

Evaluation Summary

Biodiversity conservation and green growth in the Indo-Burma hotspot (HotSpots 2)

Countries: **Cambodia, Lao PDR, Myanmar**

Sector: **Biodiversity**

Evaluator: **Oréade-Bèche**

Date of the evaluation: **June 2025**

Key data on AFD's support

Projet numbers: AFD CZZ2255 and FFEM CZZ2303

Amount: €9.22 million

Disbursement rate: 100%

Signature of financing agreement: September 19, 2018

Completion date: June 2025

Total duration: 81 months



Context

This project was implemented by the **Wildlife Conservation Society (WCS)** from September 2018 as a continuation of Hotspot 1 project.

In **December 2024**, the French consulting firm **Oréade-Bèche** was awarded the contract for leading of the project final evaluation of Hotspot 2.

The key objectives of the evaluation relied on:

- (1) **Assessing the results of the project** against the following criteria "**relevance, internal and external coherence, efficiency, effectiveness, impact, and sustainability**", as well as additional **specific criteria required by FFEM** (added-value, exemplarity, innovation, replicability, visibility, learning capacity, responsiveness, flexibility), and
- (2) **Providing conclusions and recommendations** for the successful completion of the project activities and for a potential new phase of the project or new project.

Actors and operating method

This project was managed, implemented and coordinated by a Project management unit led by WCS.

AFD (French Development Agency), **FFEM** (French Global Environment Facility) and **WCS** were the **Funders**.

A **steering committee (SC)** set up by WCS was in charge of the monitoring, evaluation, and guidance of the project activities. The SC included representatives from AFD, WCS, national and provincial governmental authorities as well as project partners contributing to the implementation of the activities.

Objectives

Hotspot 2 aimed at both (1) **Conserving biodiversity and supporting poor populations** in the management of their natural resources and (2) **Influencing the practices of companies in the main sectors investing in the project landscapes**, including the **banking sector**.

Expected outputs

Five **main outputs** were expected from the project, namely:

- Result 1: **Improved integrated protected area management** at site level, and broader system-wide in management effectiveness achieved for **over 2.5 million hectares**.
- Result 2: **Established or expanded conservation enterprises** that are climate-smart, linked to conservation outcomes and deliver economic benefits for communities.
- Result 3: Future **investment scenarios that integrate climate, social, economic and environmental factors are generated** with private sector and government partners
- Result 4: **Banks and financial institutions integrate improved ESG safeguards** into investment strategies and portfolios
- Result 5: **A scalable model of sustainable, climate-smart green growth is established, disseminated, and available** for replication in forest resource use practices by forest-dependent community and government stakeholders in the Great Mekong Sub region.

Performance assessment

Relevance

The project was found to be highly relevant regarding the drivers of the deforestation, the content of the project activities, the actual needs of the main project stakeholders (including Governmental authorities, Protected Areas managers, conservation enterprises and sustainable livelihoods beneficiaries, local communities, large companies and the banking sector in Cambodia).

Coherence

In terms of external coherence, Hotspot 2 demonstrated a strong coherence with the national and international environmental strategies, thanks to the multi-stakeholders and multiscale program approach developed by WCS, which includes as much as possible all the stakeholders having an activity in the landscapes, and which allow to develop a set of complementary projects to each others.

In terms of internal coherence, the 5 components and 37 activities were assessed as being very coherent to each others, addressing the main causes of the biodiversity loss.

Effectiveness

Despite major challenges including the Covid 19 pandemic and the unstable political context in Myanmar), 78% of project activities were completed as initially planned.

Efficiency

The outcomes of the projects were achieved as efficiently or more efficiently than planned.

Impact

Achievements included improved biodiversity management over 2.5 million hectares, reduced deforestation rate (61% against reference), in the targeted landscapes, stabilization or increase of populations of at least 11 endangered species, creation or expansion of 7 conservation enterprises, improved economic performance in over 8 000 households, 9 Public-private partnerships developed and expanded, around 85 million USD leveraged from Private Sector investment in biodiversity, 8 Landscapes applying spatial planning and decision-support tools, Demonstrated improved Environmental, Social and Governance safeguards within the banking system of Cambodia, and USD 100 Million of leveraged green investment, communication regionally reached over 5 million people, promoting the project achievements.

Sustainability

Sustainability prospects are strong for some activities such as land use planning, ibis rice stakeholders, SRP farmers, REDD+ initiatives, but they are uncertain for others such as the ones that involve large companies, the banking sector and the management of protected areas. Hotspot 2 featured several impactful innovations whose any started over the previous phase of Hotspot (SMART Patrolling enhanced law enforcement in Protected Areas, Ibis Rice initiative connected biodiversity conservation with improved farmer livelihoods, REDD+ program introduced a village-specific, performance-based benefit sharing model, Development of ESG standards in Cambodia's banking sector, Dialogue with large companies on environmental practices).

Added value of FFEM's contribution

FFEM funding was critical, contributing nearly to half (48%) of the budget for Component 1 (landscape management), enabling to (i) Improve the management of Protected Areas, (ii) develop Land use planning and local ownership of resources, (iii) Contribute to the conservation of endangered species and to the reduction of deforestation, (iv) Strengthen national legal frameworks, such as new laws in Lao PDR on PAs and wetlands.

Conclusions and lessons learnt

There are many lessons learnt from this project which come mainly from its strengths. It is **possible to set up conservation initiatives** that can be financially self-sufficient such as:

- The REDD+ project of Seima in Cambodia
- The ecotourism companies in Cambodia
- The offsets program of large development projects such as dams, mines, oil, etc. in Cambodia and Laos

Besides, the business model of the IBIS Rice Company in Cambodia, is an interesting case : Established in 2017, this company built a new massive storage shed for increasing their activities in 2024 and IRCC has already attracted a first equity investment of \$1.75 million in 2023 and currently discuss a USD 6.5 million loan with the Cambodian Climate Facility Fund in order to expand its activities

Similar initiatives can be supported to become larger such as:

- Saffron coffee in Laos
- Ecotourism in Cambodia and Laos

Alternative livelihoods activities, respectful to the ecosystems operation and not demanding in terms of chemical fertilizations, can attract people and create a new economy because they generate appropriate revenues. This is the example of:

- Ibis rice farmers
- SRP farmers
- Buffalo rearing

Working at the same time at field and policy levels is highly relevant and can be replicated in many geographies to improve both field activities and the environment at the same time.

In a market economy, if there is not an enabling legal and financial framework (made up of environmental policies mobilizing the wide range of economic tools such as ecotax, standards, pollution credit, etc.) that encourages a transition from the mainstream model towards green business models, the likelihoods of engaging large companies in transition will be a great challenge.