supporting organisational change and institutional improvements should be strengthened. A key dimension here is the “new ways of doing business”, where new “corporate culture” practices are highly appreciated.

5.7 Environmental Awareness, Behaviour and Action

Projects supported by Danced and Danida have been successful in raising *awareness* among a variety of groups. But more important is *behaviour* and *action*. Most environmental projects aim for people to change to better care for their environment. Few projects fully succeed in this.

Behavioural change studies show that change usually happens through an emotional event, and/ or by someone you respect influencing you. To create *awareness* is simpler, because it involves reaching people with information about what they *should* do, and why. But some projects are transforming awareness into action. There are largely two kinds of “triggers of action” in the EPSF programmes: activities based on people’s own ideas and initiatives, and school based programmes with appropriate activity-based teaching methods and community outreach.

Box 5.1: The Behaviour Change (BC) Model

A standard model for explaining why people do or do not change describes behaviour change in five stages. *Awareness and interest* are the first two; these are both *cognitive* stages, controlled by “the head”, or rational mind. *Trial, evaluation and adoption/rejection* are the next three. These are the *affective* or *emotional* stages, and are controlled by “the stomach” – our “emotional reactions”.

The division between the cognitive and the affective stages is crucial. In the cognitive stages, one can be influenced by anything and anyone. This is where radio, TV, papers, conferences, newsletter, etc. can play important roles, as most people are willing to listen to new ideas from almost anybody.

But knowledge (awareness) alone is not enough to trigger *action*. For this, the emotional aspect has to be involved since the change or action to be taken has to be felt as personally important and relevant. The reasons for this are individual, but could be through sharing experiences with a friend who is trusted, or one could become aware of someone they care about who is negatively impacted by either your or others’ environmental actions. Situations like these can ignite change, but research shows that it often takes several years from the time a person first becomes aware of a problem, until s/he decides to take action or change behaviour, with a significant event often serving as catalyst.

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Most projects are based on the assumption that “when people see reason, they will change”. This misconception only takes the rational and not the affective domains into account. Experience shows that if the affective domain is not engaged, behaviour change will usually not take place.

Markets, Regulations, Incentives and Change

In addition to environmental behaviour that springs from individual convictions, a major cause of change that impacts on the environment is modifications to societal framework conditions that influences the decisions being taken. These can be in the form of constraints being imposed or various forms of incentives that provide either benefits or sanctions. Typical cases are environmental policy development or market-based tools created by the public sector, such as “green taxes”. Much of the Cleaner Production efforts focus on the incentives that industrial management is expected to respond to.

A number of the EPSF projects have contributed to change and action by supporting changes to frameworks/regulations or setting up/improving/clarifying incentives and other market-based approaches. These, however, are externally induced, instrumentalist in their approach, and thus not part of this analysis. Here the focus is on behavioural change that can be attributed to conscious choice, whether at individual or community level, based on a change in values or understandings, often triggered by specific events, but not due to any substantive changes in general framework (external) conditions. These kinds of change are often enduring and thus critical to sustainable behavioural improvements since they are not simply responses to shifts in incentives and policies, which are conditions that may not last or are not expected to last.

Behaviour springing from environmental conviction are not only enduring, however, it is important to policy change. While policies and incentives can induce desired behaviour, these policies and incentive changes themselves come into being as a result of political pressures exactly from those segments in society that are convinced and feel responsible for environmental matters – those who at the individual and community level take action. To ensure continuous and sustainable improvements to national environmental policy and action it is therefore important to support the awareness-to-action nexus.

Community-based Action

The CODI/Thailand and Thanh Xuan Bac/Vietnam projects are good examples of community-based action. In one Bangkok slum community, the authorities destroyed 2-3 houses and wanted to evict people. Community members met, decided they would move their houses and consulted CODI. They established an association, applied for funds, and got help from lawyers to teach them about their rights. CODI helped facilitate change, following up on the strong emotional motivation in the community. Numerous other examples exist of how CODI has helped poor local communities organise themselves, carry out improvements, and then share their experiences with other communities through a structured networking and sharing programme. Officials

are often invited to see successful projects, many times leading to them becoming supporters for further community action (see Annex P).

CODI uses a set of conscious strategies, all of which build on an understanding of the importance of the emotional aspect of behaviour change. They help the communities channel their responses into concrete projects that provide visible results and thus community pride; they take a positive “win-win” approach rather than being confrontational with the authorities; they support people to take charge of their own future, and demonstrate the viability of this belief through practical action, empowering individuals and communities in the process.

Thanh Xuan Bac uses some of the same techniques. Awareness campaigns are coupled with activities that address environmental concerns identified by the community, providing both improved surroundings but also more confidence that they themselves can address a number of the problems (see Annex H).

Education: Role-model and Action-based Learning

The River Spy project uses local streams as the starting point for raising students’ awareness of the problems of water pollution and other environmental problems. The project builds on three pillars that are all helpful “triggers” for change. The first is using the educational situation itself, which has legitimacy as a place for encouraging change. The second is the role of the teachers as role models, since an important factor in behavioural change is the encouragement or support from individuals who are respected and thus followed as examples. Finally, when students investigate their local stream and discover how polluted it is, they are influenced emotionally and this reaction makes them more open to suggestions for concrete change and action.

Box 5.2 River Spy: Individual and Community Action

In a school situated next to the Ping River, the students put small fish into cages in the river, feed them every day and see them grow as part of their science class. Then one morning the fish are all dead. They analyse – what happened? Pesticides are heavily used up river. It rained. The river got poisoned. The school children are upset, sad, and then angry: “Why does this happen? What can we do?” They begin considering how their individual actions can impact pollution in the river. Previously they had simply thought that the stream would carry it away. Through discussions with their teachers, they realise that their own behaviour and action is important, like stopping to throw garbage in the stream which they have always done before. They view the river differently, and continue to keep asking questions, guided by their River Spy teacher. In this way, a group of environmentally aware advocates are born.

Another River Spy example is from the Phaya Kham dike, where communities had problems with inadequate water, stream bank trespass, garbage dumping and silting. Action taken in this community included meetings of water users, setting rules concerning water resource management, and behaviour change

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– being more concerned of activities that may have negative impact on the stream. The River Spy students contributed significantly to the behaviour change intervention.

Students interviewed did not stop with individual behaviour change, but were actively initiating action in the community by sharing their findings with adult community members. The project reported an important emotional reaction in adults: they felt motivated to be good role models to the children by modelling positive behaviour and taking care of the environment they are leaving for the next generation. These motives inspired the adults to take action. The teachers are also influential in their role of supporting, and thereby validating, the children's presentation to the communities.

Summing Up

A key objective of the EPSF programme is to assist individuals, households, firms, civic organisations and the public sector to change behaviour that has an impact on the environment. A first step is to create *awareness* regarding consequences of current actions as a background for making choices for the future. The link between environmental *awareness* and change to environmental *behaviour/action* is, however, a lot more complex and requires considerably more attention than has so far been the case in the EPSF programme. This points to the importance of distinguishing achievements at the level of outputs (creating awareness) and impact (measurable change to behaviour and action). Producing the first provides no guarantee of the second, but represents a “necessary but not sufficient” condition. The standard BC model is important for understanding this linkage. It also provides two important lessons: (i) awareness alone is insufficient for behavioural change – the emotive side of persons must also be “convinced”, and (ii) the change from awareness to action takes considerable time.

Those projects that have succeeded in this field have been community-based or educational ones where collective action led to demonstrable improvements. They tend to be small-scale innovative projects working closely with their stakeholder groups. They often serve as important pilots, from which more generalisable lessons can be derived. The educational projects are particularly interesting. They have a long-term time horizon and are thus appropriate for the kind of awareness-to-action link that is desired. They work with children who are exactly at the stage in their lives where openness to new ways of thinking about the world and one's own role is the most advantageous for absorbing these kinds of messages and learning. They are providing examples that national governments are interested in integrating into national curricula development. The potential impact and sustainability of these projects are thus extremely high, with a long pay-off period – but will require consistent support for some time to come to be able to fully develop the lessons and spread and test the experiences.

National programmes should also be more concerned with behavioural action through integrating this into the monitoring systems. This can include several dimensions: (i) defining how to track/measure environmental action (or change in action), and include this in the EPSF MIS system; (ii) promote more intensive learning from “best practice”

cases by inviting in different groups – politicians, educational leaders, research institutes, NGOs and other civic organisations – for study, reflection and possible replication; (iii) this is an area where cross-border learning might be highly effective, and where Denmark thus can be of major assistance.

The emotional issues are neither well understood nor addressed in development projects, making them less successful than they could be. Reasons for this include the lack of understanding of the importance of the emotional aspects, lack of skills on how to deal with them, but also the controversial mix of addressing *emotional* and *change* dimensions simultaneously. In a development context where rationality and objectives-oriented planning with logframe matrixes are key tools, the emotive dimension adds an element that is difficult to handle, yet seems to be key to the kinds of sustainable change the EPSF wishes to support and promote.

5.8 Learning

While the field of environmental activities is new, and the EPSF has supported many innovative activities, the **learning from** the programme could be improved considerably. The within-project learning in place is often good – the cross-project learning is generally weak. Furthermore, much of the learning that takes place is done by the Danish rather than the local partner:

- **Recording/reporting systems** in projects assisted by Danish experts are well structured, often with an LFA matrix that identifies the indicators that are to be reported on during implementation (actual practice varies considerably). Based on this, management prepares a series of reports – inception, progress, final – that go to the Project Steering Committees (PSC) for discussion. A number of the reports, especially in the early phases and produced by the larger consulting firms, tend to contain a lot of extraneous information that focuses on project management and activities rather than on analysis as basis for decisions. The trend is towards better, more focused and decision-relevant reporting. The broader PSC composition also means that decisions reflect the views and priorities of a wider constituency than just project management. And while the reports originally were produced by the external consultants, the trend is now towards joint reporting by the national and external team, which means that the local views and voices are heard better. A “best practice” case of focused, informative yet decision-oriented reports is the BMA project, which relies heavily on visual presentation in addition to recording key lessons on modern IT-media (CD-ROMs, internet). But the entire structure and the reporting is based on Danish models, reporting needs, etc. They are neither part of local management systems nor necessarily very useful to local partners, in part because they are written in English, but also because the format and information contained is often alien to partners’ way of communicating.
- **Hands-on learning** through external TA mentoring and helping develop tools and instruments rather than providing direct solutions means that learning is more thorough and embedded in the local organization. As noted (Section 5.1), Danish expertise usually gets high marks for promoting local capacity development.
- **NGO projects** tend to be better at this form of tacit learning, however, because they usually consist of local staff (the cultural distance is much smaller) and the systems

for learning are less formal and more direct: less written reports in a foreign language, and more direct interaction between key stakeholders (NGOs work directly with intended beneficiaries rather than public sector service providers, who are intermediaries).

- **Organisational learning** is also good in the better projects. These are where external TA is listening to understand local views and priorities, and where a strong relationship of trust has been established including with management of the local partner. This has, among other things, opened space for the crucial learning in more participatory approaches to planning and implementing activities – *organisational learning*.
- **Networking and exchange visits** are used in several projects (NGO-COD, CODI) with very good results. This should be further encouraged and facilitated by Danida.

Cross-project learning is fairly weak, however. This is basically because most projects were designed as “stand-alone”. In the more successful components, one sees that there is more systemic learning – the “green” sector in Laos, the energy programmes in Thailand and Malaysia. Here impact on framework conditions – *institutional learning* – took place, having an impact beyond the direct activities themselves.

At the level of national learning, the Danish support to strengthening instruments like State of the Environment Reports (SOERs) is important. The Cambodian national capacity building project seems to be successful in this regard, both because it is helping a number of key ministries to structure their joint work to produce a better SOER, but also because key dimensions like poverty reduction and strengthening of environment indicators to be monitored were important parts of the total task. Assisting national governments get better national learning instruments like SOERs in place is strategic, because these provide visible and recurrent means for verifying changes and discussing alternatives and solutions.

Despite such good examples of systemic approaches, more can be done to assist the development of learning tools and institutional memory among local partners. Today most key learning tools remain under Danish management. TORs for identification, mid-term or final review missions are largely prepared by the Danish partner. While Denmark systematically consults with its partners, it does make a difference whose system it is that generates the timetable and structure for such exercises. More important is that these key quality assurance tasks are largely led and carried out by Danish actors, with only some local skills hired in as junior participants. What is particularly troubling is the very weak role of local partners in the direct execution of these tasks. The local consultants are usually sub-contracted by the Danish actor, and thus beholden to it rather than to national authorities/partners, who only become one of the recipients of the final product⁵. Local partners often see these exercises as Danish, and thus the interest in them varies a lot, meaning that there is often little learning by either the local consultants or partners.

5) *This Evaluation is no exception to this rule. Though the international team counted seven persons while there were nearly 25 local consultants involved, all local consultants were selected and sub-contracted by Scanteam. Scanteam provided some training in interview techniques and tried to consult as far as possible with the local institutions, but it clearly was not a balanced partnership – Scanteam controlled too much of the resources for this to be possible.*

Denmark also has – not surprisingly – much better systems for storing, retrieving and using the results from such exercises. This means that the institutional memory from these quite expensive activities may be very limited in the partner countries. But while partners' systems today are weak, this itself is an issue that the EPSF could have contributed more to strengthening by ensuring that these quality assurance activities are better embedded in local systems and processes, using tools and instruments that are better known and acceptable locally. Because environmental issues require sustained attention, strengthening collective memory and making it widely available is vital. This Evaluation has noted how Malaysia ought to utilise the remaining Country Programme period to structure a more intensive learning process. This is an issue that ought to be raised at the programme level in all the countries. In Cambodia, building on the SOER experience could be a good starting point, for example. But the proposal regarding a “Snekkersten II” workshop on Capacity Development could undoubtedly include specific issues regarding how to strengthen local instruments for learning, institutional memory and accessibility.

5.9 Findings, Conclusions and Recommendations

The EPSF programme includes a multitude of cross-cutting and thematic concerns. **Capacity Development in Environment (CDE)** is key. Denmark is praised for its focus on this, and its support to CDE at individual, organisational and institutional levels. While there are a number of “best practice” cases for this, there is little follow-up to the Snekkersten Workshop's suggestion for using better tools and developing operational indicators and monitoring. These are complex areas where more resources are required, where Copenhagen needs to play the central role, and where a follow-up “Snekkersten II” workshop in the region could point the way forward.

The importance of **participation** and **ownership** is recognized throughout the EPSF, but the *content and practice* needs to be improved. A number of “best practice” cases point to how more appropriate approaches can strengthen ownership and sustainability.

Poverty Reduction was not a concern in the middle-income Danida countries but given some prominence in the three Danida EPSF programmes, most successfully in the “green” sector in Laos. Overall, however, the treatment is weak. Analyses of distributional consequences of environmental interventions in the “brown” sector are absent. In general, stakeholder-intensive NGO activities that built directly on needs and priorities of resource-poor households represent “best practice” cases. The situation of ethnic minorities in the context of poverty reduction is also not addressed, though examples show how this can be done.

The **Gender Equity** dimension is even less visible despite Denmark having a good gender policy. Very few projects had gender as an explicit concern, and those that developed better gender practices over time were generally NGO or small-scale projects that did so based on women themselves taking action. At the same time, women are clearly a key asset and resource for environmental action. It is therefore important to involve them in a systematic way in planning and implementation in all activities.

Denmark is strengthening **Human Rights and Democratisation** through improved financial and information management in ways many informants experience as “best

practice”. Successful cases of participatory approaches have strengthened the voice of the resource poor, enabled or even empowered them to fight for their rights.

Technical Assistance was the most controversial yet an important aspect of the programme. It is extremely TA intensive, with many expatriate staff which can be reduced considerably. But TA is required for CDE, though what was most appreciated was the tacit learning regarding “new ways of doing business” – the more open, participatory “corporate culture” brought in by those advisers who were successful in establishing trust and good communications. A number of the more successful NGO projects, however, were run by local skills, focusing on developing locally appropriate approaches, and the programme could learn considerably from these projects.

Environmental Awareness and Action addresses the key concern of the EPSF: how to change human action to improve sustainable development. While considerable awareness raising has taken place, few projects have resulted in behavioural change, largely because the emotive driving forces behind change are not understood and exploited. The successful cases are either community-based action or educational projects, where a number of techniques for reinforcing action and change are used to sustain the new behaviour.

Learning is another key dimension to the EPSF. Within-project learning is often good while cross-project learning, due to the fragmented nature of most components, is lacking. The programme-level learning is dominated by Danish approaches and actors so that the partners’ involvement and learning is limited. Coupled with poor existing capacities, systems for storing and accessing lessons, this becomes a weakness of the over-all programme.

Key Finding

The key finding is how these cross-cutting and thematic dimensions link together. The common denominator is the degree of participation by stakeholders in the planning and implementation of activities. The more genuine the participation – the more collegial/ collaborative it is – and the wider the range of relevant stakeholders involved, the better the ownership, poverty reduction, gender equity, democratisation, and learning becomes. Technical assistance, when provided in the right form, is a key supportive input to such processes.

The links between the various elements are neither simple nor linear, but the main over-all achievement of the EPSF programme may be that it has been able to establish and make visible so many “best practice” cases in so many different fields in different settings: countries, sectors, forms of organisation. The main challenge now is to assist local actors review these “lessons learned” to identify what are the key factors for success, and see to what extent these can be reproduced and generalized.

Recommendations

The main recommendations concerning the cross-cutting and thematic dimensions are:

14. Strengthen the focus on Capacity Development in Environment (CDE)

Denmark has provided strong support for CDE at individual, organisational and institutional levels, but needs to develop this further by (i) assisting regional actors

assess “lessons learned” through a “Snekkersten II” workshop, (ii) provide assistance to generate and operationalise indicators for monitoring at the level of components/sectors rather than individual projects, (iii) assist partners strengthen their monitoring systems incorporating such indicators.

15. Strengthen knowledge and skills in the use of participatory methods

Knowledge and use of participatory methods based on collegiate/collaborative forms of interaction should be strengthened considerably through more training and monitoring.

16. Poverty reduction, gender equity and good governance must be strengthened.

The “best practice” cases should be used to form a stronger focus on these cross-cutting concerns. They are central to sustainable development, and without their incorporation into the programmes, reduce the efficiency and effectiveness of environmental action.

17. Focus technical assistance on its key areas of contribution

Danish TA is considered excessive, but at the same time highly valuable in the fields of CDE and introducing “new ways of doing business”. Expensive expatriate skills should focus more on these organisational/institutional levels of development.

18. Focus more on action and behavioural change

Environmental awareness is a “necessary but not sufficient” condition for actual action and behavioural change that is required for an improved environment. This requires better skills in including also the emotive dimensions of environmental action for sustained change.

19. The learning dimension of the EPSF should be enhanced

Learning at component and programme levels needs to become more partner-oriented, integrated into and supportive of national systems. Monitoring systems that can capture qualitative/subjective assessments of change, such as beneficiary surveys, should be supported. This is furthermore an area where cross-border learning can be extremely useful and where Denmark, given the trust and facilitation role it has played on other occasions, can play a central and highly constructive role.

6. The EPSF Programme

Danced and Danida developed EPSF-funded programmes in the Southeast Asian countries in a very short period of time. Danced was a new agency. The five countries present very different framework conditions, and most of them were new to Danish cooperation. The environmental agenda itself is highly complex both technically and politically; and as it cuts across sector and administrative units is thus difficult to manage and get consensus around. The issues vary considerably from one country to another but are themselves also changing rapidly due to the speed of socio-economic developments in the region. The consciousness about and commitment to environmental issues varied considerably across the five countries at the time the EPSF funds became available. The EPSF funds were to be allocated project by project, were to address a series of objectives and include a number of cross-cutting and thematic concerns while adhering to partnership principles for programming. In short, the two Danish agencies faced an almost unprecedented challenge when putting together the projects and programmes.

Despite this starting point and the weaknesses/problems identified in this report, overall the EPSF programme has made and has the potential to make major contributions to the environmental agenda throughout the Southeast Asia region.

6.1 Results Achieved and Achievable

The achievements are most easily visible according to the main structure of the programme itself: (i) individual projects or activities; (ii) sectors or components (“green” sector, forestry component or sub-sector), and (iii) country programmes.

Project Level

Most **Projects** have produced the expected **Outputs**. In some cases, the Outputs produce both quantifiable and direct Impact. The Kualiti Alam facility, which achieved ISO 9002 and 14001 certification in late 2000, is handling about 90,000 tons of hazardous waste a year that would otherwise not have been disposed of in a safe fashion. The Sabah wildlife project contributed to saving about 10% of the world’s *orang utan* population. The first project produced expected “end of line” impact – the Danish support ensured that a measurable reduction in environmental degradation could take place. There are very few such easily measurable and straight-forward projects – the environmental agenda just is not that simple. The Sabah result was an unexpected impact resulting from the analytical capacity that had been created through the Danish support. It had not been planned for but clearly arose as a direct consequence of the project. Another case is the energy efficiency projects in Thailand. Danish support has been instrumental in the launch of a significant government subsidy programme, where disbursements are well beyond expectations. This measurable impact is indirect, however, where the key concern – effectively achieved energy savings – have so far not been established.

Most Projects: Probable rather than Certain Impact

In most cases, however, while inputs have produced expected Outputs, such as number of trainees concluding courses, number of “green” taxes produced, etc, these are “inter-

mediate” Outputs necessary but not sufficient to attain the desired environmental Impact. At times this is because assumptions have been unrealistic, but there is also the problem of tracing through consequences, issues of the time-lag, and whether the lessons learned from a pilot will in fact lead to replication/generalisation/policy change. The Krau Wildlife project has led to policy changes regarding management of wildlife areas in Malaysia – but for the time being it is impossible to discern actual Impact, much less disentangle issues of attribution regarding this project versus other factors that led to the observed policy changes. What can be stated, however, is that according to informants, had it not been for the project and the lessons generated through it, these policy changes are much less likely to have come about. Regarding this particular intermediary result, therefore, the project has been a success.

Most projects can point to this kind of *probable* impacts, and these are important even if uncertain. Whether they have been produced efficiently and effectively is a different matter. Many projects have *not* been structured as well as they could have been, because they have been created as stand-alone rather than within a larger strategic perspective (see Section 6.1.2 below).

Most Projects Improving with Time

A general finding is that projects improve both with regards to planning and implementation. Second phases of activities almost invariably are better than the first ones, as both the local and expatriate partners understand the environmental issues and their contexts better. But there is also a trend towards more participatory processes behind the dialogue between stakeholders. While this Evaluation considers lack of skills in the understanding and actual use of participatory approaches to be a fairly consistent weakness in the programme, there are nonetheless improvements across the board, particularly regarding recognition of their importance. This is making for a broader dialogue that is encompassing more of the cross-cutting concerns, inviting in more stakeholders, ensuring better problem analysis, and in a number of cases better impact and sustainability. While much more needs to be done, the *trend* is in the right direction.

Organisational Capacity Improving

Organisational development has taken place through strengthening public administration and civil society organisations that are key to environmental management. At national level, environmental ministries in several countries have seen their technical skills and coordinating roles enhanced. The policy and environmental planning capacity of the Economic Planning Unit (EPU) and the Department of Environment (DOE) in Malaysia have been strengthened; the Ministry for Industry and Handicrafts has taken major strides regarding cleaner production in Laos, etc. The Sabah wildlife authorities, the Bangkok and Kuching municipal administrations are among a number of regional and local administrations that have experienced a substantive improvement in environmental planning and management.

NGO-COD and CODI in Thailand have strengthened their ability to manage their community-based environmental activities. In Thanh Xuan Bac, the links between public administration and the local community, including the women’s organisations, have been improved, each component having gained experience and capacity, leading to the whole becoming more than just the sum of the parts as far as environmental action is concerned.

While a number of examples exist of organisational capacity having improved, it is unclear if this has had much of a spread effect. NGO-COD and CODI both have clear networking (dissemination) strategies to ensure that this happens, the River Spy is also seeing its lessons being spread but through a more ad hoc process. Here a lot more can be achieved through more targeted exchange of experiences, analyses and discussions.

Institutional Development Increasing

Institutional development is also notable: national policies, practices, roles and interactions have been improved. The national capacity building projects in Cambodia, Laos and Vietnam are leading to better inter-ministerial collaboration, Cambodia being particularly notable for building on national instruments (SOER) for ensuring sustainability and political support. Malaysia's EPU is using more modern tools for developing environmental policies, the use of "green taxes" is being pursued more systematically by the Ministry of Finance in Thailand. Other market-friendly schemes such as cleaner production approaches are being pursued, though the first generation efforts have not met with the kinds of results hoped for.

Institutional development is more complicated and requires more time than usually envisaged. More actors and interests are involved, so it takes time to mobilise support for changes that challenge the *status quo*. EPSF projects have quite consistently supported these kinds of changes, whether through support to NGOs carrying out advocacy work in Cambodia, or by assisting public decision making bodies directly. While problems of attribution are even greater at this level than regarding organisational capacity, all informants agree that Denmark has been a consistent and important contributor in this field, not least of all regarding promoting better and more structured interactions between the public and civic sectors (see Annexes D and E in particular).

The most subtle and at the same time far-reaching contribution is the one that has been labelled "new ways of doing business" – the more open and participatory approach to finding and addressing solutions. While most often linked to organisational development – how "the actor" designs internal analysis and implementation processes, and subsequently the organisational structures that best can accommodate these – it is beginning to have larger-scale influences within the environmental field. Once there are enough organisations within the field that internally have recognised the value of the new approaches and thus become "champions of change" in the larger context, a critical point can be reached where the number and weight of example convinces larger groups of the new approaches.

Though the Danish-funded projects alone cannot be credited with this kind of influence and impact, the EPSF support was seen as contributing the consistent and credible support that allowed the examples to mature and become convincing. This is happening in the "green" sector in Laos, in the energy sectors in Thailand and Malaysia, the marine protected areas in Vietnam, and with the potential in the forestry sub-sectors in Thailand and perhaps also Cambodia.

Two of the most important and interesting case clusters are national environmental planning and management, and UEM. At the national level, the Cambodia and Laos projects have been successful in improving inter-ministerial dialogue and working patterns, but similar changes are also noted in the other three countries through support to national entities. In UEM, the projects in Bangkok, Kuching, Thanh Xuan Bac, Khon

Kaen etc. provide an impressive set of lessons. Both of these fields could benefit from cross-border work to distil the key lessons.

Much Achieved, More to be Done

While a lot has been achieved, a lot more remains to be done. More could undoubtedly have been produced by a number of projects: the cleaner technology projects were too narrow in their focus, many projects in general were too outputs-focused and did not contribute to larger sector-wide concerns, or were not able to achieve sustainability of their achievements. Much of the problem stems from the project-by-project structure of the EPSF which fragmented resources and thereby reduced the possibilities for sustainability and impact. Pilot projects often did not have the multiplier effect hoped for, partly because they were isolated events rather than part of a larger sector-wide strategy, and partly because of lack of a learning dimension in the programme: “lessons learned” were not systematically pursued, identified, structured, stored, discussed and disseminated for maximum impact. In general the lack of attention to learning by local partners is another weakness that has hampered full-scale impact of the results achieved.

While these weaknesses exist, the number of “best practice” activities that have been noted throughout (including in the annexes) are not just a menu of successful activities. They provide a solid basis for restructuring activities and programmes to achieve a broad-based environmental programme that is coherent, comprehensive (in certain fields) and cutting-edge in terms of approach and contents. This will be summarised in the concluding section.

Component/Sector Level

The EPSF policy documents have highlighted certain areas or topics that the funding should address, such as natural resources management or urban environmental management. These were not, however, formal sector or components but rather categories for classifying activities.

Over time, however, it was recognized that the Country Programmes were too general and did not help structure and select activities that were strategic. The intermediate level of component (sometimes called sector, such as natural resources or “green”, or sub-sector, such as forestry) has therefore been used to ensure greater coherence within those fields Denmark wished to support. Some of these have been developed to the point that they have a structure and internal logic that provide a framework for the individual projects or activities (the energy programmes in Thailand and Malaysia), but where there are now trends towards such sectors across the board (urban and marine protected areas in Vietnam; forestry in Thailand and Cambodia, etc). The component thinking is clear in all the last five country programmes – the third country programmes for Thailand and Malaysia, and the documents for the other three countries.

Further development along these lines may be the single most important step to strengthen the overall programme, along two dimensions. The first is that it will provide a much clearer focus for each country programme, ensuring that resources are allocated to strategic interventions as seen from the sector or component perspective. This means that resources should be allocated to components rather than to individual projects. Cross-cutting and thematic concerns in general can be addressed from the component level rather than trying to build them in *ad hoc* in each activity. Attention to CDE,

which should remain a strategic concern – at individual and organisational but particularly the institutional levels – will become more feasible.

The other aspect is that this level is more meaningful for defining targets and success indicators for monitoring and management purposes. Projects will therefore be judged against their contributions to the component targets, allowing management to adjust resource allocations between activities according to overall component targets and objectives rather than locking in resources to particular projects.

More importantly, it may allow partners to take a stronger role in monitoring and managing the programmes. Local capacity is limited, and particularly senior management skills are in short supply. If these can be focused at component level, which by and large would coincide with higher administrative levels like ministries/departments, it is meaningful for senior management to take an active interest and role in what would be significant component programmes.

Programme Level

The strengthening of national programmes in Thailand and Malaysia has been noted earlier. The need for Vietnam but also Cambodia to focus their programmes more has also been discussed.

In Thailand and Malaysia, Danced developed national coordination committees – the Joint Coordination Committee (JCC) in Thailand and the Programme Steering Committee (PSC) in Malaysia. Their structure and role are key for longer-term national management and ownership. With the suggestion that Malaysia should use this last EPSF period as one of intensive learning, the PSC should be the overall coordinating body. Like the JCC, it convenes inter-ministerial meetings, so the mechanism for broad-based discussion and learning is largely in place – the challenge is how to operationalise this in the context of developing a general learning culture in the environmental field. The suggested regional “Snekkersten II” workshop could perhaps be hosted by Malaysia. Given the considerable list of achievements and issues that merit attention, a realistic approach may be to consider a series of events such as sector- or topic-specific workshops or seminars (UEM and NRM versus CDE, gender, poverty, participatory approaches, etc.), some regional, others national.

These national mechanisms are weaker in the other three countries. Danida should support such national committees by ensuring that they are accorded decision-making power but also the resources to prepare meetings and thus have the support to play a meaningful role. In Vietnam, the project in the Ministry of Planning and Investment (MPI) has established a platform that can be developed further. It has strengthened MPI’s coordinating role and is assisting the transition from control and command to more facilitation and support. Overall capacity in Cambodia is even weaker and thus will require more time to evolve.

In all five countries, the Country Programmes have a structure and logic that is quite consistent. But their integration into national programmes and policies is still variable, and this is the critical dimension for ensuring national ownership, sustainability and thus ultimately impact.

The national committees are the appropriate mechanism for ensuring this enhanced alignment. The major stumbling block is the local political will to take the necessary decisions, but also the capacity to actually follow through and implement. This is where the Danish support is critical.

Danida's Southern Africa Evaluation

It took several years before Danida was able to finalize the programmes in Southeast Asia. The EPSF programming had progressed faster in the Southern Africa region. Since the EPSF was quite different from Danida's bilateral development cooperation, the Ministry commissioned an evaluation of the programming of these resources in the Southern Africa region in 1999. Some of the recommendations were seen as relevant also in Southeast Asia (Danida 2000): (i) Local ownership should be strengthened through shifting responsibility and providing more time to national actors, with Danida providing support and quality assurance; (ii) Danida should move towards component programming rather than by project, following as closely as possible Danida's general Sector Programme Support guidelines; (iii) Danida should review the role and modalities of technical assistance; (iv) There should be a clearer knowledge generation dimension in the programmes where monitoring and evaluation, and research and development should be strengthened; (v) More attention needed to be paid to long-term viability of projects (economic and financial sustainability of many project activities was seen as poorly analysed and addressed); (vi) The objectives to attain in the fields of poverty reduction (distributional impact), gender equity, and human rights and democratisation needed to be specified better.

Several of these principles were implemented, in particular the attempt at moving towards more component specific programming, but most of the other issues remain to be addressed.

6.2 Conclusions, Findings and Recommendations

EPSF as a Funding Facility was Important

Denmark is the only donor country that followed up the request by the developing countries at the Rio Conference to make available resources over and beyond development cooperation funds to address the serious environmental problems these countries face.

The EPSF is well known among the environmental community, as it is seen to have made important contributions in a number of areas. The DKK 1.8 billion EPSF expenditures and commitment is the single largest environmental funding source in the region. Its ambitious objectives, while fragmenting the programme, also mean that it has supported a very wide range of actors in their endeavours. National and local public agencies have seen their roles enhanced, their skills and organisational capacities improved. Civic organisations have been able to expand and improve their activities. Denmark has been key in strengthening the dialogue between the public sector and civil society. It has contributed to substantial awareness raising on a range of environmental issues throughout the region. And it has established a reputation as a serious, committed, competent and unbiased partner throughout the environmental field. Overall, the EPSF is therefore seen to have made a significant positive contribution to the environmental agenda in the region.

The key to these achievements has been the particularistic agenda of the EPSF – the singular attention to the environment. This is a field where externalities and public goods dimensions pre-dominate, so public funding is required. Environmental problems are complex, and in many areas increasing in severity, so they require long-term commitment in order to achieve results. The EPSF has so far been able to provide the required time and resources for long-term sustainable impact. These characteristics will continue to be critical for actually realising the potential that EPSF funding, in collaboration with the local partners, has begun creating.

EPSF as a “Flagship Programme” of Danish Aid

In many areas, the EPSF has funded innovative “best practice” projects that show better ways of addressing environmental problems. This covers national policy development, procedures, tools and approaches for enhancing relevance, sustainability and impact of environmental policies and programmes. Denmark has progressive policies in place on key issues (poverty reduction, gender equity, ethnicity, project and programme planning, implementation and monitoring). Where these have been applied well, they provide examples of how things can be done better. When adding up the “best practice” activities throughout the EPSF, it comes across as a “flagship programme” in terms of programming principles and achievements.

The unique feature of the EPSF, which permits such a characterisation, is that Denmark – for better or worse – has been directly involved in the development of EPSF activities from project up to country programme level. This has permitted the emergence of link-ages such as the ones from community-level activities in Laos up to national capacity building projects. It has allowed the structuring of a learning circuit within and between actors who need to interact a lot more than they have done till now. And this is the foundation for what this Evaluation claims forms the basis for this “flagship programme” of “best practice” approaches: the possibility, through a more consciously structured dialogue, analysis and dissemination process, to learn lessons and implement improvements in a more consistent and efficient manner.

Capacity Development is a High Pay-off Investment

The EPSF supported CDE at all levels – individual, organisational and institutional/ societal. As trust in Danida and credibility of its advice increases – and this is happening – EPSF-funded activities are having more and more impact at the higher levels of policy formulation and implementation models.

Institutional development – “changing the rules of the game” – means improving the framework conditions for decision making throughout society. This is the most effective and important contribution that donor assistance can make. Maintaining and strengthening attention to the possibilities for improving national framework conditions that ensure environmental sustainability is invaluable. Denmark should ensure that resources are available for this.

Key Danish Policy Concerns are being Addressed by EPSF

The *trend* within the EPSF programme is more emphasis on poverty reduction, somewhat more attention to gender issues, and promotion of principles of Good Governance through more open and transparent financial and information management, and sup-

port of decentralisation. The role of civil society and more participatory processes are aided, and overall dialogue between the public sector and other stakeholders promoted.

Regional Achievements

The *regional dimension* is undoubtedly the greatest disappointment compared with the original intentions set for the EPSF. While this Evaluation would like to have seen more cross-border *learning*, the EPSF had a much greater ambition: that there would be cross-border *action*. The evaluation of the EPSF in Southern Africa noted that there are good reasons why regional collaboration is difficult to achieve. The costs and benefits in a field where the public goods content is high and the time horizon long means that it is difficult to find stakeholders who are willing to invest the resources and political capital necessary to make such undertakings succeed. Cutting the EPSF regional programme is thus a realistic answer to an unrealistic expectation.

Strategic Intentions and Project Contributions

The TOR asks that the Evaluation assess the formulated strategic intentions of the EPSF programmes, and in light of these look at the selection and contribution of project activities.

The report has tried to answer these questions – how the EPSF funding, divided across countries, sectors and activities, has contributed to the objectives defined at project, sector/component, country programme, and overarching programmatic levels. Reflecting the complex nature of the EPSF programme and even more of environmental reality on the ground, these questions have therefore been addressed from a number of perspectives. The hope is that the answers are found reasonable, well-documented, proportional to their importance in the context, and concrete and operational enough that they can be of assistance when making future choices.

Recommendation

The Recommendation at the level of the overall EPSF programme is simply:

20. Continued environmental funding is critical

Continued long-term funding allocated to address environmental problems is critical to attaining sustainable impact on the environmental problems facing Southeast Asia today. Denmark should be commended for its efforts so far, and should be strongly encouraged to continue this support along the lines already underway, taking into consideration the observations made throughout this report, to ensure continued, predictable and reliable Danish funding and technical support.

Attachment 1: Overview of Projects Looked at

The Table below lists the projects that were assessed by this Evaluation, organized by country. The table shows in which annex the assessments of each project can be found, and whether the assessments were so-called “in depth” or not.

Table A.1: Overview of Projects Assessed, by Country, by Annex

Project/Activity Title	In-depth	Annex
Cambodia		
Coastal Zone Management, Phase 2 + 3	X	F
Concern: Village and User-managed Forestry		F
Global Witness: Forestry Monitoring		F
National Capacity Development Project		Q
Santi Sena Environmental Support		P
Lao PDR		
National Capacity Building Project		Q
Nam Et and Phou Loei Bio-diversity Conservation and Community Development		N
Nam Neun Integrated Watershed Management	X	N
Malaysia		
Capacity Building at Sabah Environmental Department		L
Capacity Building at Economic Planning Unit		Q
Capacity Building in energy at PTM (Malaysian Energy Centre)		M
Capacity Development at Department of Environment: noise, air, waste		Q
Strategy Development for Renewable Energy + Energy Efficiency		M
Endau Rompin Nature Training Centre	X	L
Integrated Coastal Zone Management, Penang	X	L
Krau National Park		L

continues next page

ATTACHMENT 1: OVERVIEW OF PROJECTS LOOKED AT

Project/Activity Title	In-depth	Annex
Kualiti Alam Hazardous Waste: Technical Assistance		M
Partnership Facility Kuala Lumpur: ENCO High Efficiency Boilers		M
Promotion of Cleaner Technology in Malaysian industry, SIRIM	X	M
Capacity Building at Sabah Wildlife Department	X	L
Sustainable Urban Development in Sarawak		M
Thailand		
Capacity Building for “Green” Taxation		K
Cleaner Technology at Department of Industrial Works	X	J
Energy Conservation Promotion Act – Implementation		J
Energy Efficiency Promotion for Industry and Buildings		J
Environmental Strengthening of Bangkok Metropolitan Authority	X	K
Khon Kaen phase II: Innovations in Urban Environmental Management	X	J
NGO-COD – Upland Management in Northern Thailand	X	I
River Spy – Environmental Education	X	P
Samut Prakarn Waste Water Project, Phase 1 + 2		J
Songkhla Lake Basin, Environmental Management		I
Sustainable Agriculture Development Project		I
Upper Nan Nature Management	X	I
TUCED-SLUSE University Cooperation (Aarhus University)		P
Urban Community Environmental Activities – CODI		J
Western Forest Complex, WEFCOM		I
Vietnam		
Capacity Building at Ministry of Planning and Investment		Q
Coastal Zone Management, Mangrove Forests		H

continues next page

ATTACHMENT 1: OVERVIEW OF PROJECTS LOOKED AT

Project/Activity Title	In-depth	Annex
Environmental Education in the Vietnamese School System		P
Hon Mun Coastal and Sea Protection	X	H
Thai Nguyen Province, Support to Environmental Management	X	H
Thanh Xuan Bac, Energy and Environmental Improvement with People's Participation		H
U Minh Thuong Nature Reserve		H
Regional		
Capacity Development of Forestry Seed Sector, CAM-LAO		F
RECOFTC Locally Based Sustainable Forestry Training		I
Training in Environmental Journalism		P
Tropical Ecosystems Research and Training (Aarhus University)		I

Attachment 2: Individual Project Summaries

In the attached Annexes, more detailed description and analysis is presented for all the 47 projects looked into. Below are thumb-nail sketches summarising the main components and findings, as background to the presentations given in the main report. The structure is the same as in the main report: the “green” sector projects by country, the “brown” and “grey” sector projects by sub-sector/component.

Thailand “Green” Projects

The **EmSong project** for the Songkhla Lake Basin in southern Thailand had as **Development Objective (D.O.)** long-term sustainability of the economic and ecological potential by integrating environmental concerns into its development and management activities. The **Intermediate Objective (I.O.)** was to set up a framework for integrated basin management followed by a number of immediate, component, demonstration and training objectives broadly relating to capacity development and improving environmental awareness.

Findings: The project, among other outputs, produced an integrated information system, a reoriented planning process, enhanced capacity in integrated environmental management, and 35 technical reports. The 2000 evaluation, however, noted the consultancy-driven and unrealistic planning, leading to consultants writing reports with limited impact. Some informants feel this conclusion is too harsh as a number of activities initiated are still in place. But it seems clear that EmSong suffered from being an early project that was hastily put together (a number of the assumptions were incorrect). Several processes initiated were good ones – establishing cross-cutting working groups, mobilizing other stakeholders, etc – but the project was a classic case of being supply-pushed rather than demand-driven. While some activities and outputs were **relevant**, **effectiveness** was low, probable **impact** and **sustainability** very poor.

The **Tropical Ecosystems project** funded activities primarily in Thailand and Malaysia. It ran from 1996 to 1999 but was not continued, also due to a critical evaluation in July 1999. The D.O. of the project was to develop methods for sustainable resource utilisation and management through practical field research in mangrove areas in the region.

Findings: The project served as a facilitator for a range of mainly biological research projects; organised workshops, training courses and dissemination activities; and produced a newsletter. This was an effective mechanism for networking between institutions and professionals but it terminated with the project. The project by-passed all formal national structures and mechanisms, funded research on a top down and *ad hoc* basis without key local institutions being involved in identification and prioritisation of activities. The project was a typical research project where the research itself is of high academic quality but its organisation is top-down, donor-dominated, conducted by single-disciplines and largely confined to narrow biological issues. Its **relevance** was limited, **impact** and **sustainability** low, and the **effectiveness** hence also quite poor.

Upper Nan has as its **D.O.** to improve the sustainable management of the forest resources by enhancing the capacities of government agencies and local communities to manage the catchment sustainably. Traditional (shifting) agriculture is seen as a threat to critical forest and watershed areas, so the project is to produce new methods and find-

ings suitable over a wider area. The project has successfully tested a system for conserving forests in conjunction with local people, and community organisations have been strengthened at village and watershed levels. Natural Resource Management Plans have been prepared in all villages. During the second phase, a problem-centred approach has been used where villagers are asked early on to identify their main natural resource problems, though villages are precluded from discussing land tenure and forest designation issues since the power to define these broad issues still rests with the RFD. The project was largely formulated and is now being implemented by the Watershed Management Division (WMD) of RFD.

The WEFCOM project supports enhanced conservation management of the Western Forest Complex, an ecosystem comprising 17 national parks and wildlife sanctuaries, two of which have been designated UNESCO World Heritage Sites. The total area is half the size of Denmark, and is managed by the Conservation Office of RFD, which has absolute authority and jurisdiction and exerts strict land use control. It sees human activity and population expansion within and bordering the area as threats to its conservation objective but follows a holistic and integrated approach to management that draws together branches of RFD and other groups. The area is lightly populated, with 20–40,000 people, largely ethnic minorities. The **D.O.** is to keep the overall ecosystem intact and healthy and the **I.O.** is to establish and implement comprehensive and integrated ecosystem management. No social or economic objectives are specified. The project aims to be a model for joint forest complex management, using an integrated ecosystem approach suitable for extension to other regions – it does not address livelihoods issues.

The NGO-COD project works with three community-based networks in six sub-watersheds in Northern Thailand but networks over a larger area. The **D.O.** is to sustain and improve people's quality of life through the sustainable utilisation, rehabilitation and protection of natural resources. This is to be achieved through (i) upgrading capacity of people's organisations; (ii) developing farming systems and income-earning opportunities; and (iii) promoting enabling policies for community-based natural resource management. NGO-COD has contributed to the development of more socially conscious national policies and legislation, has been successful in collecting and disseminating information on indigenous knowledge and practice in highland farming systems, and has produced a range of documents and videos covering subjects such as fire management, rotational agriculture, and "user benefits" of forests. Less progress has been made in improved farming systems and income-earning opportunities. The project is run by a Project Management Unit (PMU) of NGO-COD, with no Danish technical assistance.

The understanding of "sustainable development" is thus quite different. For RFD, the issue is the reproduction of eco-systems, where human activity is the threat and thus must be controlled or excluded. NGO-COD and others dispute this view, pointing instead to population pressures through growth and migration, land demarcation that creates artificial scarcity by excluding human activities from large forest areas and thus increasing the pressures on the remaining areas, etc. In reality forest conservation and enhanced livelihoods are unlikely to be fully compatible and compromises often have to be made. Conflicts have occurred where community forestry and protected forest boundaries overlap, in which case there is no legal support for the communities' case. But the key difference between the projects is thus whether it is human livelihoods or natural resources that is the focus. The proposed Community Forest Bill currently before Parliament highlights the differences in outlooks, where the NGO community

strongly supports the community-based management approach of the Bill while the RFD opposes it.

Findings: The two RFD projects are efficiently producing their outputs, though the high cost of Danish TA makes overall **efficiency** unclear. They seem **effective** in terms of reaching objectives, while NGO-COD is more difficult to assess due to its vaguer goal structure. The NGO-COD project is fully in line with Thai government policies laid out in the new constitution and the 9th National Plan (see Section 4.3), and thus is **more relevant** with regard to decentralisation, poverty reduction and community rights in NRM. The two RFD projects maintain a resource-conservation orientation, and are thus **less relevant**. It is too early to assess WEFKOM with respect to **impact** and **sustainability**, but NGO-COD seems better than Upper Nan along these dimensions due to better process management and stakeholder proximity.

An important dimension is that NGO-COD and Upper Nan are in their second phase, and a number of improvements have taken place in both. The planning was more participatory and open, and in Upper Nan more trust has been developed, leading WMD staff to having a more open attitude, no longer wearing uniforms and weapons, etc.

The Regional Community Forestry Training Centre (RECOFT) is to support community access and rights to forests, primarily through the provision of training. RECOFT's focus has been at field and community levels but recent statements emphasise institutional and policy issues. The core programme covers Cambodia, China, Indonesia, Nepal and Thailand. Danish assistance began in 1996, where a new phase is to support work in Thailand to develop a more strategic approach to community forestry and to promote knowledge, management and policies at multiple levels. RECOFT's vision of April 2001 is that "the livelihoods of local people will be improved through greater access and control over the forest resources on which they depend, and they will have the ability to exercise their rights to sustainably manage these resources in a supportive policy and institutional environment". This principle is in line with the Thai-Danish Third Country Programme, Thailand's 9th National Plan, and the Community Forestry Bill.

A Danced mid-term review described RECOFT as "well-managed and visionary with high quality courses and services". RECOFT is highly respected, and has status of a major international NGO. The courses offered are well-prepared and intensive, often conducted in conjunction with other international bodies and some linked to field work.

Findings: RECOFT is costly to run and generates only limited revenue of its own, so **efficiency** and **sustainability** are low. No evaluation exists of the **impact** of its activities. While individuals have been trained to a high level, after two decades of improved understanding and local success it appears that impact on the livelihoods of rural populations has been small, though this can hardly be attributed to RECOFT, which believes that new conservation priorities make life more difficult for forest dwellers than did the previous production orientation. Its Thai activities appear to become more **relevant** and hence should improve its **impact** over time.

The Sustainable Agricultural Development Project (SADP) in the Department of Agriculture (DOA) promotes sustainable farming using "participatory technology development" (PTD). This involves farmer groups, local organisations and government offices

to identify, test, improve and spread good farming practices using a farming systems approach, notably in pest and weed control. The project is to generate knowledge relating to sustainable agriculture suitable for widespread use at farm level. Overall the work is designed to encourage farmers to switch to low input and particularly organic agriculture, attracted by the incentives of lower production costs, reduced health hazards and raised soil fertility levels. Farmers are expected to become less reliant on external inputs particularly agri-chemicals and generally become more self-sufficient. A recent review (August 2001) concludes that the project is “very well managed and has full support from DOA.” The project has generally achieved the outputs specified and its planned activities are ahead of schedule.

The project is the only one assessed in the Thailand programme that is seriously analysing the financial incentives for beneficiaries to adapt new technologies introduced, a key concern as the target group is resource-poor farmers. To minimise risks that farmers are exposed to, it is important that such analyses are done before new technologies are promoted and disseminated.

Findings: The project is well-conceived and has introduced a long-overdue problem-centred farming systems approach. Project objectives correspond well with the national priorities of decentralisation, public participation and sustainable natural resource management, and in line with Danish environmental strategies, hence highly **relevant** as far as these aspects go. Given the project’s own objectives, implementation appears **effective**, and the potential **impact** is seen as high by DOA and others as it is trying to address key production issues for Thailand’s rural population, and thus to contribute systematically to poverty reduction.

Malaysia “Green” Projects

The Penang Integrated Coastal Zone Management (ICZM) project ran from 1996 till June 2000. It had as **D.O.** “contribute to creation of a sustainable economic and ecological potential in the CZ of Malaysia through building up a system for sustainable management”. It thus had capacity building as a key goal, and was process rather than results-oriented. It contained three components: a management system for the coastal zones in Penang; increase public awareness and participation in ICZM; and strengthened enforcement of CZ regulations. There was a national/federal component in addition to the three state ones in Sabah, Sarawak and Penang.

Implementation faced a series of problems. The basic concept of ICZM was new to local authorities; the inter-sectorial nature of the project crossed a number of administrative units generating uncertainties and conflicts; local actors were unfamiliar with process-oriented projects; the Danish TA was seen as not adjusting to local conditions. The process only began picking up towards the end of the project period, when actors had been given sufficient time to learn and appreciate the more participatory approaches. The complexity of ICZM and the specific situation in Penang also made it difficult to implement well.

Findings: Initial **efficiency** was seen as low, as the basic design was not well embedded in the local administration. This meant that initial **effectiveness** was also low, though both picked up towards the end of the project. While a full Strategy and Plan were prepared, they have never been passed, so the **impact** of the project in this field is limited. Interestingly enough it is more processes, working groups etc that have remained as the key results. But overall **sustainability** is quite low as a number of prerequisites for continu-

ous ICZM are still not in place, even though the **relevance** of the project was satisfactory, both in terms of overall objective, but also choice of approach.

The Nature Education and Research Centre (NERC) project at Endau Rompin in Johor State began in October 1996. It was a collaboration between Johor National Parks Corporation (JNPC) and the Malayan Nature Society (MNS) as consultant. The **D.O.** was “long-term conservation of the biodiversity ... through establishment of a functioning nature education and research centre.” The LFA matrix contained five **I.O.s** and 13 outputs, with verifiable indicators specified. The project was completed July 2001.

The original project contained a series of weaknesses: poor or no real commitment by several public institutions leading to underfunding, high rotation of staff (seven directors during the four years), poor involvement of local stakeholders. The mid-term review led to re-design, focus and new energy, so the project really was implemented during only the last two years. It then delivered on most outputs, establishing the learning centre, training staff, provided skills upgrading for local indigenous population, etc. At the end of the project period, activities have been continued, though sustainability is still unclear.

Findings: After the mid-term review, **efficiency and effectiveness** improved considerably. The project was **relevant** with respect to the National Biodiversity Policy, Forestry Policy and in general regarding conservation and sustainable management of natural resources. There is now strong ownership of the Park and its programmes at senior government levels as well as among project staff, but emphasis is on infrastructure and tourism rather than rational resource management. But both **resource and financial sustainability** is good due to the unusual feature of an NGO-led activity being taken over by the public sector (including NGO staff). Impact seems to be positive, and is definitely so for the local indigenous population, which has gained important skills and confidence through project activities.

Krau Wildlife Reserve project was run by the Department of Wildlife and National Parks (DWNP) with TA from a Danish consulting firm, and ran from August 1998 until January 2002. It contains an unusually rich bio-diversity that is under severe strain. This project was to provide coherent plans for and implementation of practical and sustainable nature protection. It followed a previous Danced project on Capacity Building and Strengthening of the Protected Areas System in Peninsular Malaysia. The **D.O.** was “improve biodiversity conservation and management through strengthening of a protected areas system.” Three **I.O.s** and 41 (!) outputs were specified.

A key assumption was that the local public institution would be in place to run the project. This in fact did not happen till about seven months before the project ended. While some local staff in Krau participated, most of the work was done by international consultants, who produced at least 79 of the nearly 100 technical reports written (most of the others were done by local consultants). The early part of the project was thus consultancy driven with lack of local ownership.

Findings: Outputs for management and strategic planning were produced, but the key areas of institutional capacity and human resource development were poorly covered. Overall **effectiveness** was fairly poor, and **impact** likewise, though the completion report claims that the Krau model of Protected Area Development (PAD) that finally emerged is now considered “best practice”: PAD is seen as a form of active management of an

area, rather than land protected against development. The project also provided the DWNP experience in working with local communities, though not all of these were satisfactory. **Sustainability** was unclear at the time of the Evaluation, and **relevance** linked primarily to the bio-diversity objective.

Sabah Wildlife Department (SWD) and Environmental Conservation Department (ECD) Capacity Development projects both followed on from the Sabah Biodiversity Conservation Project in the ECD (1995-98), also funded by Danced.

The **D.O.** of the SWD project is “sustainable management of Sabah’s wildlife resources” with the **I.O.** being “enhanced institutional and human resource capacity of the SWD and strengthened inter-departmental cooperation and commitment to manage Sabah’s biological resources”. This three-year project commenced in April 2000. Activities included two pilot activities of direct wildlife conservation implementation, working with local stakeholders, with focus on eco-tourism development where one area includes significant numbers of orang utangs.

The project itself is embedded in SWD’s Wildlife Conservation and Management Plan. Considerable training has been provided to central and district staff, tailoring courses to the needs of the districts and in line with the Plan. In 2002, a Wildlife Conservation Strategy was drafted and workshops organized to discuss it. Early 2001, SWD carried out a survey as a contribution to an EIA for a large-scale acacia plantation project. Using techniques introduced by the project, they could point to the existence of about 10% of the world’s known orang utang population in the area, leading to major changes to the design of the plantation.

Findings: The consulting firm providing TA has been **efficient**: the CTA has received good backstopping, personnel problems that arose were quickly resolved. The project builds on the previous Danced project, is thus well embedded in the Department with focus on organizational and institutional development and is thus **effective**. **Relevance** is high, as Sabah’s economy is moving from extractive to sustainable management of natural resources, and first-round **impact** appears positive: the project came at the right time for SWD’s development, and has received full support from management, has established good links to communities and NGOs. It is too early to gauge impact on wildlife resources, though the plantation EIA clearly has been very positive for the orang utang population. **Sustainability** is more hopeful as public funding to SWD is increasing in response to SWD being able to show its performance and relevance.

The ECD project began late 1999 and ended first half of 2003. Its **D.O.** was “sustainable environmental management in Sabah”, with the **I.O.** of enhanced institutional and human resource capacity of the ECD, strengthened inter-departmental co-operation and commitment in the implementation and administration of the Conservation of Environment Enactment. The project had activities in six areas: planning; environmental assessments; monitoring and evaluation; communication and awareness; environmental information system; and administration. As with the SWD, links and collaboration with other actors is key, and its awareness raising activities include a helpful web site. The ECD is a key actor for implementing environmental activities, and has seen its capacity improve in all six areas.

Findings: The project was seen as making excellent progress in delivering outputs in a flexible manner, thus considered both **efficient and effective**. As with the SWD, its

impact within the organization itself is seen as positive, though longer-term is not yet clear. **Relevance** is high given Sabah's increased focus on NRM, and **sustainability** is becoming more promising.

Cambodia "Green" Projects

The **Integrated Coastal Zone Management (ICZM) project** is the largest and oldest EPSF funded activity in Cambodia. It began in 1996, and is now in its third phase, where the **D.O.** is "sustainable development of the coastal zone of Cambodia including environmental protection and management of coastal resources for improved local livelihoods and national welfare". This phase continues an integrated approach to environmental and natural resources management, targeting strengthened capacity for environmental management at central, regional and district levels; increased awareness and education on natural resources and environmental management in the coastal areas; community based natural resources management; and improved and sustainable livelihoods for the population in the coastal areas.

The project is implemented by the Ministry of Environment (MoE). In its third phase it is to reach to district and community levels. Coordinating entities have been established at national, provincial and district levels, strengthening the relevance to coastal households' situation and in principle also opening up to more participatory processes.

Findings: The project has developed the technical skills of MoE staff at national and provincial levels, and has helped establish more broad-based decision-making bodies which over time are becoming more open and participatory. Many outputs have been produced, though **efficiency** is unclear. Activities at community level still have weak foundations, with the project seen as top-down, so **impact** at this level remains poor, while at ministry level it may be quite good. MoE staff receive salary supplements from the project, so **sustainability** is poor: once the project ends and the topping-up disappears, most staff will probably look for other projects to work on.

Stakeholders outside MoE do not feel they were consulted, and that foreign consultants had too strong a voice in the process. Other donor-funded CZM projects feel this project is a difficult and rather inflexible partner, relying too much on the consultants rather than on collaborative and participatory processes locally. Ownership thus seems weak, undermining possibilities for longer-term **impact and sustainability** of activities outside the MoE.

The **Community Forestry (CF) project** is carried out by the Irish NGO Concern, which has worked in this field in Cambodia since the mid-1990's. The project consists of field activities at provincial and community level, with two provinces targeted in phase 1 and a third province included in phase 2. The project further aids policy formulation at national level. Concern was active in coordinating civil society input to the drafting of the Community Forestry sub-decree. The project focuses on gaining experience with implementation of CF models, on building human and institutional capacity to develop CF activities, and on the policy development process.

Findings: The project is considered by this Evaluation to be highly **relevant** to the Cambodian government's and Denmark's objectives regarding capacity development, land-use planning at local levels, and natural resources management through decentralized governance mechanisms. The **effectiveness, impact and sustainability** are difficult to assess

as no external review has yet been carried out, but the project is considered good by other informants.

Regional Tree Seed Project: Availability of appropriate seed and lack of biological knowledge concerning their propagation are major constraints on the use of indigenous tree species for afforestation programmes. Danida is supporting a regional project covering Laos, Cambodia, and Vietnam due to the similar ecologies and species endowments, and in an attempt to promote sharing of resources in solving common problems.

The objectives of the regional project are provision of genetically suitable seed of priority species; and upgrading of institutional capacity of national tree seed sectors to enable them to better plan and implement national strategies. The project supports institutional development and strengthening (policies, legal framework, sector organization and networking); human resource development (technical and management training of staff at central, provincial, and local levels); technical support and national strategy development for conservation and use of genetic resources of priority indigenous species. This Evaluation looked at the Cambodia component.

The project has been reviewed twice, in March 2000 and October 2002. The 2000 review suggested, *inter alia*, that the *regional* aspects of the project should be strengthened through increased national responsibility for this, for example having the Chairmanship rotate annually among the countries. The 2002 review hints that national sub-project autonomy in a regional context remains an issue. The challenge is ensuring a balance between the different national parts, where Cambodia feels that they are being short-changed by the project head office in Hanoi.

Findings: The project receives strong support by the government and has made good progress. Staff have improved their skills and increased their interaction with colleagues in other countries. Eleven seed source locations have been identified and two of them secured under DFW or community management. The seed laboratory is functioning well, with qualified national staff. Danish TA has been **effective** both in terms of the technical and leadership skills of the local advisor, and in terms of the short-term visits from staff of the Danish Forest Seed Centre. But project **sustainability** is questionable due to the dependence on Danish funding for local staff. The regional value-added dimension is poor, with seemingly little spill-over effects.

Forest Monitoring: Control of illegal logging inside and outside of concession areas is a serious problem in Cambodia. With the support of the World Bank and others, a Forest Crime Monitoring Unit (FCMU) was established in August 1999. External monitoring and audits were considered key to validate that all crimes are being reported and that follow-up actions are taken. Danida is funding Global Witness (GW) as an independent monitor. GW's primary role has been to attempt to report on, and to push the FCMU to follow up on, illegal logging activity. This has been at times a frustrating exercise as there are groups clearly not interested in this task being done well. Responses to GW reports are slow, usually dismissive and sometimes confrontational.

Findings: This project is both important yet difficult to assess. The conditions for GW's work are poor since the FCMU is neither fully functional nor interested in having GW as a partner. Short-term effectiveness and impact is thus low against stated objectives. Yet the Evaluation would consider this a low-cost activity with potentially strategic value-added/**impact**, **high relevance** and hence fully worth the risk and costs despite poor

short-term results. While **sustainability** is obviously low, the potentially important impact (reducing large-scale illegal logging) means that external support is important. As long as national authorities are not willing to assume the funding since it is not in line with certain particular interests, it is important that risk-willing donors like Denmark are willing to.

Laos "Green" Sector

The **Nam Neun Integrated Watershed Management (IWM)** and the **Integrated Biodiversity Conservation and Community Development** in Nam Et and Phou Loei (NEPL) both address rural development. Danida supervises the Nam Neun project while IUCN implements the NEPL project (see Annex N). The projects are quite similar in structure, linking the management of natural resources (forest, wildlife, watershed) with community needs for development. Both emphasize provincial and district capacity building and development of inter-disciplinary, inter-department district development teams. Both promote community ownership by using participatory planning and implementation techniques and pilot new approaches: land allocation ensuring fair distribution, development opportunities for the poorest families, and crop rotation improvements.

The **Nam Neun** project began in July 2000, with a start-up workshop in September. This set the tone for inter-departmental teamwork and participatory, consensus-building style of review and decision-making. Primary stakeholders became engaged in the discussions and decisions, strengthening local ownership and commitment. Focus has been on local capacity building through in-service training, study tours, and vocational training courses on PRA, land use mapping and community development skills. A number of village activities were implemented in line with the capacity building and as part of the training, where Integrated Watershed Management (IWM) has been the overarching/synthesising theme/approach.

Findings: From the beginning, the style of advisory support has focused on *guiding* rather than leading project activities and decision-making. The process-intensive approach is highly appreciated and has strengthened local ownership and thus both **sustainability and impact**. The **relevance** is high in terms of the government's rural development priorities and its support for local participation and decision-making.

NEPL: In the mid-1990's, the Ministry of Agriculture and Forestry (MAF) and IUCN designated the Nam Et and Phou Loei mountain ranges as National Biodiversity Conservation Areas (NBCAs). IUCN submitted a 5-year project proposal to Danida based on the concept of Integrated Conservation and Development, and with Danida prodding, IUCN revised it, with implementation beginning June 2000. The project conducted village and wildlife surveys of the NBCAs, followed by community development planning exercises in eight target villages.

Findings: While IUCN has the responsibility for assisting the Lao counterparts with training and administration, its expertise is in the conservation field. The inception process did not contain an event where the parties could review the project and contribute to an inception report. The TA has focused more on producing outputs (being efficient) rather than training local partners to do it. The result is weaker local ownership, perhaps providing poorer **sustainability and impact**, though it is still too early to assess. The **relevance** of main activities remains high.

Vietnam “Green” Projects

This Evaluation looked at one “green” and two “blue” projects in Vietnam. The U Minh Thuong Nature Reserve project in the Mekong Delta was prepared by CARE Denmark. The Hon Mun Marine Protected Area Pilot Project was prepared by IUCN, while the Coastal Wetlands Protection and Development Project is a large World Bank-funded project where Danida is co-funding. All three are thus designed and implemented without direct Danida involvement.

The U Minh Thuong project was consultancy-designed and got off to a problematic start. A review early 2000 blamed poor planning, so CARE organised a new participatory process, ending in a workshop in June 2001 with key stakeholders. The result was more solid links downwards in the local communities and upwards in the political system. Through this process, the project as well as the participatory approach utilised became much better understood and more appreciated – participatory design was not really feasible at the time the project was initially put together.

The project is now producing important outputs and achieving key objectives. The change in the status of the area to a National Park is in part attributed to the project. Scientific information has been produced in collaboration with Can Tho University. New income generating activities, supported through a credit programme, is helping diversify and increase incomes. Tenureship rights have been clarified in the peasants’ favour, so a barrier to investments in land improvements has been reduced.

Findings: Integrating conservation and development in a complicated administrative situation (both core protected and buffer zone areas) and eco-system with complex issues has been difficult. Focus was initially on conservation and producing the detailed outputs in the LFA table. The project began implementation based on a three-year old design, in a situation where both the political and economic contexts had changed considerably.

The restructuring of the project means that **effectiveness** has improved, and the shift of focus to livelihoods issues has improved **relevance**. But EPSF funding is now being phased out much faster than expected and before **sustainability** has been assured, so **impact** is threatened.

The Hon Mun project is World Bank funded with Danish co-financing, and is considered a pilot Marine Protected Areas (MPA) activity. IUCN took the time required for participatory local community involvement in the design, and the socio-economic studies carried out are among the best seen by this Evaluation. Ownership and involvement was weaker in the public sector and research institutions, though this is now being addressed. The research institutions are important for policy development, resource assessments and alternative income activities (AIG), where AIG are crucial to the success and sustainability of the project. But while a number of new products are promoted, this is based on natural science insights without commercial viability is either known or investigated. The project has monitoring and evaluation (M&E) as an important dimension which had made it successful in linking NRM with developmental activities. The experiences so far are seen as quite unique and positive, are well documented, and important for national MPA decision makers as well as useful to many other projects.

Findings: The participatory approach used has been successful in the project area, but more training and orientation should be considered for public sector partners, since

there is still scepticism and lack of understanding of these methods. This would help strengthen the **sustainability** of the project, in part through greater use of participatory approaches in government institutions. The future of the AIG activities are of concern since the basic approach is solution-supply technology-driven rather than market-led income-relevant. The **relevance** is clearly high from an MPA perspective (and good AIG would make it very relevant for poor households as well), and the continuous M&E should enhance **effectiveness** and impact, though it is still early days.

The Coastal Wetlands project is co-financed with the World Bank. The Danish-funded TA was coming on-line as this Evaluation visited. One lesson was that Danida-funding, representing a “junior share”, became subject to World Bank procedures. This slowed procurement significantly. While this lowers administrative costs to Danida, it means that “flexible” Danish grant funds get tied up in “rigid” World Bank systems, so that the access costs for the Vietnamese become higher. On the other hand, by paying attention and participating actively, Danida has contributed to the design and increased the visibility of components Denmark believes are important, such as poverty reduction, sustainable mangrove management, etc. Given the size of the Wetlands project – the Danish contribution alone is DKK 84 mill, by far the largest EPSF project in Vietnam – this may turn out to be both **efficient** and **effective** in the long run – IF the project turns out well. In the short run, both dimensions have been quite poor. Other dimensions of project performance cannot yet be gauged.

“Brown” Sector Projects: Urban Environment Management

The Thai Nguyen project (Vietnam) is a provincial project supporting the national decentralisation policy. The **D.O.** is to improve provincial and national capacity for management of sustainable urban and industrial development. The five **I.O.s** can be summed up in two statements: a) improve the capacity of the Department of Science Technology and Environment to implement integrated cross-sector environmental management and long-term strategic urban planning and the capacity of other stakeholders at the national and provincial level in environmental management, and b) complete feasibility studies for further project components with a view to a second project phase. The project has been heavily consultant-driven – both international and national consultants from outside the province.

Findings: The immediate objectives have been **effectively** achieved. Concepts, policy and institutional capacity concerning management of urban and industrial sustainable development are in place. The project is in line with the Danish Environmental Assistance (DEA) priority and provincial policies. The province of Thai Nguyen has been reported to stand out in the quality of environmental reporting, a fact directly attributable to the project activities. In this somewhat narrow sense, the project has contributed to achieving the **D.O.**

But implementation has involved massive Danish TA and numerous local sub-contractors, the latter largely to produce the feasibility studies for additional future project components. Due to the high cost of TA and the fact that half of the additional components are not now planned to be implemented, **efficiency** of fund use is low. More importantly, local ownership seems poor, in part due to large-scale external TA, so **sustainability** is so far poor.

Due to Denmark cutting future EPSF funding, planned future activities are limited to capacity building in environmental monitoring and solid waste management in the

provincial capital. Hence, the primary environmental problem of the province, industrial pollution, will not be addressed as had been hoped, so the **relevance** of the project is questionable.

The Thanh Xuan Bac project (Vietnam) supports urban environmental improvements both at community and household level through popular mobilisation. The approach is in line with the principles of “Local Agenda 21”, but where in particular local women were not involved to begin with. Once the local population itself became fully engaged, the nature of the activities changed.

Findings: The most obvious effects are infrastructure improvements and the environmental awareness demonstrated by the population, where the participatory methods have been effective for the community to take better care of the local environment, so both **effectiveness** and **efficiency** are good. The **impact** on infrastructure is clear and positive but the **sustainability** is unclear, mainly because the project period is too short. Information dissemination needs to be reviewed as not everybody is reached and a significant dissemination at the household level has not yet been achieved. The project has now got much stronger involvement of women, which has been crucial for a number of activities, such as the introduction of the “improved kitchen”.

Innovative Urban Environmental Management, Khon Kaen (Thailand) was to strengthen the capacity of urban environmental planning and management at municipal level by launching innovative projects in Khon Kaen as a pilot city. “Innovative activities” refers to new technologies to address environmental problems such as a composting plans, a hospital waste incinerator, GIS and others that had not previously been in use at this level in Thailand.

Findings: The project was in line with both, Danish and Thai strategic intentions of decentralisation and local empowerment and it is therefore very **relevant**. Participation and ownership are concerns that were not successfully addressed. The approach was consultant and technology driven rather than needs-based. A high level of awareness has been achieved nonetheless. This points to **effectiveness** in obtaining this partial goal. Considerable capacity building also took place, which is the main **positive impact** of the project. On the other hand, mechanisms and strategies that would be required to replicate learning in other Thai provincial municipalities have not been developed. Thus, the contribution to the Development Objective is marginal. Likely **sustainability** has been found in some of the activities but not in others.

The **Transfer of technology** has faced numerous problems and has not met all the expectations of the municipality. This can be attributed to a largely consultant-driven approach with insufficient partner consultation and participation, and the lack of a realistic technology transfer strategy including a lack of in-depth problem analysis in the project design.

The Urban Community Environmental Activities project (CODI, Thailand) is to promote the development of community organizations and civil society in environmental management in urban (slum) areas throughout Thailand. The chief **I.O.** is to strengthen the capacity of low-income urban communities and community networks to plan, implement and sustain environmental projects and to share the experiences and learn from each other.

The programme covers all 75 provinces of the country and it links 1,500 community savings groups and more than 1,000 community networks. Several hundred activities are ongoing. In relation to the wide geographical coverage and the multitude of activities, Danish project expenditure are modest. It has pioneered a number of highly innovative approaches, one of them being that those communities who wish to participate in learning exchanges should first produce a “positive lesson” of their own. The idea is that all should have something to show as well as learn from, so that there is equity in the exchanges – an approach that has been very successful.

Findings: The programme is atypical as it operates without a Danish CTA and little Danish TA input. Also, its approach is directed at numerous dispersed and small activities. It directly benefits poorer sections of society in small but significant ways. **Efficiency** of Danish funding is high due to its leverage: several other donors and the Thai Government contribute substantially to the overall budget. Also, CODI, the host organization, reports that more than 90% of all funding goes into direct activity funding and less than ten percent to staff overhead. **Effectiveness** is considered excellent: the first project phase exceeded targets in terms of numbers of activities by almost 100% and the second phase is also well ahead of targets. The **impact** of activities is widely visible. In terms of the new Constitution, decentralization and other objectives of Thailand’s 8th National Economic and Social Development Plan, the programme is very **relevant**: it directly addresses the call for a more people-centred approach and participatory methods. At the same time, the project is relevant in terms of addressing Danish cross-cutting themes of poverty reduction, gender and local empowerment. **Sustainability** is likely to be high since the project focuses on building skills, confidence and empowerment, and many of the methods applied already seem to be working well.

One key dimension is that the project is largely led by women. This has been critical for the highly participatory approaches taken, the low-key approach of the organisation as such, and its willingness to focus on problems of concern to women.

The Bangkok Metropolitan Administration (BMA) Support project is a capacity building project that is to introduce environmental concerns into municipal planning. Over time, the project has developed into an important contributor to modernising BMA planning instruments and approaches in general. In relation to environmental issues that Bangkok is facing, the project is low-cost as it is largely limited to the costs of the Danish CTA. The project did not develop a specific capacity development plan but instead relied on being demand-driven in terms of the *areas* it was to focus on, and “learning by doing” as the method through which new skills and capacity was to be developed.

Findings: The project links to general objectives of promoting UEM but also makes powerful contributions to the cross-cutting issue of Good Governance/Democracy/ Human Rights through its promotion of transparency and accountability by making tools for and results of UEM available widely throughout the BMA and also to stakeholders outside the public sector through web-based publishing. Links to other UEM projects are weak, which is a shortcoming. Focusing on assisting partners to develop their own tools and instruments rather than providing solutions and reproducing externally-generated technical insights has proven very powerful: the project is supporting those forces in the BMA that want to introduce a more modern, public service-oriented future for the metropolis. The BMA project is thus a highly successful case of **capacity development** resulting in strong **ownership** at different levels. Finally, the BMA project

has addressed the problems caused by weak institutional memory and high staff rotation through relying on wide dissemination on CD-ROMs, decentralized training at district level of new users of the tools, and is planning to put both tools and key results on both BMA intranet and public-access web-sites.

Efficiency and Effectiveness are both good as the limited Danish TA has made substantial contributions to the overall planning methodologies and instruments of a 10-million person metropolis. To the extent that the approaches and tools developed by the project are fully taken on-board by the BMA and continuously used and developed, the **impact** of the project will be substantial. The project is highly **relevant** to many sectors within the BMA, to the political leadership, and to many local civic organisations and communities. What is less clear is how important the environmental issues are on the various groups' agendas. The **sustainability** of project achievements is the great question mark. There clearly is a strong constituency both in central units of the BMA, among some of the most important top civil servants, and also among political decision makers. But there are also reasons why important stakeholders may not like it: it makes information and decisions more transparent and hence decision makers more accountable and also reduces possibilities for selling information.

Sustainable Urban Development (SUD), Kuching, Sarawak/Malaysia was developed during a three-day participatory workshop in early 1997. Key problems were identified and priorities were set in how to solve the problems along with a number of different but complementary strategies. The workshop formulated **D.O.** as "Sustainable healthy cities and urban centres in Sarawak" and the **I.O.** as "EMS for Kuching developed and capable of receiving and handling monitoring data". Thus a broader Environmental Management System (EMS) line of thinking was favoured over a project to solve the specific problems identified.

Findings: The project is successfully producing all specified outputs, with **effectiveness** being high as quality is also outstanding. **Efficiency** is considered high in the area of awareness raising in view of the limited TA input compared to wide staff and stakeholder involvement. The project has high **relevance** at local Government and municipal levels. The EPU and Danced/Danida also consider the large quantity of learning material produced by the project as highly relevant. Institutional **impact** has been high as borne out by the fact that environmental legislation was successfully modified and passed by the State Parliament. In environmental terms, impact cannot be expected in the short term: emphasis was on system development and only a very limited number of Areas of Concern (AOC) were addressed. However, likely impact may be considered high as the EMS tool, once fully introduced and tested, will without doubt be effective, and is also expected to be **sustainable**. However, a sustained management system by itself is not very meaningful as sustainability must be assessed at the level of the AOC, and for this it is too early, but with continued high-level political support environmental improvements can be sustained.

"Brown" Sector Projects: Industrial Pollution (Prevention/Abatement) Projects

Samut Prakarn Wastewater Cost Recovery (Thailand) is the largest wastewater treatment facility in the most industrialized province in the country. The infrastructure project has World Bank funding, while Denmark is supporting the cost recovery component in two phases. The first focused on planning and development, while the second phase, contracted to a different Danish consultant, began implementation.

The **D.O.** is “the establishment of a comprehensive wastewater collection and treatment system in Samut Prakarn Province which is properly managed, operated and maintained and is supported by the establishment of a comprehensive and sustainable Cost recovery System based on the Polluter Pays Principle, and which is technically justified, feasible, and economically viable” (whew!!). The second phase of the project had a difficult start, because the key assumption regarding institutional arrangements was not fulfilled for political reasons. Many modifications to the project design were therefore required and a planned project extension was cut by half.

Findings: The Phase II Objectives, Assumptions and Outputs are clearly defined and operational. The project is well linked to national policies as well as the Thai-Danish Country Programme. The project progressed according to implementation plans, with the necessary adjustments well carried out, so **efficiency** is good. But while the project is **relevant** to Thailand’s National Environmental Policy and the Danish strategy, the **impact** of the project is uncertain. It may become considerable if the provided tools and recommendations on cost recovery, monitoring and management systems are followed. Till this is solved – dependent on political issues not originally foreseen – both **effectiveness** and **sustainability** are uncertain.

Cleaner Technology at the Department of Industrial Works (DIW, Thailand) aims at building capacity in support to the change process in DIW from a “command and control” approach to one of fostering prevention regarding industrial pollution. Within the project, a Cleaner Technology (CT) policy and an action plan were to be developed. Implementation began with two sectors (Dairy and Rubber), while four other sectors were included later. Selection of the sectors was based on the prospects to achieve early results. Lastly, through implementation of the action plan, awareness on CT was to be raised in target and other industries. The project ran from August 1998 till end 2002, with no plans for continuation beyond this. The **D.O.** was to develop, promote and implement CT within Thai industry to ensure an environmentally sound and sustainable development of the sector. The **I.O.** was to strengthen the institutional capacity enabling DIW to formulate and implement a CT Policy and Action Plan before 2001.

Findings: All defined outputs were produced, with considerably more personnel trained than initially planned, pointing to good **efficiency and effectiveness**. On the other hand, implementation of the Action Plan was only partial. The project was highly **relevant** to the change processes in DIW, but its **relevance** is doubtful with regard to heavily polluting industries since these were not included. **Impact** may therefore turn out to be marginal, but also because industry is sceptical since the CT technologies promoted do not make economic and financial sense to many of them. **Sustainability** in the limited sense that the concerned bureau within DIW has initiative and dedicated staff is good, but the longer-term perspective with industry cost-sharing and thus contributing to sustainability is bleak if the approach is not changed.

Cleaner Technology at SIRIM (Malaysia), the Malaysian Standards Institute, has received support in two phases from 1996 through 2002. The **D.O.** of the second phase was “A significant number of small and medium scale industries (SMIs) have reduced their environmental pollution load, improved their compliance with environmental regulations and their overall productivity.” The **I.O.** was identical, while five outputs with more than 35 activities were formulated to achieve the objectives. The institutional strategy was unclear. It was changed from SIRIM wanting to be a commercially success-

ful unit to playing the role of a national Cleaner Production (CP) Centre, ending up with trying to be both.

Findings: The outputs defined were produced to a large extent, although with considerable delays. The project carried out 50 audits, and based on these developed two demonstration projects. In view of the estimated 20,000 SMIs in Malaysia, these numbers are insignificant and their **relevance** is marginal. Data on industrial pollution are scarce and project baselines were not established. It is therefore not possible to measure impact at the sector and national level. Given the extent of activities and the lack of implementing interest in industry, no measurable **impact** may be expected. An appropriate legal framework is not in place to make CT an attractive option for industry. Depending on political decisions, the National Cleaner Production centre at SIRIM may be **sustainable**. Having a management and economic perspective on SMIs' concerns rather than the current technology focus would undoubtedly produce greater impact.

The Kualiti Alam Hazardous Waste Treatment Project (Malaysia) is part of the Danish support to the hazardous waste sector that included (i) support to a system for the collection, transportation and tracking of scheduled waste, (ii) building the capacity of the Department of Environment (DOE) to regulate and implement hazardous waste disposal legislation; and (iii) the assistance to Kualiti Alam (KA) with training of key staff. The **D.O.** was to provide safe and sufficient hazardous waste management to peninsular Malaysia, while the **I.O.** was to ensure that the start up, operation and maintenance of the KA waste treatment and disposal facility were performed efficiently and with as little impact on the environment as possible.

Findings: Danced chose to provide massive on-the-job training to KA staff by the secondment of key staff from a Danish hazardous waste treatment facility. This proved to be very **effective**. The treatment facility came into full-scale operation as planned and is operating today at almost full capacity, disposing of about 90,000 tons of hazardous waste per year. This makes for a **large-scale impact**, since previously there was no off-site hazardous waste treatment in Malaysia. The firm Kualiti Alam has got an exclusivity status for its operation for 15 years and therefore, there is no doubt about **sustainability**. Of its own accord, KA has obtained various international certifications for its operations. This assures that international standards are being maintained in terms of quality, safety and environmental management.

“Brown” Sector Projects: Energy Projects

Energy Efficiency projects (Thailand) cover efficiency, conservation and renewable energy. A project **Implementation of the Energy conservation Act (1996-2001)** aimed at introducing standard measures to reduce energy in industry and large buildings. This is a technical approach: electricity-based equipment is improved by design to be more efficient and such equipment replaces older equipment. Overall energy efficiency is thus improved without the need for energy audits. More than a dozen standard measures were successfully developed, but their widespread introduction lagged for a considerable time because government incentives were initially not in place. The follow-up project **Development of Energy Efficiency Promotion Strategy for Buildings and Industry (2001-03)** was to further promote standard measures but also other energy efficiency dissemination concepts. A programme approach was attempted by creating four sub-projects rather than one project with four components.

Findings: The two projects address similar issues within the same host organisation, where participation and ownership were much improved in the second project, with all stakeholders involved over a six-month period. This has apparently paid off: a new and well-designed incentive programme was launched by the Thai government in September 2002 and by late November a large number of implementation applications had already been received and approved, indicating a significant **impact**. The **relevance** of the Danish input is considerable, since the concept of standard measures had not been in use in Thailand before. **Efficiency** was low in the first project due to a lack of a clear strategy, and the long programming phase of the second project involving a full-time CTA was also not cost-efficient. However, in terms of participation and ownership and thus expected longer-term impact it was **effective**. **Sustainability** is largely a political question. The new technologies have the potential to be fully adopted by virtue of their cost-saving nature. On a country-wide scale, the potential impact is large. By 2006, a reduction in peak power demand of 250 MW is projected by the government, and if implemented on a full scale this could be several times more.

The Malaysian Energy Programme began with a stakeholder workshop in December 1998. The Ministry of Energy, Communication and Multimedia further requested Danish assistance to conduct LFA workshops for the development of national implementation strategies for Energy Efficiency and Renewable Energy (EE&RE). Results were also used as inputs for the 8th Malaysia Plan (2001-05), which was under preparation at that time. Danced's programme identification mission developed an implementation strategy and elaborated a project portfolio and it concluded with a highly successful stakeholder workshop that reached a broad consensus.

This set the stage for the implementation of specific projects. The first two projects contributed to policy formulation on EE&RE Strategies. Based on these, four projects were designed that are still ongoing: (i) Capacity Building at the Malaysian Energy Centre; (ii) CETREE, Centre for Education & Training within EE&RE; (iii) Demand Side Management Development at the Energy Commission; and (iv) the Low Energy Office Building. The projects address awareness-raising and training needs, capacity building, policy development and full-scale demonstration of building-related energy technologies.

Findings: The energy programme has been timely for inclusion in the 8th Malaysia Plan and hence, **relevance** as regards Malaysian priorities is unusually high. The programming process has been **participatory, efficient and effective**. Danish TA has been modest in comparison to the project volume generated and thus efficient. Problem analysis through participatory workshops has had fairly wide coverage, permitting effective project identification.

The magnitude of the **expected impact** is considerable. The target is to generate 5% of the nation's electricity requirements from RE sources, that is about 600 MW of capacity. The Demand Side Management project targets the avoidance of 3 million tons of CO₂ during the 8th Plan and a reduction in peak generating capacity of about 250 MW. The **awareness impact** is also expected to be considerable: more than 100 teachers will be able to teach competently about EE&RE and popular measures to raise public awareness include newsletters, demonstration kits, energy road-shows, seminars and conferences. **Sustainability** is not in doubt, thanks to the early and successful process of taking ownership by all involved stakeholders, though two issues exist. Renewable energy generators may today hook onto the national grid system only on the basis of goodwill from the national generating authority (TNB). A policy of "TNB must buy from private sector

generators” would provide a stronger incentives to potential investors in RE. Further, the prices for electricity in Malaysia are well below world market prices. This subsidy means that the full potential of EE technologies may not be realised since the costs of being inefficient remain low.

Partnership Facility project on Renewable Energy supports Thai and Malaysian firms that develop partnerships with Danish ones in the area of environmental technologies and services. The most successful so far is between Ansaldo Völund of Denmark and ENCO Systems of Malaysia for the manufacture of fuel efficient and low emission biomass boilers. Cooperation has resulted in ENCO being the market leader in Malaysia in high efficiency biomass boilers. ENCO is successfully marketing its boilers in Malaysia and beyond. The first boilers were used for process steam resulting in considerable savings for the operators when compared to using fuel oil. The first Biomass to Electricity scheme with a capacity of 10 MW was commissioned in late 2002. ENCO has the capacity to manufacture and commission the equivalent of about 30 MW of capacity per year.

Findings: ENCO has become the primary contributor towards Malaysia’s target in boosting renewable energy generating capacity. This is a direct consequence of Danced activities and hence, the technical assistance provided has been **effective**. ENCO expressed satisfaction with the match-making services but also stated the view that some consultant studies conducted would not have been necessary, so **efficiency** could have been better. ENCO would have preferred to receive some funding for its own research related to product improvement. The contribution to expected Green House Gas (GHG) reduction is **very efficient**, on the other hand: less than DKK 3 million of Danish funds will result in at least as many million tons of GHG reductions over the coming ten years. The **relevance** of the PF-project for ENCO and for Malaysia is high. It has put the firm among the leaders in the sector and its products are directly relevant in building up the renewable generating capacity in the country. **Impact** is beginning to show and it will increase with every unit sold. **Sustainability** appears to be assured by the sound products and good market position of ENCO.

These very positive results are fairly unique to the ENCO example, however – the other activities supported under this Facility cannot point to the same degree of success. An overall assessment cannot be made, however, as a number of the activities are still in their early phases.

“Grey” Sector Projects: Environmental Education and Awareness

River and Stream Investigation Project for Youths (“River Spy”) (Thailand) is an NGO-run project that trains teachers and students in secondary schools to investigate and evaluate the water in their local stream so as to be able to identify actions to improve its quality. Environmental Education (EE) is an important subject in the new National Education Reform (NER), which calls for teachers to use problem-solving activity-based teaching methods. The River Spy is providing teachers with a practical method of putting the new reform into practice, where few or no other models existed. The **D.O.** is to ensure improved environmental management of the River Ping by local communities, while the **I.O.** is to empower 46 schools in the area to evaluate local stream water quality and promote a responsible attitude and action towards river conservation in their respective communities. The River Spy concept and experiences have contributed substantially to a national and Danida-supported pilot project focusing on five EE topics. This is possibly a step towards integrating River Spy activities throughout

the country. River Spy has also spread to schools and organizations through their internet web page.

Findings: The project is highly **relevant** as it is fully in line with the NER, addresses a genuine problem in the River Ping area, and is action oriented. **Efficiency** seems high as one adviser has been able to train staff and develop materials used in an ever-increasing number of schools, and **effectiveness** in achieving the I.O. seems excellent. Environmental improvement **impact** is high in the project area, is spreading to other areas, and is based on a deeper understanding and appreciation of issues and linkages. **Sustainability** is improving as materials are included in the curriculum, more teachers and students are trained and continue to use the methods, and the basic systems and materials are low-cost and quite robust. It is being institutionalised at regional, ministry and even national levels through adaptation and inclusion.

Environmental Education (Vietnam) was originally developed and funded by UNDP. Danida is co-funding the second phase as of early 1999. A decree of 1996 mandates that EE be part of the curriculum in all schools at all levels. This has been critical for the implementation of the EE project and the full co-operation from a wide range of actors, including NGOs, provincial authorities, teacher training colleges and universities, school principals, teachers, and parents.

The D.O. is “to promote greater environmental protection in Vietnam through influencing values, attitudes and behaviour of school children towards the environment” with three I.O.s: (i) have the education system put into effect the EE and national implementation strategy for EE; (ii) implement the EE guidelines in all teacher training; and (iii) strengthen EE practices in schools through the curriculum, extra-curricular activities, and school/community links. The first phase involved national and provincial institutions in all project activities, and teacher training guidelines were developed for all three levels to provide the essential framework for future training in EE. A MTR in March-April 2002 found the overall project approach to be valid.

Findings: The project may be too ambitious with its national scope yet limited resources including teaching materials. Housing the project in the Experimental School rather than in a national institution seems also to be a limitation. But EE through the formal school system is highly **relevant**, though the **efficiency** and **effectiveness** may be low due to the institutional “home”, the inability to satisfy the information material needs and lack of a good and systematic feed-back mechanism on the materials produced. Impact is difficult to gauge because awareness raising is clearly taking place though it was not possible to ascertain how or if this translates into “values, attitudes and behaviour of school children”. **Sustainability** seems, interestingly enough, to be quite good as EE has such strong support from both the government and civic organizations and seems to be well integrated into activities such as teacher training.

Santi Sena NRM and EE (Cambodia) supports the Buddhist monk NGO Santi Sena’s ongoing community-level activities by training monks to conduct environmental awareness. This is done through the network of Buddhist temples and local primary schools. The project is based on the role of the Buddhist monks as authority figures in the community, as the project aims at influencing both adults and school children. The first phase was to systematically field-test the training materials such as coloured pictures appropriate for training semi-literate farmers. In addition, many obtained trees through the temple nursery to plant at home in return for a small donation. It is assumed partic-

Participants will explain basic concepts of conservation and tree planting to their families, and discuss the lesson with any children in their household who have attended sessions held by the monks in the primary schools.

Findings: Monks traditionally *instruct* – one-way communication – rather than use interactive training. The Evaluation confirmed that monks are largely conveyers of information: participants neither ask questions nor interact in any manner (Buddhist tradition even prohibits women from sitting near or looking directly at the monks), and the learning taking place seems limited. While **efficiency** in terms of number of people reached per dollar spent is very good, **effectiveness and impact** are uncertain but probably low since actual assimilation of the environmental messages seems low and change and action thus even poorer. The concept of using monks and the temple network remains a good idea, so this approach and the EE content are largely **relevant** to the Cambodian context, but the pedagogy needs to be changed. But teachers are not involved, so there is little if any **sustainability** in the monks' work through the schools.

Journalism training through the Indo-China Media Memorial Foundation was looked at in Vietnam, Cambodia and Thailand. The project is considered very successful. The participants from all three countries have learnt to become better investigative journalists regarding environmental matters, including how to write better articles. They have learnt about their rights, ethics, and the need and methods to be a watchdog for environmental protection. Regional exposure and cooperation has been very beneficial.

TUCED-SLUSE, the university cooperation between Kasetsart University in Bangkok and Aarhus University in Denmark, has resulted in a multi-disciplinary Master's degree course that uses modern action-research methods to investigate environmental problems in the field, and builds the teaching around these. The first course started in August 2002, with 43 students from a number of different professions. 30 of the students work in public agencies, and teaching is carried out in weekends and intensive study periods. The new study is popular with the students, and the organizers expect the results to make changes in the way students approach environmental issues in their work, based on a deeper understanding and experience with action research methods.

Both projects illustrate the need to focus on long-term investment in education and awareness raising, at a variety of levels, in order to influence environmental policy and action over time.

“Grey” Sector Projects: Capacity Development

The EPU project (Malaysia) was supported in two phases, from early 1996 through 1999. The **D.O.** for the second phase was “Initiate a process of integrating environmental considerations into the macro-economic development planning at Federal and State level through the improvements in the environmental information base and its presentation.” The Completion Report noted that the National Economic Recovery Plan (NERP) showed full commitment to take into consideration the environmental issues and utilise the instruments introduced by the project: Environmental Audits, Incremental Cost Framework, Contingent Valuation studies, economic instruments for environmental management, developing further and using Sustainable Development Indicators, etc., including at state level.

The project was strategically important and had a major impact by putting environmental issues more centrally on the planning agenda of the EPU. But the first phase was

consultancy driven, while the second phase allowed for more genuine local participation – though the Malaysians still used the consultants to produce “deliverables”.

Findings: **Efficiency** was questionable as too much consultancy inputs were used for producing outputs. But **effectiveness** was acceptable as the EPU both at organisational and political levels has taken on board the instruments and lessons learned from the project. Immediate **impact** was good as the project heightened the understanding of the importance, relevance and utilisation of key environmental issues and tools. But **sustainability** is unclear: while financially the EPU has the resources needed, the anchoring of the techniques within the public sector seems weak. The relevance of the project was good and in line with national policies and priorities, however.

The Department of Environment (DOE) project (Malaysia) ran for three years from June 1997. The **D.O.** was simply “Sustainable environmental management”, while the **I.O.** was “Increased capacity to manage the continuous process of responding to present and future needs and expectations of DOE performance at the HQ and State offices.” The project was to work in three areas: (i) upgrade staff skills at national and state levels; (ii) build an Environmental Quality Assurance system through strengthening guidelines and systems, and (iii) enhance environmental awareness. A key ambition was to support the creation of DOE’s training institution, EiMAS.

During the Inception phase, planning activities (brainstorming sessions, planning workshops, drafting of procedures manual) were used to clarify priorities and activities required. An MTR in May 1999 was complementary on this approach that ensured ownership. A flexible project structure: was pursued: while the results framework was respected, the work programme was developed every six months. Interagency cooperation with other ministries and departments and relations with the private sector have improved, and project activities have promoted the use of market-oriented and other economic instruments for environmental management.

Findings: **Efficiency** was good as focus was on “core tasks” in training and advisory services. **Effectiveness** was good as outputs were continuously updated though always linked to the **D.O.** and **I.O.**, so **relevance** remained high throughout. **Impact** was seen as good by DOE staff, and the establishment of EiMAS has now given environmental training an institutional home. The strengthened interagency cooperation strengthened impact of project activities. **Sustainability** seems high as most of the project activities were related to core tasks of DOE and EiMAS and have been incorporated into their “best practice” forms of work, and public funding seems assured as DOE staffing is expanding.

The Green Taxation project (Thailand) was requested by the FPO in 1999. The government wanted to move from command and control regulatory instruments to more market-based tools for achieving environmental objectives. The principle of “polluter pays” and user charges had already been introduced. The FPO was interested in establishing examples of well-conceived environmental taxes. While many donors were supporting various sector-based market mechanisms, they did not involve the MOF. Their links to macro-economic and fiscal policy frameworks were therefore poor. The **D.O.** was “strengthened environmental tax policy developed in Thailand”, with two **I.O.s:** strengthened capacity to design operational environmental taxes, and efficient procedures and well-functioning inter-ministerial institutional set-up for identifying, designing and facilitating the adoption of environmental taxes.

A twinning arrangement between the MOFs in Denmark and Thailand was established, but this did not turn out very well. While the Thais visited Denmark, the Danes never came to Thailand, so the understanding of what the other party needed and could offer was both superficial and asymmetric. The project did deliver on its specific outputs, and a fair amount of skills upgrading took place. But the cross-institutional mechanisms set up functioned poorly, and the FPO itself seemed unaware of “green tax” activities in other ministries so the *strategic* vision is weak.

Findings: This one-year project was **efficient** in delivering its consultancy-produced outputs, and they contributed directly to the objectives, so **effectiveness** was good. **Impact** is variable as FPO’s awareness of the utility of “green taxes” has improved but the skills are not sufficient to continue to develop a more environment-friendly tax regime in Thailand. **Relevance** is high, but it is unclear how far this approach will be taken. While internal **sustainability** is high, the external sustainability clearly depends on political will to move ahead in this area.

The Cambodia project is to assist six institutions strengthen their capacities: four line ministries that have responsibilities for key natural resources, the Ministry of Environment (MOE) in coordinating environmental activities, and the CDC, Council for Development of Cambodia in its key role in coordinating and screening both aid-based and private foreign investments in the natural resources fields. The **D.O.** is “Environmental and social concerns are integrated into natural resource and industrial sector planning and management in Cambodia” while the **I.O.** is “Developed capacity within key natural resource, environment and aid organisation in order to integrate environmental and related social concerns into policy, strategy, operational systems and procedures, and to create awareness at the political level and amongst the wider public”.

The project is to support capacity development at three levels: **skills upgrading** of staff; **institutional development** (policy and strategy formulation, organisational restructuring, inter-ministerial and intra-ministerial coordination and cooperation), and **enhanced environment and natural resources service delivery systems**. This latter area was addressed through establishing five inter-departmental task forces, each of the five ministries hosting one task force to give all ministries a stake in the project. Each task force is to carry out a new field project each year to generate primary data that will help strengthen the ministry’s database in that field. The field studies thus require clearance from top management, ensuring the political support required for the inter-ministerial collaboration that is crucial to the learning the project wishes to encourage.

Findings: The project is well-designed and innovative: it links key implementing ministries with the environmental agenda; the project is structured such that all parties have an identifiable stake; cross-departmental working and learning is generating positive lessons; it is leading to more sharing of data and information. The **efficiency** varies from one component (CDC) which is expensive, to the main body which seems quite efficient. The **effectiveness**, due to good design and delivery of outputs, seems good, but the **impact** is uncertain because the work of the task forces does not correspond to core responsibilities of the ministries. Institutionalising the State of the Environment Reports and shared environmental databases may change this. The **relevance** is high as far as the environmental field is concerned, but whether environmental problems are high on the government’s agenda is a different matter – this is presumably a second-order agenda compared with wider livelihoods problems in one of Asia’s poorest countries. **Sustainability** is poor due to high dependence on donors for funding operating costs.

The Laos project is to provide support to four institutions with joint task forces to promote joint learning. The D.O. is “Enhanced capacity for environmental planning and management in [the four institutions]” with four I.O.s, one for each of the institutions. The project was seen as a two-year pilot, to allow a slower participatory process for planning and inception, with full-scale implementation only foreseen for the second phase, which has now been cut.

In the agriculture sector, focus is on Integrated Watershed Management (IWM) involving the ministry, provinces, districts and communities. A pilot in Nam Tong and the natural resources projects (see Section 2.1.3) have provided positive lessons. In the industrial sector, innovative collaboration with key industries is providing “win-win” results in highly polluting industries based on a Cleaner Production (CP) approach. While the cross-ministerial working groups are less successful than in Cambodia, the tasks are clearly more part of core ministry responsibilities. A MTR was quite critical concerning outputs achieved and structure of the project. This Evaluation is considerably more positive, as ownership, development and use of tools and methods is improving due to the highly collaborative approach taken.

Findings: The **efficiency** of the project was low in the first period, but picked up. The training has produced outputs well beyond the planned ones due to overwhelming interest by local staff. **Effectiveness** has thus also been low to begin with, but acceptable and probably accelerating since the interest and understanding had been broadened and technical skills built. **Impact** will clearly be weakened by the project being abandoned – technical skills that have been imparted are too “shallow” to ensure long-term impact. **Sustainability** is thus very low, though **relevance** was considerably higher than in Cambodia.

The Vietnam project supports the Department of Science, Education and Environment (DSEE) in the Ministry of Planning and Investment (MPI). The D.O. is “Improved capacity of the MPI to secure sustainable management of natural resources and development of urban areas and industry in Vietnam”. The I.O. focuses on the DSEE: “The capacity of the DSEE is strengthened to enable DSEE to effectively fulfil its environmental mandate in Government”.

The project has upgraded MPI/DSEE staff skills, organizational capacity is better (new tools have been introduced and are used), inter-ministerial collaboration is better, and the approaches and roles have improved. DSEE staff are working more to support and guide rather than control and command. The decentralization underway has made DSEE focus more at province level. It is using a more genuine sector approach to environmental planning and thinking. An MTR notes that, “the project should develop ... *capacity development in environment* indicators, but ... very little progress ... has been achieved”. It is critical to very expensive training done in Denmark and the UK concentrated on a few individuals which thus does not address *institutional* development needs. It is positive to the cross-ministerial workshops as a much-needed forum for networking, but feels that little has been achieved in DSEE becoming a national centre. One reason is seen to be that the National Environment Agency was not involved in the project.

Findings: 60% of the budget to TA, training in Europe and limited use of local skills reflects an *approach* to capacity building that is not **efficient**. The relationship of outputs to I.O.s is limited – a design weakness. Implementation is better, but overall **effectiveness** has been limited, and longer-term **impact** so far limited. The **relevance** remains

acceptable as the project addresses key concerns, and which are becoming more relevant as the decentralization process pushes ahead. While staff turnover in MPI is low, the MTR's concern that so much of the capacity building is individual skills upgrading is important. Helping the DSEE build its institutional memory and identify external partners that can help reproduce and develop the required technical skills is important for sustainability.

Annex A: Terms of Reference

Evaluation of the Danish Environmental Assistance in Southern Asia

1. Background

At the Rio Conference on Environment and Development in 1992, new and additional funding was requested by the developing countries to address environmental problems. Accordingly, the Danish Parliament, in a resolution of December 1992 decided to allocate 0.5 per cent of the Danish GNP for environment and disaster relief assistance, as an add-on to the existing development assistance (ODA). The facility is now named the “Environment, Peace and Stability Facility” (EPSF).

In 1993, the Ministry of Environment and Energy (MEE) prepared a strategy for environmental activities in developing countries under the EPSF and the Danish Cooperation for Environment and Development (Danced) was established. Consistent with the recommendations of the Rio Conference, the overall objective of the strategy was to contribute to the restoration of the global environment. The strategy was directed towards two main issues: natural resource management and pollution prevention and control.

Danced’s initial efforts were directed toward two regions: Southeast Asia and Southern Africa. These two regions are also recipients of Danish development assistance through Danida. In 1996 it was decided that the part of the EPSF used for environmental assistance should be implemented in close cooperation between MEE and the Ministry of Foreign Affairs. In order to coordinate the efforts several studies and missions were carried out and in July 1996 a “Strategy for Danish Environmental Assistance to Developing Countries” was issued jointly by the two ministries. The strategy states that: “Environmental assistance is an integral part of Danish environment and development policy, and as such, should help promote Danish environment and development policy goals, as part of Danish foreign policy.

The strategy’s overall objective is to promote an increased effort to combat global environmental problems. More specifically the three objectives are: a) to ensure an environmentally sustainable utilisation of natural resources and the conservation of nature; b) to prevent and limit air and water pollution and soil degradation, and c) to promote sustainable use of energy. The environmental assistance should be planned from a regional perspective in order to facilitate holistic and coherent initiatives in the two regions.

On the basis of previous experience, the priorities of the partner countries, and the extent of Danish expertise in the individual areas, the following target areas were selected:

- Urban development and industrialisation
- Sustainable use of energy
- Agriculture
- Water resources
- Forest and wood resources

- Biological diversity
- Coastal zones

In 1997 a Regional Strategy for Danish Environmental Assistance in Southeast Asia was prepared. The strategy defines the objective of the Danish environmental assistance: To assist in establishing the preconditions for rapid financial and social development in the region on a basis that is environmentally sound from a global, regional and local point of view and also to ensure that cooperation is formed on the basis of an active dialogue with authorities, institutions and the private sector in the region. The programmes should concentrate on:

- Sustainable management of natural resources
- Sustainable development of towns and industry
- Sustainable use of energy

In 1997 Danida-missions to Laos and Cambodia were carried out in order to start the preparation of Environmental Support Programmes (ESP). The outcome of these missions was a “Memo of Understanding” (MOU) in May 1997. Programming missions were initiated based on the MOU and initial projects were planned and implemented. Due to political instability in Cambodia full-scale support were not possible during 1998 and 1999. Programming of the Cambodian ESP took place in the period 1999-2000 and the programme was presented to the Danida’s Board in May 2001. Programming of the ESP for Laos was carried out in 1998-2000 and presented to the Board in November 2000. A two-years programming period in Vietnam resulted in the approval of the EPS by the Board in June 2001.

The programming of ESP for all countries used a common approach. An adviser was posted within the national ministries of Planning and Development Cooperation and supported by short-term missions and consultants. The objective of using this methodology was to enable relevant stakeholders to participate in the process and to help ensure that Danish environmental assistance reflected national policies and strategies on the environment as much as possible. From 1998 allocation of funds between partner countries were established and in line with the procedures for bilateral assistance, 10 per cent of the county allocation was allocated to the embassies for local activities, according to Danida’s rules and regulations.

In 1994 Danced-missions to Thailand and Malaysia was carried out, in order to start the preparation of the first batch of EPSF-projects in the region. The first MOUs where signed in February 1994. Danish environmental assistance to both Thailand and Malaysia (Danced) has now entered into the third Country Programme period, 2002-06. These programmes where prepared from November 2000 to July 2001 and achieved formal commitment from Economic Planning Unit (EPU) (Malaysia) in May 2001, and from Department of Technical and Economic Co-operation (DTEC) (Thailand) in September 2001. The programmes where presented to the Danish Minister of Energy and Environment in mid-2001. Based on previous experience, and the expectation of a stable budget, both CPs aimed at a focused scope according to the overall EPSF strategy. The CP-format is different from the ESP in the sense that it provides more information on the national, strategic context of the environmental assistance and relies on a formalised management framework based on key national stakeholders for the annual agreement on the project pipeline.

The first Danced/Danida regional meeting was held in Thailand in June 2000 and a second meeting was held in Malaysia in May 2001. During these meetings common themes, lessons learned and programming of regional projects were discussed. Danced/Danida follow-up meetings in Copenhagen were conducted on a regular basis to inform on status of these projects and to identify and resolve common issues. On 27th November 2001 all Danced activities and staff were transferred to Danida following a reallocation of ministries portfolios by the new government.

It should be noted that Denmark has only been providing environmental assistance in Cambodia, Laos, Malaysia and Thailand while Vietnam is a “programme country” with all development instruments available for Danida.

The ESP in Laos is supervised by the Embassy in Hanoi with the support of an adviser in Department of International Cooperation. In Cambodia an adviser in the Council of International Cooperation is supporting the ESP under the supervision of the Embassy in Bangkok. An ESP Coordination Office is planned to be established in Phnom Penh in the near future. The coordinator will work under the supervision of the Embassy in Bangkok. The ESP in Vietnam is supervised by the Embassy in Hanoi with the support of an ESP adviser posted to Ministry of Planning and Investment. The supervision of environmental assistance to Thailand and Malaysia is anchored within the “Danced-offices” in the Embassies of Bangkok and Kuala Lumpur, headed by Environmental Counsellors. No coordinators/programme advisors are currently employed.

Based on Danida’s experiences with the sector programme support approach, the same approach is gradually being applied in the preparation of ESPs in accordance with Danida’s “Guidelines for Sector Programme Support (SPS) Annex 4”. Nevertheless, due to the special characteristics of EPSF it is not possible to apply the sector programme support approach in full. Thus, whereas the ESP contains the analysis of the general environmental problems, long-term priorities, and the choice of priority areas, the concrete and operational activities are described in project documents (Guidelines for SPS, Annex 5) and are accordingly finally approved as separate component/project activities. Thus the difference between Danida’s ESPs and Danced’s CPs is not as generic as it might have been.

Generally the projects are designed to combine assistance for general Capacity Development in Environment (CDE) and support for concrete environmental “pilot-” or “demonstration-” project activities. The fundamental concerns of Danish development assistance – poverty reduction and the crosscutting themes of gender concern and democracy and human rights – are also considered as an integrated part of the programme and project preparation.

Experiences with formalised regional environmental cooperation have showed that it is difficult to identify suitable projects due to a general reluctance by national governments to enter into regional projects. It is also the experience that formalised regional co-operation is best achieved if it is demand driven, for example concrete activities being based on dependencies in ecosystems, watershed management and specific initiatives related to international conventions and agreements – e.g. the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and its Disposal and the Stockholm Convention on Persistent Organic Pollutants (POP).. Less formal regional cooperation activities are in many cases an integral part of a specific project with the objective to promote information sharing, exchanges of lesson learned etc. Relevant regional institu-

tions such as Mekong River Commission and AIT form part of Danida's bilateral assistance (ODA). Also regional activities in the field of university co-operation, environmental disaster mitigation and environmental education and awareness have been supported under EPSF. Based on the professional networks of both international and local experts, regional outreach has been obtained by many individual projects. In this context it is also relevant that Thailand has a double role – being both a recipient and a donor country (mainly in the field of capacity building (professional training)).

2. Objectives

The objectives of the evaluation are to:

- Document the results achieved (and achievable) by the provision of separate EPSF-support to Southeast Asia.
- Assess the relevance of formulated strategic intentions, the choice of priority areas and related concrete project activities.
- Assess the connection between strategic intentions and project activities in the portfolio/pipeline.

In this context, strategic intentions are defined as the negotiated agreement that combines the Danish policy with priority issues at national and local level in the partner country, existing conditions for implementation (institutional set-up, donor co-ordination etc.) and concerns for and the understanding of environmental problems and needs.

3. Scope of Work

The evaluation shall provide an overview of the present activities and an assessment of the five evaluation criteria as related to the overall question of performance at the level of programming (Ref. Evaluation Guidelines, Chapter 4):

- The relevance of the ESP/CP and prioritised project activities (Are objectives in keeping with needs and priorities? Should the direction be changed? Should activities be continued or changed?).
- The efficiency of the ESP/CP and prioritised project activities (To what degree have the outputs achieved been delivered as agreed? Could it have been done better, more cheaply and more quickly?).
- The effectiveness of the ESP/CP and prioritised project activities (To what extent have agreed objectives been reached or are likely to be reached? Are the activities sufficient to realise agreed objectives as set out in the ESP and the project document?).
- The impact of the ESP/CP and prioritised project activities (What are the possible positive and negative effects?)

- The sustainability of the ESP/CP and prioritised project activities (To which extent does the possible positive impact justify the investments? Are the involved parties willing and able to keep facilities operational and continue on their own?).

The evaluation report should contain the lessons learned, state causes, and explain reasons for successes or failures and contribute to make the co-operation more relevant, effective, efficient, and sustainable.

The evaluation should result in the provision of recommendations where necessary for adjustments in terms of strategies, objectives, programming, institutional issues and implementation plans.

The evaluation should duly consider that many activities have just recently been initiated and that the EPSF is in an adjusting phase, with reduced budgets. Regarding these budgets reference is made to the “Redegørelse....., of 29. January 2002” mentioned under Para. 9: Reference Documents.

4. Issues

The evaluation shall be carried out in accordance with Danida’s “Evaluation Guidelines” published in February 1999, and the tasks of the Evaluation Team shall comprise but not necessarily be limited to the following:

Assessment of the programming process and the ESPs in the five countries:

- Assess the use and suitability of ESPs/CPs to implement EPSF-projects in relation to:
 - The application of Danida’s Sector Programme Support approach (in Vietnam);
 - The application of OECD’s CDE concept, and the inherent call for flexible management;
 - The appropriateness of the combined programme/project approach;
- Assess to what extent the programming process and the resulting ESPs (selection of projects etc.) and CPs (management framework) are coherent with and effective in operationalising the EPSF-strategies and coherent with:
 - The regional context/problems;
 - National priorities, environmental problems and opportunities;
 - Needs and priorities of local communities/stakeholders;
 - The fact that the environmental agenda is of a cross-cutting nature covering different sectors in terms of issues and institutions.
- Assess to what extent the programming process and the resulting ESPs (selection of projects etc.) are coherent with and effective in operationalising Danish policies in terms of:
 - The demand for simultaneous distinct identity and complementarity to activities initiated under the bilateral development assistance (ODA) in Vietnam;
 - The demand for a focussed and concentrated choice of project activities;
 - The demand for an integration of poverty reduction as a cross-cutting issue;

- Assess the sustainability, adaptability and flexibility of the ESPs /CPs and the programming process in terms of national ownership and opportunities for stakeholders to participate in the formulation and implementation of the programme;
- Assess the appropriateness of the interventions in relation to the absorptive capacity of the partner countries and institutions;
- Assess the quality of the on going monitoring and reporting of the ESPs/CPs.

Assessment of activities in the five countries:

- Assess the portfolio against the overall EPSF strategy with a view to an overall assessment of the likelihood of achieving the objectives of the strategy;
- Assess the implementation of the activities, in particular the adaptability to prevailing or changing circumstances such as the economic reform programmes and the administrative and political realities;
- Assess the extent to which the activities address poverty alleviation as well as the cross cutting issues, gender and democratisation /human rights.

In order to make these assessments the evaluation shall focus on the activities, which are sufficiently advanced to permit meaningful conclusive documentation of the processes that have taken place.

Assessment of regional activities:

- Assess to what extent the formulation and implementation of regional activities is coherent with:
 - Danish policies, including the strategies defining the EPSF;
 - The regional context/problems;
 - National priorities, including the national willingness to co-operate regionally on environmental issues and the national capacity to be engaged in regional activities; opportunities in terms of co-operating partners/anchor points for regional projects (regional institutions, networks etc.) and environmental problems that call for regional solutions.
- Assess to what extent the Danish assistance to regional institutions support national programmes.

5. Composition of the Evaluation Team

The Evaluation Team shall consist of the following members:

Economists – institutional/organisational specialists – environmental sector specialists and possibly a gender specialist.

The team should comprise at least one Danish-speaking resource person as substantial parts of the documentation is in Danish, and should include local consultants and interpreters in each of the five countries.

6. Timing

The evaluation is planned to take place from April to September. A detailed inception report shall be presented after the end of the desk study phase detailing methodology, the consultants' understanding of the key issues and a draft plan for the field work specifying the additional documentation required, the meetings to be held and the sample of activities/projects to be subject to detailed study during the field work. The inception report should include a description of the criteria used for the selection of the sample. The inception report should be discussed at a workshop in Copenhagen after which the final plan for the field work shall be worked out.

7. Methods of work

The evaluation shall comprise a desk study of documentation in Danida, interviews of involved staff in Denmark and field studies in Cambodia, Laos, Malaysia, Thailand and Vietnam. The primary users of the evaluation, i.e. S.ASEAN, Secretariat for the Environment, the Embassies and involved partner authorities should participate actively throughout the execution of the evaluation in frequent dialogues with the Evaluation Team and in workshops and/or seminars as deemed necessary.

8. Reporting

The Evaluation Team shall produce a draft report not later than six weeks after the conclusion of the field trips and a final report not later than three weeks after receiving the comments to the draft report.

A brief of the findings of the mission shall be presented to the authorities in the countries visited and to the Danish Embassies in Bangkok, Hanoi and Kuala Lumpur for discussions during the final stage of the team's stay.

9. Reference documents

- Evaluation Guidelines, Danida, February 1999. (on-line: www.evaluation.dk)
- Rigsrevisionens beretning 14/98 om miljøbistanden til Statsrevisorerne. (on-line: <http://www.ft.dk/BAGGRUND/statsrev/1498.htm>)
- Evaluation: Danida's Environmental Assistance in Southern Africa, Danida, December 2000. (on-line: www.evaluation.dk)
- Danish Strategy for Regional Environmental Assistance in Southeast Asia, November 1997. (on-line: <http://www.mst.dk/danced/03/03010000.htm>)
- Miljøbistand til Udviklingslandene: 1996-2000. (In Danish and English) (on-line: <http://www.mst.dk/danced-uk/05/05020000/05020000.htm>)

ANNEX A: TERMS OF REFERENCE

- Redegørelse for Regeringens Gennemgang af Danmarks Udviklings- og Miljøsamarbejde med Udviklingslandene, 29. januar 2002. (on-line: http://www.um.dk/upload/forside/Bistandsredeg_relse-240102-IT-version.doc)
- Malaysian-Danish Country Programme 2002-06, 2001. (available on-line)
- Thai-Danish Country Programme 2002-06, October 2001. (available on-line)
- Appendix 1 dated 14.2.2002 giving the status in Cambodia, Laos and Vietnam as per 15. November 2001. (enclosed with the tender dossier).

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