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SECTOR REPORT

Contribution of the Projects monitored in 2008 to the EC Environmental Strategy

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1. Millennium Development Goals (MDG) in the field of Environment

Acronyms/Abbreviations

ACP	African, Caribbean and Pacific countries
USD	American Dollar
CAN	Andean Community
AWP	Annual Work Plan
ALA	Asia & Latin American countries
BCS	Background Conclusion Sheet
BTA	Biósfera Tawahka Asangni (Tawahka Asangni Biosphere Reserve)
CA	Central America
CIRAD	Centro de Cooperación Internacional en Investigación Agrícola para el Desarrollo (Agricultural Research Centre for International Development)
CRIC	Centro Regionale di Intervento per la Cooperazione
CDM	Clean Development Mechanism
CARDS	Community Assistance to Reconstruction, Development and Stabilisation
COAMA	Consolidación Amazónica (Consolidation of the Amazon Region)
CARDER	Corporación Autónoma Risaralda (Regional Autonomous Corporation of
CSP	Country Strategy Paper
DC	Developing Countries
DAC	Development Aid Committee
CRIS	EC Database (Common Relex Information System)
CEPAL	Economic Commission for Latin America and the Caribbean
AIDCO	EuropAid Cooperation Office
EC	European Commission
ECD	European Commission Delegation
EU	European Union
FTC	Financial and Technical Cooperation
ICD	financing instrument for development cooperation
FLEGT	Forest Law Enforcement, Governance and Trade
FSC	Forest Stewardship Council
COBODES	Forests conservation and sustainable development of buffer zones on Costa Rica's north Atlantic coast
GO	General Objective
GIS	Geographic Information System
GEF	Global Environment Facility
IIAP	Instituto de Investigaciones de la Amazonía Peruana (Peruvian Amazon Research Institute)
IPAM	Instituto de Pesquisa Ambiental da Amazônia (Amazon Institute of Environmental Studies)
IMAZON	Instituto do Homem e Meio Ambiente da Amazônia

IICA	Instituto Interamericano de Cooperación para la Agricultura (Inter-American Institute for Cooperation on Agriculture)
ISPN	Instituto Sociedade, População e Natureza
ITDG	Intermediate Technology Development Group
LA	Latin America
MEDA	Mediterranean Region
masl	meters above sea level
MDG	Millennium Development Goals
MR	Monitoring Report
MAE	Multilateral Agreements on the Environment
INCRA	National Institute for Colonization and Agrarian Reform
NNRR	Natural Resources
NGO	Non-Governmental Organisation
OVI	Objectively Verifiable Indicator
OE	Objetivo Específico
PTW	Peace and Third World
PA	Protected Area
RSP	Regional Strategy Paper
ROM	Results Oriented Monitoring
SMEs	Small and medium-sized enterprises
ISA	Socio environmental Institute
TACIS	Technical Aid to the Commonwealth of Independent States
ENRTP	Thematic Programme For Environment and Sustainable Management of Natural Resources including Energy
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
PNUD	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WWF	World Wide Fund for Nature

PART I :

SUMMARY

1.1. Brief presentation of the ROM and its implementation in Latin America

Harmonized "Results Oriented Monitoring" (ROM) of EC external cooperation was first implemented in the TACIS countries in 1993 and then was turned into a uniform monitoring system for ALA, MEDA, ACP and the Balkans in 2000. As of 2002, responsibility for coordination of the Monitoring System was decentralized between the different Geographical Units of AIDCO and the CARDS countries were incorporated.

In line with the Council's Recommendation (May 1999), ROM is essentially based on the assessment of project results and impact by means of qualitatively and quantitatively measurable variables.

External monitoring can best be described as providing a "photo" of the current status of a particular project: the periodic, external and independent review of a situation of intervention at a particular moment in time, according to a standardised methodology that is valid for every type of project. Thanks to these characteristics, external monitoring allows for comparisons to be made between projects from different sectors and countries and enables the identification of useful experiences of potential interest to other development activities. The main objective of the monitoring system is to ensure that projects are in line with stated objectives, suggesting possible modifications in order to improve their quality through the provision of timely, independent and properly focused information.

External monitoring is undertaken by a team of independent experts recruited by a Coordination Office that ensures links with the relevant services of the Commission and guarantees the quality control of reports. The results of monitoring missions are presented in a standard, concise report containing assessments of the situation at the time of the mission with regard to the standard parameters of relevance/quality of design, efficiency, effectiveness, impact prospects and potential sustainability.

The ROM system is being implemented in Latin America since the year 2000 (testing phase) and on a regular basis since 2001 when a total of 94 projects were monitored. Since then, an average of 200 projects has been monitored every year in the subcontinent. In 2008, the geographic scope of the monitoring covered the entire region, reaching a total of 207 projects. Six country reports were drafted. In 2006, the ex-post monitoring of some projects which were already administratively closed was undertaken for the first time (29 projects in 2008).

As the ROM started producing a large number of reports which could provide a significant amount of comparable information, it was agreed that it would have been a waste not to use this data for targeted analysis. Therefore, the information started being included according to geographically or thematically homogeneous projects groups for which it seemed useful to assess the overall performance, with a view to verifying the validity of the respective programming and management tools. Based on the experience accumulated over the 2002-2007 period, the Commission decided to systematize - as of 2008 and every year - the production of geographic and thematic summaries of the ROM.

As already mentioned in the previous section, the information provided in this report results from the analysis and summary of MRs from a sample of projects dealing with the Forestry/Environmental issue.

1.2. Objectives of the Report

This report is the result of an analysis and synthesis of the information resulting from the monitoring of a sample of projects under the EC "Forest" and "Environment" programmes in Latin America (LA) during the various missions that were carried out in 2008. This monitoring is part of the External Monitoring System (ROM) of the European Commission's (EC) Development Cooperation programmes.

This analysis and synthesis of Monitoring Reports (MR) on projects regarding forestry/environment allowed to:

- Retrieve homogeneous and up to date information on a sample of projects which is representative of the EC cooperation in the environmental sector;
- Develop comparable assessments according to the 5 standard parameters (Relevance/Quality of Design, Efficiency, Effectiveness, Impact and Sustainability), based on average performance and;
- Obtain overall assessments as regards:
  - The overall performance of EC cooperation in the environmental field in Latin America.
  - The factors having an impact on the outcome of each parameter, with a view to identifying recurring problems/opportunities;
  - The consistency between the monitored sample and the objectives of the Thematic Programmes and the reference Regional Strategy Paper (RSP).
  - The evolution of programmes and projects in the environmental sector through the study of results from re-monitored projects.
  - Potential and well-spent synergies between EC and other national/international projects and/or lines.
  - The lessons learned regarding the way of managing cooperation and the achievement of results.
  - The contributions of the sample's results as regards the overall objectives of cooperation

1.3. Results

The main sample used for the analysis that was carried out in this report consists of all projects monitored in Latin America throughout the year 2008 under **the "Forests" and "Environment" thematic lines**. The sample includes a total of 33 projects, 28 of which (85% of the sample) were granted funding under the "Forests" line and 5 of which (15% of the sample) under the "Environment" line. The total value of the EC investment in the sample amounts to 68.36 million euros, 58.06 (85%) of which under the "Forests" programme and 10.3 (15%) of which under the "Environment" programme. The "Forests" programme represents - both in terms of number of projects and financial aspect- 85% of the sample whereas the "Environment" programme represents 15% of it.

Characterization of the main sample:

Procedure: Most projects from the sample were granted funds through the call for tenders procedure. Only 3 projects (9%) received a direct grant.

Geographical coverage: Most projects (25 projects, i.e. 76%) are involved at the local level, i.e. within a certain area (ecosystem, protected area, watershed, ...) of the country. Only 6 projects (18%) cover several countries, all of them with border intervention areas, thus fostering a cross-border performance, which explains why there are no truly regional projects in the sample. At the country level, there is a remarkable predominant presence in Brazil, Peru and, to some extent, Ecuador. Half of the projects monitored are located in the Amazon Jungle.

Thematic coverage: Most forestry projects' actions and objectives cover many of the "Forests" Programme's strategic priorities at a time. In general, all the programme's strategic priorities are pretty well covered by the projects. Environmental projects are divided into (1) actions within the framework of the Convention on Biological Diversity and (2) actions within the framework of the fight against desertification. Almost all projects combine theirs forestry and environmental objectives with objectives focused on the fight against poverty. Usually, there is also a good balance between technical and social aspects.

Signatory counterparts: There is a fairly uniform distribution between the "local NGOs", "European NGOs" and "Others" categories - "Others" meaning research institutes, local authorities or international institutes. However, this data is not very revealing as to the institutional reality in the implementation of projects. Basically, projects are implemented by various partners, whether "contractual" (i.e. formally presented as partners in the project's description) or not, which explains why all kinds of structures are found on the field. It is also observed that a large majority of professionals in implementing teams are local ones.

Co-financing: Applicants usually seek to obtain the maximum financial assistance from the EC: 13 projects (41%) asked for a maximum of 80% and 12 projects (37%) a maximum ranging from 75 to 79%.

Duration: It is interesting to note that out of the 5 projects from the sample that were granted an extension of their implementation period, 4 were forestry projects located in Brazil.

Representativity: The sample is very representative of the activities under the "Forestry" programme in Latin America since it represents 70% of the funding granted to the "Forestry" programme in the region over the period 2000-2006. On the contrary, as far as the "Environment" programme is concerned, the sample only represents 19% of the funding dedicated to the programme in Latin America over the period 2000-2006, which makes the sample not so representative for such activities in the region.

Analysis on the results of the quality parameter assessment:

Overall quality: The overall assessment is quite positive since nearly 70% of the projects monitored and rated obtained a "very good" or a "Good" - and no "serious deficiencies" was identified – in the five quality parameters. However, with 31% of cases in which a "c" – i.e. "problems"- was given, there is still

room for improvement. The highest percentage of cases with "problems" is related to the “Relevance and Quality of Design” parameter, followed by the "Efficiency" parameter. The distribution of the "very well" score over the 5 parameters is fairly uniform, albeit with a greater representativity of the "Impact" parameter.

Relevance and Quality of Design: This parameter is the only one in which projects identified as having problems prevail: 2 projects of the sample obtained an "A = very good" (6%), 14 a "B = good" (42%) and 17 a "C = problems "(52%). However, most projects are reported to have a high or very high relevance. The most critical points in this regard are: (1) unrealistic and unfeasible designs for being overly ambitious and (2) the formulation of the logical framework, especially as regards the identification and definition of indicators (OVI).

Efficiency: Of the 33 projects, 2 received a "very good" score (6%), 17 a "good" score (52%), 14 were classified as having "problems" (42%) and no "serious deficiencies" score was registered. Efficiency turned out to be the parameter with the greatest number of “problems” scores after the relevance/quality of design parameter. In general, three categories of problems have been identified: (1) general delays in implementation, (2) serious problems as regards financial and administrative management, and (3) achievement of very heterogeneous results and generally inadequate as compared with what was expected, despite a good administrative management and an implementation of the activities planned. The causes and explanations identified for these efficiency problems are very diverse.

Effectiveness: Of the 33 projects of the sample, 3 projects were assessed as "very good" (9%), 22 as "good" (67%), 8 as having "problems" (24%) and none was said to have "serious deficiencies "(0%). Effectiveness problems are mostly related to a lack of compliance with the "coverage" of the beneficiary population that was originally planned (very ambitious, limited participation), very limited a partial achievement of the expected results, deficiencies in the quality of the results and/or services provided or a lack of proper preparation. It is worth noting that in many projects, a proper assessment of the effectiveness parameter is difficult due to the lack of OVIs at the project purpose level. In some cases there is also a lack of clarity in the formulation of the PP. These problems are directly related to deficiencies in the logical framework (Relevance and Quality of Design parameter).

Impact: As regards the impact prospects parameter, the scores are: 4 projects in the "very good" category (12%), 21 projects in the "good" category (64%), 8 projects identified as having "problems" (24%) and no project in the "serious deficiencies" category. It appears that the impact that a project’s potential impact largely depends on the compliance with the implementation of the activities planned, the appropriateness of the intervention strategies adopted and the level of acceptance and participation by the beneficiaries. Therefore, many of the problems encountered as regards impact are linked to deficiencies in the quality of design, efficiency and effectiveness parameters.

Sustainability: As far as the sustainability parameter is concerned, the detailed scoring is as follows: 2 projects in the "very good" category (6%), a large majority -i.e. 26 projects - in the "good" category (79%), 5 projects with "problems" (15%) and no project with "serious deficiencies. In general, both socio-cultural and environmental aspects are properly taken into account in the projects; there is a good level of appropriation by beneficiaries as well as an appropriate introduction of technology in most cases. The attention paid to gender equality varies significantly from one project to another; this issue is not considered as very relevant in many cases. In several projects, political support and interaction as

well as institutional capacity turn out to be critical factors in the challenge of ensuring sustainability. However, the most critical point is the financial/economic sustainability.

In addition to this, an analysis has been carried out on the mode and level of integration of Environmental issues in some other lines of cooperation, which are supposedly most adapted to the purpose – namely the "Financial and Technical Cooperation (FTC)" and "Economic Cooperation (EC)" lines from geographic cooperation and the "Support to NGOs (NGOs / PVD)" line from thematic cooperation.

Projects of the geographic cooperation:

The whole sample has a total number of 60 projects, 8 of which belong to the EC and 52 to the FTC. The EC financial assistance for the entire sample amounts to 589 million euros.

Main conclusions:

- Nearly half of the sample (27 projects) included, to a greater or lesser extent, the forestry/environmental issue in their support actions. Of these 27 projects, 13 can be classified as clearly environmental projects. 6 projects include a significant Forestry/environmental component in their logic of intervention and 8 projects seem to take into account environmental aspects for the implementation of their programmes.
- In order to illustrate the importance of the environmental sector in the sample in financial terms, the EC allocations have been added to the 27 projects: 100% for the 13 clearly environmental projects, 25% for the 6 projects in category 2, and 10% for the 8 projects in category 3. The calculation results in an amount of € 154 million for the environmental sector, which represents 26% of the EC financial commitment for the entire sample.
- There is a good variety in the environmental issues addressed by the 27 projects: sustainable management of natural resources, production and supply of renewable and sustainable energy, drinking water and sanitation, integration of environmental aspects into agricultural and industrial production as well as in urban and rural development, protection of biodiversity and natural disaster risk management and prevention. The themes are in line with the environmental priorities set out in the region and subregions RSP.

Projects of the "Support to NGOs" programme:

The whole sample includes 63 projects. The EC financial assistance amounts to 73 million euros. As compared with the interventions of the geographic cooperation programmes, the average budget per project is much more modest in this programme.

Main conclusions:

- 44% of the sample (28 projects) include, to a greater or lesser extent, the forestry/environmental issue in their support actions. Of these 28 projects, 6 can be classified as clearly environmental projects, 10 projects include a significant forestry/environmental component in their logic of intervention and 12 projects take into account environmental aspects (mostly organic farming) for the implementation of their programmes.

- In order to illustrate the importance of the environmental sector in the sample in financial terms, the EC allocations have been added to the 28 projects: 100% for the 6 clearly environmental projects, 25% for the 10 projects in category 2, and 10% for the 12 projects in category 3. The calculation results in an amount of 7 million euros for the environmental sector, i.e. nearly 10% of the EC financial commitment for the entire sample, which is a significantly lower percentage than for the FTC and EC programme.
- The variety of environmental issues addressed by the 28 projects is similar to the variety found in the projects of the geographic programme: sustainable management of natural resources, organic farming and certification/marketing of organic products, forestry development, water supply and sanitation, environmental protection, fight against desertification and mitigation of environmental impacts.

Some subjects for reflection, recommendations and lessons learned are already available in a very concise way in the last sections (10 and 11).

PART II :

BACKGROUND

2.1. Diagnosis of the environmental situation in the region

With a total area of approximately 21 million km² and a territory that spreads from Mexico -latitude 30º North- to Argentina and Chile - latitude 50º South - and from the sea level up to an altitude of 4000 masl in the Andean highlands and peaks of 6960 masl in Argentina (el Aconcagua), 6768 masl in Peru (el Huascarán) and 6267 masl in Ecuador (el Chimborazo), Latin America is a region well known for its huge diversity of ecosystems. Some of them are the world's most special and/or highly biodiverse ecological areas such as the Amazon Basin, the Andean Páramos, el Cerrado, el Pantanal, el Corredor del Chocó-Darién, the Gran Chaco, the Atlantic Coast Forest, etc. On the whole, Latin America covers 23% of the world's forest area, 46% of the total tropical forest area and 40% of biodiversity.

Besides forests and biodiversity, the region also has plenty of natural resources (NNRR) such as water resources, productive soil, coastal marine resources, minerals, and energy resources such as oil, coal and natural gas.

The current processes of environmental degradation that were initiated a long time ago and are mainly caused by high human pressure in the region on natural resources and on the environment in general are being largely discussed among specialists.

Since human activity is considered as the main cause for environmental degradation, it would be relevant to mention here some demographic trends and figures about the region (source: Statistical Yearbook for Latin America and the Caribbean, ECLAC, 2005): In 2005, Latin America had a total population of over 551 million people, and its population continues to grow. A growth rate of 1.6% had been recorded for the 1995-2000 period, of 1.5% for the 2000-2005 period and the estimated rate for the 2005-2010 period is 1.4%. Those growth rates lead to the following forecast: 590 million people in 2010, 627 million by 2015 and 661 million by 2020. It is also interesting to learn that the percentage of urban population also keeps growing: 70.6% in 1990, 75.8% in 2000 and 79.5% expected by 2010. Based on these figures, it seems obvious that human pressure on the environment, both in rural and in urban areas, will keep increasing in the near future.

In this regard, it is also worth noting that the Latin American region shows some of the deepest disparities as regards income and development levels in the world. Both ends of this gap have a major negative impact on the environment and generate concern about environmental and social sustainability in the region.

Based on this information, it is clear that natural resources and the environment in general will have to suffer increasing pressure. Undoubtedly, the environmental management as regards both the "green" and the "brown" agenda is going to - or should – gain importance over the coming decades.

Two main conclusions have been drawn from the analysis of the region's environmental changing state over the period 1972–2002 carried out by the United Nations Environment Programme (UNEP) and presented in the publication entitled "Environment outlook in Latin America and the Caribbean, 2003":

- Environmental degradation has been deepened over the last 30 years (1972-2002). This manifested itself in critical aspects such as loss of forests and biodiversity, water and land degradation urban pollution, the existing high level of vulnerability, and the consequences of all this on the local population's health.

  As regards biodiversity degradation, the available estimates indicate that there has been a decrease in the high rates of deforestation from the 70s. However, forest loss did not stop but only slowed down its pace. Meanwhile, there has been an increase in efforts to conserve biodiversity, as reflected by the increase of areas under preservation. However, the pressures linked to the change in land use - extending deforested and urbanized areas - are still causing the loss of habitats that are essential for the sustainability of biodiversity. This results in an increase of endangered species and ecosystems. Also, the effective preservation of formally protected areas is weak given the technical and financial constraints imposed by the local governments' fiscal fragility and budgetary options.

  When analyzing the situation of fresh water, soils, marine and coastal areas, urban areas and the upper atmosphere, it appears that there is an inadequate urban and industrial waste processing as well as soil, water and air pollution resulting from the use of agrochemicals, industrial activities and motorised transport. These problems have generated a crisis in many of the most industrialized and urbanized areas of the region - such as the megalopolises of Mexico City, São Paulo, Rio de Janeiro and Buenos Aires - or in areas where there has been a highly agrochemical agriculture for years. In countries with an average urbanization rate or with lower levels of industrialization, many elements of the "brown" agenda have not yet reached their lowest level.

- The second main finding is a positive one. There has been in the region an upward process of "internalization" of the environmental agenda during the period of the study (1972-2002), which results in the emergence and development of legal and institutional frameworks to address environmental issues, as well as of policies to counteract the main manifestations of decay. This generated an increase in the regulation of the State as well as in private sector and civil society participation, especially in the last two or three five-year periods.

  The return to democracy, after years of authoritarian regimes in many countries of the region, has been a positive factor leading to opportunities for action in the environmental field. Increased transparency and access to information as well as environmental degradation as such helped increase public awareness about the impact of current production and consumption patterns and a greater citizen participation in the search for solutions.

  Problems related to the preservation of forests and biodiversity have gained importance in the public's mind and in government policies, partly thanks to the support of international agencies and organizations specialised in this field. This has resulted in a higher number of actions aimed at the creation and maintenance of protected areas as well as at the control of trafficking in species.

  As for the pollution issue, it is growing as a result of the environmental impact of regional growth over the last decades. The public, politicians and civil or private organizations are more and more aware of issues such as water quality, solid waste and urban air pollution. Furthermore, levels of public concern about the impact of these issues on human health are also being increased. This is a highly mobilizing issue for civic action, especially in terms of coordination and predictability in public policy. The concept and implementation of integrated environmental policies start taking shape, not

only among themselves but also with other sectoral (health, education, infrastructure) and macroeconomic (trade, fiscal, monetary) policies.

MDG 7	Ensure environmental sustainability
Goal 7.A.	Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
Goal 7.B.	Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss
Indicators: 1. Proportion of land area covered by forest 2. CO_2 emissions, total, per capita and per dollar of the GDP 3. Consumption of ozone-depleting substances 4. Proportion of fish stocks within safe biological limits 5. Proportion of total water resources used 6. Proportion of terrestrial and marine areas protected 7. Proportion of species threatened with extinction	
Goal 7.C.	Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation
Indicators: 1. Proportion of population using an improved drinking water source 2. Proportion of population using an improved sanitation facility	
Goal 7.D.	Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
Indicators: 1. Proportion of urban population living in slums	

Frame 1. Millennium Development Goals (MDG) in the field of Environment
(Source: UNDP Webpage – MDG Monitoring)

Frame 1 summarizes for the MDG7 "Ensure environmental sustainability" the goals and their respective indicators. As for the situation in Latin America regarding the MDG7, the Global Monitoring Report on the Millennium Development Goals 2008 which is published by the World Bank on its website home page, mentions the following:

- Link between Environment and Health (7C/7D):

  In general, the region is well on track towards achieving the target (7C). However, Colombia, Guatemala, Honduras, Ecuador, El Salvador and Peru are facing health costs caused by environmental risks ranging from 2 to 3% of their gross domestic product. Such risks mainly include

restricted access to water and sanitation, resulting in poor hygiene which leads to waterborne diseases and air pollution.
The region has a high rate of urban electrification (98%), but more than 34% of the rural population lacks access to electricity and may depend on biomass fuels, which affect health by polluting the air in enclosed spaces.

- Deforestation and loss of biodiversity (7B)

  Deforestation, especially the one caused by the use of land for agricultural activities, is still very severe: between 1990 and 2005, the region lost about 7% of its forested coverage (an area of 47 000 km²). Brazil is the country that lost the largest forested area during this period (31 000 km²), being among the 10 biggest producers of CO2 in terms of emissions coming from the change in land use.

- Climate change (7B/7A)

  Adaptation to climate change in the field of agriculture is one of the region's main priorities. Countries affected by desertification processes could face serious losses in productivity. Protective infrastructure and micro-insurances are important to address the adverse effects of climate change. Honduras, for example, is one of the countries with the highest risk of flooding. Insurances based on climatic index - under experimental implementation in Mexico, Nicaragua and Peru - will be of great use to help farmers.
  The possibility of offering carbon credits in world markets in exchange for preserving forests would be of great benefit to many countries in the region.

- Environmental sustainability (7A)

  The region has the highest percentage of natural wealth per capita of all developing regions. Underground assets are a key part of that natural wealth. The countries that have mineral wealth - such as Bolivia, Ecuador and Venezuela - are not saving enough to offset resource depletion and environmental degradation.
  Water resources are abundant in most of the region. However, regional and seasonal shortages are a growing problem in Mexico and in northeastern Brazil and water pollution has generated serious problems of quality in areas of all countries.
  There are great opportunities to exploit renewable energy resources (electricity from solar, wind and hydraulic sources, geothermal energy, biofuels).

Based on this information, it can be concluded that progress towards the targets of MDG7 is very modest.
Finally, Latin America is one of the world regions that suffer the most from natural disasters, with greater risks in Central America and the Andean region. Earthquakes, landslides, volcanic eruptions and hurricanes are frequent in the area. Climate variability, which manifests itself in droughts, floods and strong winds, has been recently exacerbated by the recurrent "El Niño" phenomenon.

From the above information, it appears that the wealth of natural resources in the region constitutes a major factor in the development of a sustainable economy and in the creation of good living conditions for its entire population, both urban and rural. At the same time, the region faces serious environmental degradation processes, including multiple cases of unsustainable exploitation of these natural resources.

Therefore, increased investment in proper management of natural resources and environment in general becomes legitimate.

The major environmental issues requiring urgent and special attention are:

1. Land degradation and desertification.
2. Deforestation.
3. Loss of biodiversity.
4. Air pollution.
5. The aggravation of water stress.
6. Uncontrolled Urban sprawl.
7. Pollution and excessive exploitation of seas and coasts.
8. Vulnerability to extreme natural events.

2.2. EC Cooperation in the environmental field: political, legal and financial framework

2.2.1 "Forests" and "Environment" Programmes

In a context of heightened concern about the environmental state of Earth and of widespread recognition of the importance of a sustainable management of natural resources in the fight against poverty, the main tools for the EC development cooperation were - as of the nineties - supplemented by some especially "environmental" programmes. In concrete terms, this refers to the "Tropical Forests (and other forests of developing countries)" and "Environment in developing countries" programmes.

- **The "Tropical Forests (and other forests of developing countries)" Programme (1991–2006)**

  In 1991, further to the European Parliament's initiative, the "Tropical Forests" programme and its B7-6201 budget line were created with the aim of contributing to the preservation of tropical forests. The legal framework for financing development activities related to forests was created through the Regulation 3062/95 of the Council,.

  Upon completion of its term in 1999, it was replaced by Regulation 2494/2000 of the European Parliament and the Council (Official Journal L 288 of 15 November 2000). With the new Regulation, the previously called "Tropical forests" programme was extended to "Tropical forests (and other forests in developing countries)". The objective of the extended programme was defined as follows:

  > "*The Community shall provide financial assistance and appropriate expertise in order to promote the sustainable conservation and management of tropical forests and other forests in developing countries so that forests can meet the economic, social and environmental implications that are expected from them at a local, national and global level*."

The amount of the budget allocated for the implementation of Regulation 2494/2000 throughout its term (2000 to 2006) amounts to 249 million euros.

- **The "Environment in developing countries" programme (1992-2006)**

  The "Environment in developing countries" programme and its budget line B7-6200 were created in 1992 as a special tool to implement pilot actions and strategic studies with a view to contributing to the environmental component of sustainable development. During the 1992-1999 period, the Regulation 722/97 ensured the legal framework of financing activities in the environmental field within developing countries.

  As for the "Tropical Forests" programme, a new regulation entered into force in 2000 - the European Parliament and Council Regulation 2493/2000 (Official Journal L 288 of 15 November 2000) - for a period of 6 years. The new regulation intended to promote within developing countries the full integration of the environmental approach in their own development processes. To this end, the EC provided financial support and expertise to develop and promote the implementation of policies, strategies, tools and technologies aimed at achieving sustainable development. The budget allocated to the implementation of Regulation 2493/2000 for the period 2000 - 2006 amounted to 93 million euros.

In 2001, both B7-6201 (Forests) and B7-6200 (Environment) budget lines merged into a single budget line (B7-620), whose reference was changed to "21 02 05" in 2004. Despite the merger, the budget distribution remained unchanged as set out in their respective regulations: 249 million euros for the "Forests" programme and 93 million euros for the "Environment" programme.

In line with Regulations 2494/2000 and 2493/2000, the allocation of the financial resources available for the implementation of the programmes was performed according to (1) bi-annual programming documents providing the strategic guidelines and priorities for the interventions selected for funding and (2) annual action programmes developed on the basis of the biannual strategic documents.

As for the arrangements regarding the financial implementation, subsidies have been mainly granted through international calls for proposals of projects that can contribute to achieving the primary objectives of the corresponding programme. Besides the long - and partly random – process of allocation through international calls, there is also the direct allocation option. This method is used in case of interventions that are considered of great importance in order to achieve the programme's objectives. Usually, these interventions are managed and coordinated by international institutions having experience in this field. Another part of the available financial resources is implemented through the process of call for services contracts; some examples are (1) contracts for the "Environmental Mainstreaming (manual, helpdesk, training, ...)" of all programmes, projects and strategies for the EC development cooperation and (2) contracts for the evaluation of the respective ongoing interventions.

As regards the monitoring in 2008 and the sample of projects monitored, the EuropeAid/117490/C/G/Multi and EuropeAid/121998/C/G/Multi calls are particularly relevant. The two calls involve both the "Forests" as the "Environment" programme.

- **EuropeAid/117490/C/G/Multi Call** (issued in December 2003 and closed in March 2004)

  As regards the "Environment" programme, the proposed actions had to be support actions to the participation and implementation by developing countries of the Multilateral Agreements in the field of Environment (UNCCD, UNCBD, UNFCCC, and/or the various conventions and procedures related to chemicals) addressing the issue of capacity strengthening, promoting the role of civil society and/or pilot projects. Furthermore, within the framework of the World Summit on Sustainable Development in Johannesburg (2002) eligible actions included those aimed at (1) developing tools to promote patterns of sustainable consumption adapted to the needs and capacities of developing countries, (2) promoting the implementation of Principle 10 of Rio (access to information, public participation and access to justice in connection with the environment) and/or (3) supporting measures which facilitate the trade of products that are produced in a sustainable way in developing countries, taking into account the Doha Development Agenda. Duration of the proposed actions: 60 months maximum. Amount of the EC grant: no more than 80% of the total cost of the action and between 500,000 and 2,500,000 €.

  As for the "Forests" programme, the actions sought were those which pledged to contribute to the overall objective of sustainable conservation and management of forests in developing countries. Within this general framework, the proposed actions had to intervene in one or more of the following issues: (1) good governance of forests (illegal forest exploitation and underlying causes - FLEGT, forests ownership, sustainable management of forests), (2) climate change and forests in developing countries (Clean Development Mechanism (CDM), forests and adaptation to climate change) and/or (3) the value of forests in developing countries. Duration: 60 months maximum. Amount of the EC grant: no more than 80% of the total cost of the action and between € 1 000 000 and € 3 500 000.

- **EuropeAid/121998/C/G/Multi Call** (issued in August 2005 and closed in November of the same year)

  The actions proposed under the "Environment" programme had to match one or more of the following priorities: (1) Trade and Environment (help developing countries -especially by promoting training - seize the opportunities offered by environmentally friendly technologies and products in the global market - development and implementation of eco-labels, certification systems - and help these countries comply with EU legislation as regards environmental issues that impact their access to the EU market) and/or (2) Support to the participation of and implementation by developing countries of the MEAs on Biodiversity (UNCBD), Climate Change (UNFCCC) and/or Desertification (UNCCD).
  Duration: 60 months maximum.
  Amount of EC grant: no more than 80% of the total cost of the action and between € 500 000 and € 2 499 999.

  The priorities for the proposed actions under the "Forests" programme included: (1) Forests and Governance (2) small-scale and community forest enterprises, (3) Forests, wood and energy, (4)

Sustainable exploitation of forest biodiversity, and/or (5) Forests in strategies for economic planning and poverty reduction.
Two lots were identified in the "Forests" programme: Lot 1 for proposals requesting an EC contribution of € 1 000 000 to € 3 499 999 and Lot 2 for more modest proposals requesting EC contributions of € 250 000 to € 500 000. Participation in Lot 2 was limited to "local" NGOs registered in partner countries.
For both lots, the EC subsidy could not be more than 80% of the action's total cost and the action's foreseen duration of no more than 60 months.

2.2.2 The "Environment and sustainable management of natural resources, including energy" Programme (2007-2013)

For its new 2007-2013 programming period, the EC established a financing instrument for development cooperation (DCI) set up by Regulation 1905/2006. The DCI allows the Commission to manage some budget lines related to the implementation of some geographic and thematic programmes in the field of external relations. Among the thematic programmes, there is also a programme that addresses the Environmental issue, i.e. the "Environment and Sustainable Management of Natural Resources, including Energy" (ENRTP) programme. The programme has been granted a total budget of 804 million euros.

The main objective of ENRTP (Article 13 of DCI Regulation) is to integrate the environmental protection requirements in the development policy and other Community external policies, as well as to help promote the environmental policy and energy policies of the Community abroad, to the benefit of both the Community and the partner countries and regions.

During the first 4-year phase (2007-2010), the programme will address the following challenges -which are considered to significantly affect the lives of poor people-: quick degradation of essential ecosystems, climate change, lack of global environmental governance and inadequate security, and access to energy supply. The response strategy is based on the five following priorities:

1. Helping developing countries make some progress towards the integration of environmental sustainability (the neglected MDG7) in decision making, thus supporting the achievement of all Millennium Development Goals by strengthening capacities, promoting the involvement of civil society and developing innovative approaches;
2. Promoting the implementation of the initiatives and commitments undertaken by the EU at an international level (including those within the framework of the MAE) in the field of environment and sustainable management of natural resources, which includes resource efficiency and energy both at international or regional levels and between national borders;
3. Improving environmental integration and promoting coherence in community policies affecting third countries through methodological work and enhancement of practical expertise;
4. Promoting the EU environmental policies abroad by strengthening governance, negotiation and international environmental monitoring, contributing to the management of MAEs and

other processes, and promoting a consistent international political development through the three pillars of sustainable development; and

5. Promoting the EU energy policies abroad, and especially the sustainable energy options in partner countries and regions through the promotion of political development and use of innovative financing mechanisms.

The first call within the framework of the ENRTP (EuropeAid/126201/C/ACT/Multi) was issued in January 2008 and the resulting grant contracts were signed as of July of the same year. Therefore, the ENRTP and its first call are not relevant in the context of the analysis made on the 2008 monitoring reports and results.

2.2.3 The environmental issue in geographic cooperation with Latin America

Besides the above mentioned programmes, which are exclusively dedicated to forestry and environmental issues, there are other programmes within the community cooperation which include in their portfolio interventions which -completely or partially- contribute to environmental objectives. Also of note is the fact that this is an upward trend, driven by the EC cooperation's "Environmental Mainstreaming" policy. As a result, geographical lines are very important in this regard due to their bigger budgets. As for the thematic lines, it is the programme of support to NGOs that seems to contribute the most to the environmental agenda. A brief summary of the main aspects of the EC cooperation with Latin America will be provided below, including on the role assigned to the environmental sector in this field.

In general, the EU cooperation policy with Latin America -among other regions- is based on Article 177 of the Treaty establishing the EC, which provides that community policy in the field of development cooperation should foster the sustainable economic and social impulse of developing countries -and especially of the most disadvantaged ones-, the smooth and gradual integration of developing countries into the world economy as well as the fight against poverty in developing countries. Moreover, the policy responds to the overall objective of promoting and consolidating democracy and the Rule of Law as well as to the one of respecting fundamental human rights and freedoms.

The most recent policy priorities -and especially as regards Latin America- are defined in the Communication entitled "A strengthened action between the EU and LA" of 2005. The themes highlighted are: social cohesion, the fight against illegal drugs, migrations and the links with civil society.

As for the legal framework, Regulation 443/92 on financial and technical assistance as well as on economic cooperation with developing countries in Asia and Latin America (DC/ALA) was in force during the 1992-2006 period. As already mentioned, the EC created the financing instrument for development cooperation (DCI) under Regulation 1905/2006 for its new programming period (2007-2013); the DCI is made up of both thematic and geographical programmes.

In Latin America, cooperation takes place at 3 levels: (1) the region as a whole, (2) the 3 subregions of Central America (CA), Mercosur and the Andean Community (AC), and at a bilateral level with the 17 countries of the region. Within the framework of both regulations (443/92 and 1905/2006) and as of

2002, cooperation at each of these 3 levels is based on a strategic planning which is set in the Regional and Sub-Regional Strategy Papers (RSP) and Country Strategy Papers (CSP). These documents define the specific areas of development cooperation.

Regional Cooperation	**Subregional Cooperation**	**Bilateral Cooperation**
Latin America	Central America (CA)	Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panamá (6)
	Mercosur	Argentina, Brasíl, Paraguay, Uruguay (4)
	Andean Community of Nations (ACN)	Bolivia, Colombia, Ecuador, Perú (4)
		Chile, México, Venezuela (3)
Strategic Programming under Regulation 443/92		
RSP Latin America (2002-2006)	RSP CA (2002-2006), RSP Mercosur (2002-2006) y RSP ACN (2002-2006)	17 CSP (2002-2006)
Strategic Programming under Regulation 1905/2006		
RSP Latin America (2007-2013)	RSP CA (2007-2013), RSP Mercosur (2007-2013) y RSP ACN (2007-2013)	17 CSP (2007-2013)

Table 1. Organization of geographic cooperation with Latin America

In general, programming in the CSP and RSP adhere to some key principles: the consistency between cooperation and policies, the coordination of interventions, the complementarity with the other donors, the beneficiaries' approval, and the concentration of the sectors of intervention that must be limited. The areas of cooperation mainly include the social sector (education and health) and the support to institutional capacity/the rule of law, the support to trade and investment, the environment and the prevention of natural disasters, and the integrated rural development.

As regards the sector that interests us most in the current context -namely "Environment and natural disasters"- the analysis of the respective regional and subregional RSP indicates that:

- "Strengthening prevention, preparing for natural disasters and ensuring the rapid implementation of rehabilitation and reconstruction actions" is one of the 4 priorities in the 2002-2006 LA RSP. The action has been granted an indicative budget of 40 million euros, which represents approximately 20% of the overall budget for the 2002-2006 LA RSP. Moreover, the 2002-2006 LA RSP includes as additional action the "Support to the network of administrations

in charge of the sustainable management of energy". A budget of 10 to 20 million euros was planned for its achievement.

- In the 2007-2013 LA RSP, the EURO-SOLAR programme (24 million euros) (see frame 2) was launched; 32 million euros have been allocated for emergency actions in the event of natural disasters –especially in the Andean Community and Central America- and 5 million euros were provided to ensure the environmental sustainability of all programmes (having environment as crosscutting issue).
- The 2002-2006 AC RSP indicates a funding of 9.45 million euros for a programme of "prevention of natural disasters" (total budget = 29 million euros). On the contrary, for the 2007-2013 period, the environmental sector is the only one mentioned as a crosscutting issue, without any specific budget.

- The 2002-2006 Mercosur RSP also mentions the environmental sector as a crosscutting issue; however, for the 2007-2013 period, it includes a specific action for the protection of the environment, being one of the actions within the framework of its "Support to the extension of Mercosur and the implementation of the future EU-Mercosur partnership agreement" priority.
- Finally, as regards Central America, the 2002-2006 RSP granted 20 million euros (30% of its total budget) to a programme aimed at reducing vulnerability towards natural disasters and at improving the environment. In the 2007-2013 RSP, the environmental sector is the only one considered as a crosscutting issue.

It clearly appears that geographic cooperation with LA at (sub)regional levels and related to the environmental issue supports 3 main lines: natural disasters, sustainable energy and environmental mainstreaming. The topics covered in the 17 CSP are more diverse; however, a detailed presentation and discussion on the matter would go beyond the scope of this report.

It is worth mentioning that the "Sustainable Development with particular focus on the environment, climate change and energy" theme was one of the two key issues of the last (V) Latin America and Caribbean-European Union Summit held in Lima in May 2008. **The Lima Declaration**, adopted at the end of the Summit, includes an ambitious implementation agenda for sustainable development involving the promotion of bi-regional cooperation in the areas of climate change, energy and environmental sustainability, and proposing a large number of concrete actions. The final agreements of the Declaration regarding the implementation of the Agenda for Sustainable Development, state that:

- "We will strive to pursue the LAC-EU dialogue on environmental policy, in order to provide adequate follow up to the actions laid out in this Agenda, and to establish a timetable for its progressive fulfilment. LAC-EU will convene the dialogues envisaged and will coordinate the preparation of a progress report on their results, which will be submitted to the next Summits.

- Within our ongoing efforts to foster bi-regional environmental cooperation with a special focus on climate change, without prejudice to respective national policies, a joint EU-LA Environment programme called "EUrocLIMA" will be launched to the benefit of Latin American countries with the main objectives of knowledge sharing, fostering structured and regular dialogue at all levels and ensuring synergies and coordination of current and future actions in this field. We welcome

the studies underway in numerous countries of Latin America and the Caribbean into the economic impact of climate change, and the plans being drawn up by other countries of the region to carry out such studies. As part of the EUrocLima initiative, we will consider completed studies and provide support, upon request, to countries of the region that have not yet done so to undertake new studies in this area.

- At the same time, we are committed:
  - to start the implementation of the recently launched EU Global Climate Change Alliance targeting Least Developed Countries and Small Islands Developing States, to the benefit of CARIFORUM countries.

  - to ensure that all these initiatives are mutually supportive and that they take into account the need for energy transition as well as the complementarity of different energy sources."

PART III :

SAMPLE OF PROJECTS

3.1. Caracterization of the sample of projects under the "Forests" and "Environment" Programmes

The main sample for this analysis includes all the projects monitored in Latin America in 2008 under one of the EC thematic programmes in the environmental field. Section 5 gives a detailed overview of that sample. Besides, sections 6 and 7 provide an analysis based on the "Project Synopsis" documents - also products of the ROM – dealing with the form and level of integration of the Environmental issue in some other lines of cooperation, which are supposedly more adapted to the purpose. As regards geographic cooperation (section 6), those lines are "Financial and Technical Cooperation (FTC) - 19 09 01" and "Economic Cooperation (EC) - 19 09 02", and as far as thematic cooperation is concerned, it is the "Support to NGOs (NGOs / DC) - 21 02 03" line (section 7).

The sample of projects monitored in 2008 under the EC environmental programmes includes a total of 33 projects. Table 2 shows all 33 projects with their respective titles, numbers in the CRIS database, countries of intervention and financial contributions from the EC. Besides, the table is divided into two sections: one on the projects that were granted funding under the "Forests" programme (28 projects, i.e. 85% of the sample) and one on the ones under the "Environment" programme (5 projects, i.e.15% of the sample).

The whole sample represents a financial investment from the EC of 68.36 million euros; 58.06 (85%) comes from the "Forests" programme and 10.3 (15%) from the "Environment" one. Thus, the "Forests" programme is - both in terms of number of projects and in terms of financial aid - represented by 85% in the sample and the programme.

At the time of the monitoring visit, 30 projects (91%) were under implementation and 3 projects (9%) had completed their contract. For these 3 projects, an "ex-post" monitoring was carried out, using almost the same methodology as for ongoing projects, evaluating the same 5 quality parameters according to the criteria set out in the BCS format.
The 3 projects are:

1. The "*Sustainable Development of the Cuiabá-Santarem Economic Corridor in central Amazonia: reconciliation of the economic growth and large scale forestry conservation* - (2003/068-851)"project implemented in Brazil from September 2003 to September 2006. At the time of the monitoring, the project had already been completed since nearly two years.
2. The "*Preservation and participatory management of natural resources in the Teuco-Bermejito region within the framework of the Sustainable Development Plan* – (2003/063-645)" project in the Argentine Chaco. The project had duration of 45 months and was completed in June 2007, approximately one year before the 2008 monitoring.
3. The "*Forest conservation and sustainable development of buffer zones on Costa Rica's north Atlantic coast* (COBODES) – (1996/004-925)"project. This project ended in late November 2006, 4 ½ months after the foreseen date of completion and almost two years before the 2008 monitoring.

Project No.	Geographic Region	Title	EC Contribution (€)
"FORESTS" PROGRAMME			
2003/063-645	Argentina	Preservation and participatory management of natural resources in the Teuco-Bermejito region within the framework of the Sustainable Development Plan, Chaco, Argentina	1.175.013
2004/083-375	Bolivia	Sustainable management of forests in the Amazon area of Bolivia	3.025.656
2003/068-851	Brasíl	Sustainable Development of the Cuiabá-Santarem Economic Corridor in central Amazonia: reconciliation of the economic growth and large scale forestry conservation	1.497.295
2003/076-557		Proyecto Corredores Ecológicos	7.000.000
2004/081-415		Estableciendo consenso relativo al acceso a recursos naturales en la Amazonía Brasileña	3.325.944
2005/080-916		Harmonizing market services, certification and Codes of Conduct in the Brazilian Rainforest and the surroundings	2.526.797
2005/081-390		Overcoming the gap: strengthening of the administration of forestry land tenure and its market in the Brazilian Amazon	2.296.300
2005/081-658		Promotion of sustainable forestry management focused on the production and trading of wood in the State of Amazonas	1.412.053
2005/081-688		Sustainable use of forestry resources in Serra das Lontras – Una, Estado de Bahia, Brazíl: Organic cacao production for agrarian cooperatives	1.526.819
2005/114-422		Shared forestry governance in the Xingu River bassin	3.363.126
2005/114-622		Forests: ecological and social links between Brazilian forests through sustainable living conditions in productive landscapes	3.499.810
2005/081-407	Brasil, Perú, Ecuador	Integrated systems of participative management of forestry and agricultural for rural populations in the Amazon	2.043.879
2006/114-630	Chile	Wood, renewable energy for the conservation of native forests in southern Chile	3.429.497
2007/140-906		Comprehensive management of forestry and non-forestry resources forests for 17 communities Huilliches of southern Chile	1.139.000
2006/113-311	Colombia	Guaviare forestry project	1.139.998
2006/114-452		Strengthening local governance Fortalecimiento de la gobernabilidad local para la conservación de los bosques en la Amazonía de Colombia, y la construcción de programas transfronterizos con Brasil y Venezuela	3.494.100
2004/114-796	Colombia, Venezuela, Brasíl	Forests – FLEGT, Colombia	1.319.706
2005/101-864	Ecuador, Perú	Community and institutional network for the conservation of the Amazon Rainforest of the Ecuador-Perú border zone, based on the good governance and the participative management of forestry resources for the improvement of the population's living conditions	1.554.788
2005/081-261	Honduras	Project of sustainable co-management of the Tawahka Asangni	1.623.838

Project No.	Geographic Region	Title	EC Contribution (€)
		Biosphere Reserve and southern part of the Plátano River	
2006/114-114		Protection and sustainable management of forests and areas generating water in Western Honduras	1.140.942
2007/132-632	México	Diversification of agroferestry systems as a tool for the conservation of biodiversity in the region of the Lacandona Forest	446.355
2006/114-224	Nicaragua	Sustainable forestry management and trading of products for energy consumption in the municipalities of San Francisco Libre, San Rafael del Sur, Nagarote and La Paz Centro	378.053
2006/114-226		Conservation and sustainable management through community participation in the primary and secondary forest of "Cerro Alegre", Nicaragua	1.209.414
2005/081-362	Perú	Model for a sustainable community management of flood forests in the Andean Amazonia in Peru	2.427.261
2005/081-735		Strengthening of sustainable forest management in indigenous villages	1.835.755
2006/114-223		Sustainable development of the natural forests of castaña (*Bertholletia excelsa*) in the Amazonía de Madre de Dios, Peru	494.825
2006/114-670		Participation of native communities in the conservation and sustainable management of tropical forests in the Peruvian Amazon	2.168.594
2005/081-888	Perú, Ecuador	Binational Programme for the conservation and participative management of the tropical forests in the Chinchipe bassin, Peru-Ecuador	1.563.400
"ENVIRONMENT" PROGRAMME			
2003/062-355	Chile	Civil Agenda against poverty and desertification	845.071
1996/004-925	Costa Rica	Forest conservation and sustainable development of buffer zones on Costa Rica's north Atlantic coast – COBODES	4.00.000
2006/114-818	Ecuador	Biodiversity and sustainable development: strengthening of social actors and influencing public policies	531.824
2006/114-783	Ecuador, Perú	Regional integration for sustainable environmental management and desertification control in Ecuador and Peru	2.355.780
2005/114-780	Ecuador, Colombia, Perú	Lively Landscapes: conservation, regional integration and local development in the Cordillera Oriental, Ecuador and Peru	2.171.383

Table 2. Projects from the "Forests" and "Environment" programmes monitored in 2008.

67% of the projects from the sample had previously received a monitoring visit. For those ones, the monitoring in 2008 was a re-monitoring. In concrete terms, 4 projects received in 2008 their fourth monitoring visit, 11 their third one and 8 their second one.

- **Distribution of the sample per programme and procedure of subsidy allocation:**

As regards the three relevant thematic programmes (see section 4.1 and 4.2), we already mentioned that a large majority of projects (28) belongs to the "Forests" programme and only 5 projects to the "Environment" programme. The new "Environment and sustainable management of natural resources, including energy (ENRTP)" programme is not represented in the sample since the ENRTP has been recently established and the contracts resulting from its first call have only been completed as of July 2008.

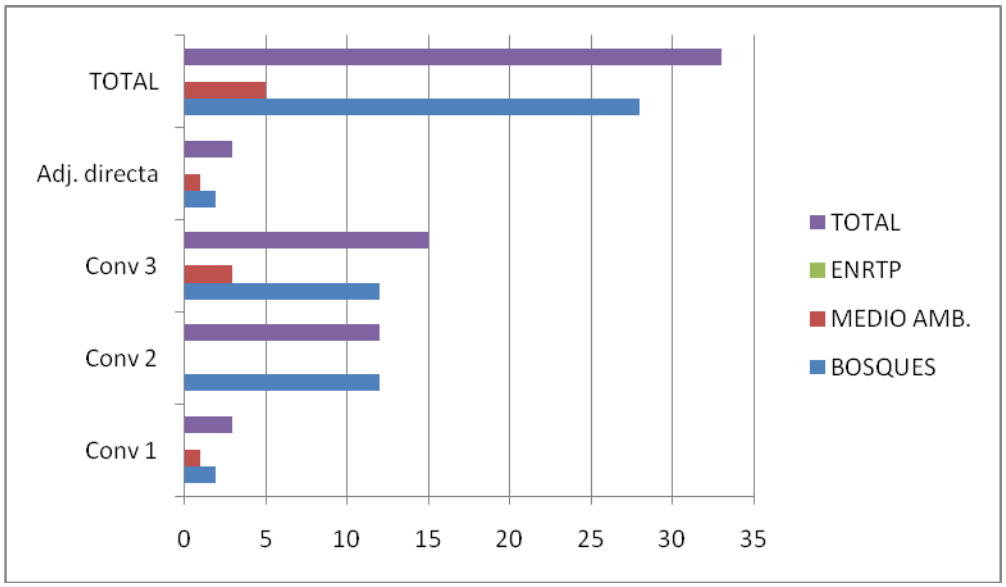

Figure 1. Distribution of the sample per programme and procedure of subsidy allocation

With regard to procedures, it is clear that a large majority of projects in the sample was granted funds through the call for tenders procedure. Only 3 projects (9%) received a direct grant. These projects are:

1. The "*Ecological Corridor* – (2003/076-557)" project. Within the framework of this project, the EC allocated € 7 000 000 to the Trust Fund for the Tropical Forest managed by the World Bank. ("Forests" programme)
2. The "*Forest conservation and sustainable development of buffer zones on Costa Rica's north Atlantic coast* (COBODES)– (1996/004-925)" project for which a financial contract was signed with the Ministry of Environment and Energy (National System of Conservation Areas) of Costa Rica for an amount of € 4 400 000. ("Environment" Programme)
3. The "*Strengthening local governance for the conservation of forests in the Amazon Region of Colombia and the building of cross-border programmes with Brasíl and Venezuela* – (2006/114-

452)"project. In this case, the EC contributed to the COAMA (Amazonian Consolidation) multi-donor programme with an amount of € 3 494 100. ("Forests" programme)

With an average contribution of 2.07 million euros per project in the sample, it can be observed that direct allocations of funds are significantly higher than those allocated by means of calls.

As far as the calls are concerned, there is - with respectively 12 and 15 projects - a nearly equal representation between EuropeAid/117490/C/G/Multi (2nd Call) and EuropeAid/121998/C/G/Multi (3rd Call). Only 3 projects were selected in the first SCRE/111699/C/G (1st Call) call that was organized within the framework of Regulations 2494/2000 and 2493/2000. Two of these projects have already been closed (ex-post monitoring); the third project (2003/062-355) started two years after the signing of its grant contract.

In the EuropeAid/121998/C/G/Multi (3rd Call) call, two lots standed out of the "Forests" programme: Lot 1 for proposals requesting an EC contribution raging from € 1 000 000 to € 3 499 999 and Lot 2 for more modest proposals asking for EC contributions between € 250 000 and € 500 000. Participation in lot 2 was limited to "local" NGOs registered in partner countries. Of the forestry projects selected in the call, 9 projects belong to lot 1 and 3 projects to lot 2.

- **Geographical coverage:**

Most of the monitored projects (25 projects, i.e. 76%) intervene at the local level, i.e. in a certain area (ecosystem, protected area, watershed) within the country. However, several of them also include components of minor importance considered as being "national", such as actions with a political impact, participation in national thematic networks or tables, etc.

There are only 2 projects with a national focus: "*Harmonizing marketing services, certification and Codes of Conduct in the Brazilian Jungle and surrounding areas* - (2005/080-916)" ("Forests" programme) and "Biodiversity and sustainable development: strengthening of social actors and influencing public policies - (2006/114-818)" which is implemented in Ecuador ("Environment" programme).

The sample contains 6 projects (18%) covering several countries. In all cases, the intervention areas are at the borders, which fosters a cross-border performance. Therefore, purely "regional projects" are not represented in the sample. So, they are not represented in the sample of truly regional projects. Half of the cross-border projects (3) are carried out within the framework of the Ecuador-Peru Binational Programme; the other projects are located respectively in the Rainforest (Brazil, Peru, Ecuador and Colombia, Venezuela, Brazil) and in the Eastern Andes (Colombia, Ecuador, Peru).

Figure 2 shows the geographical coverage of the 33 projects per country. With regard to cross-border projects, the diagram takes into account all the countries in which actions are being carried out. The predominant presence is quite obvious in Brazil and Peru, and to some extent also in Ecuador. The "Others" category (12%) includes the countries in which there is only one project: Mexico, Costa Rica, Argentina, Bolivia and Venezuela.

South America has a significantly larger representation as compared with Central America.

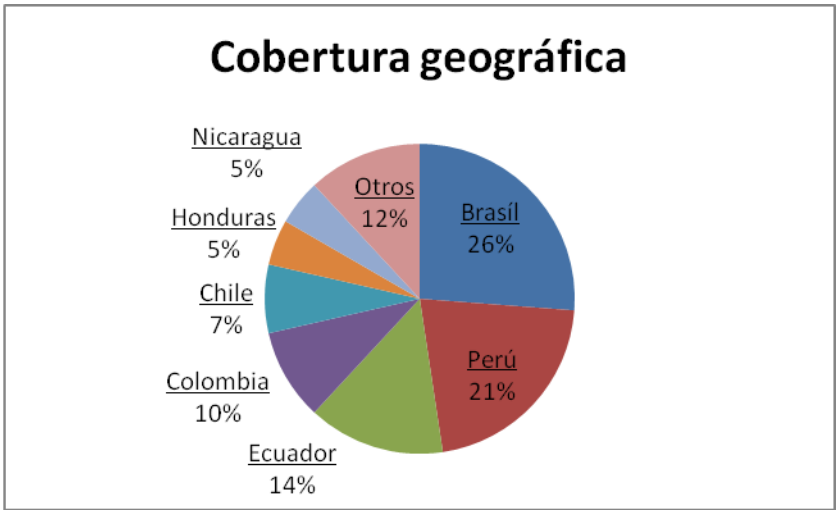

Figure 2. Geographical coverage per Country

Finally, it is worth highlighting that half of the projects (17 projects, 51%) are located in the Rainforest. Some of the other areas represented in the sample include the Lacandona tropical forest in Mexico, the Cerro Alegre PA in Nicaragua, Chaco in Argentina, the Andean Cordillera Real, the Cerrado area and the Atlantic Forest in Brazil, the Tawahka Asangni biosphere reserves and the Platano River in Honduras, the Tortuguero Conservation Area in Costa Rica, ...

- **Thematic coverage:**

The 33 projects are spread over the DAC (sub)sectors as follows:

Forestry sector (312): 13 projects (39%)
- Forestry sector (31200): 3 projects
- Forestry policy and administrative management (31210): 2 projects
- Forestry development (31220): 6 projects
- Producción combustible de leña (31261): 1 project
- Servicios forestales (31291): 1 proyecto

Environmental sectors (410 y 88080): 20 projects (61%)

- Environmental protection (41000): 5 projects
- Environmental policy and administrative management (41010): 6 projects
- Biodiversity (41030): 7 projects
- Environment (88080): 2 projects

Although 85% of the projects are part of the "Forests" programme, their distribution among the DAC sectors shows that more than half of the sample (61%) has an environmental focus.

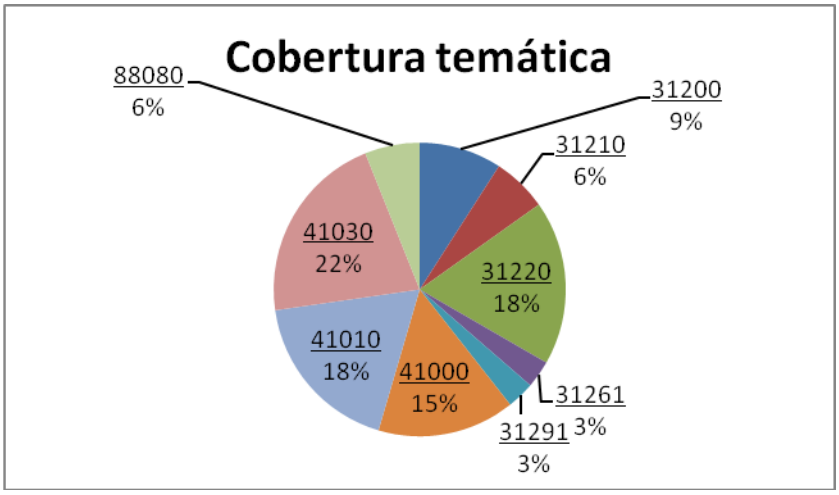

Figure 3. Thematic Coverage per sector/DAC Code

When analyzing the issues addressed by the projects according to the strategic priorities of the "Forests" and "Environment" programmes (see section 4.1), it appears that a large majority of forestry projects cover with their objectives and actions many of the priorities at the same time. Also, although there is no project in the sample addressing the "Climate Change and Forests" (priority 2 in the EuropeAid/117490/C/G/Multi call) issue, the “Forests” programme’s priorities are pretty well covered.

Environmental projects are divided into (1) actions within the framework of the Convention on Biological Diversity ((“COBODES - 1996/004-925” in the Tortuguero Conservation Area in Costa Rica, “Biodiversity and sustainable development - 2006/114-818” in Ecuador and “Lively landscape – 2005/114-780” in the Andean Cordillera Real) and (2) actions within the framework of the fight against desertification (“Civil Agenda against poverty and desertification – 2003/062-355” in Chile and “Regional integration for sustainable management and desertification control in Ecuador and Peru – 2006/114-783”. This project (2006/114-783) combines "Desertification" with "Trade and Environment" which was another priority of the call while the COBODES project also puts a stress on the sustainable use of biodiversity.

Finally, it is worth mentioning the fact that almost all projects combine their forestry and environmental objectives with the fight against poverty. In general, there is also a good balance between the technical and the social aspects.

- **Signatory parties / Beneficiaries of the contract:**

In this section, there is a quite uniform distribution between the 3 categories ("local NGOs", "European NGOs" and "Others"). The "Others" category includes the World Bank (2003/076-557), the CIRAD (2005/081-407), the IICA (Inter-American Institute for Cooperation on Agriculture) (2006/113-311), authorities such as the Ministry of Environment and Energy of Costa Rica (1996/004-925) and the Regional Autonomous Corporation of Risaralda (CARDER), which is a departmental environmental authority in Colombia (2004/114-796), the IIAP (Peruvian Amazon Research Institute) (200/081-362), and the Brazilian Institutes: Socio environmental Institute (ISA) (2005/114-422), Instituto Sociedade, População e Natureza (ISPN) (2005/114-622), Instituto do Homem e Meio Ambiente da Amazônia (IMAZON) (2005/081-390) and Instituto de Pesquisa Ambiental da Amazônia (IPAM) (2003/068-851). Of the 11 projects implemented in Brazil (local and cross-border projects), 7 are in the "Others" category and 2 in the "International NGOs" category.

The international NGOs involved are Birdlife International (2005/081-688), Intermediate Technology Development Group (ITDG) (2005/081-888) and two national delegations of the World Wide Fund for Nature (WWF), one from Brazil (2004/081-415) and one from Peru (2005/081-735).

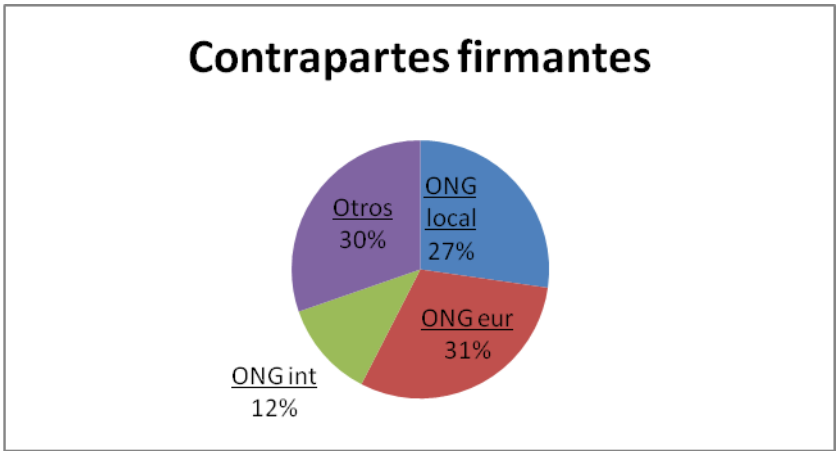

Figure 4. Distribution among the signatory counterparts

However, the mentioned data is not very revealing as to the institutional reality of the projects' implementation. Basically, the projects are implemented by various partners, whether "contractual" (= formally presented in the description of the project as partners) or not, which explains why all kinds of structures are found on the field – ranging from strong and well established consortia to small and poorly organized associations; in some cases, a European NGO appears as signatory party but the projects are almost exclusively implemented by local partners (2006/114-226, 2005/081-261), in others the local NGO which appears as signatory party works is associated to European organizations for the implementation of the projects (2003/062-355, 2007/140-906), and there are also other projects with local research institutes as contractual leader that build up a consortium of international and local partners for their implementation (2005/081 -390).

Finally, it appears that the majority of professionals forming the implementing teams are local professionals.

- **Co-financing :**

As already mentioned in section 4.1., the projects selected through the calls may request a co-financing of up to 80% of the action's total cost. Figure 5 indicates that applicants generally seek the maximum financial contribution: 13 projects (41%) have asked for a maximum of 80% and 12 projects (37%) between 75% and 79%.

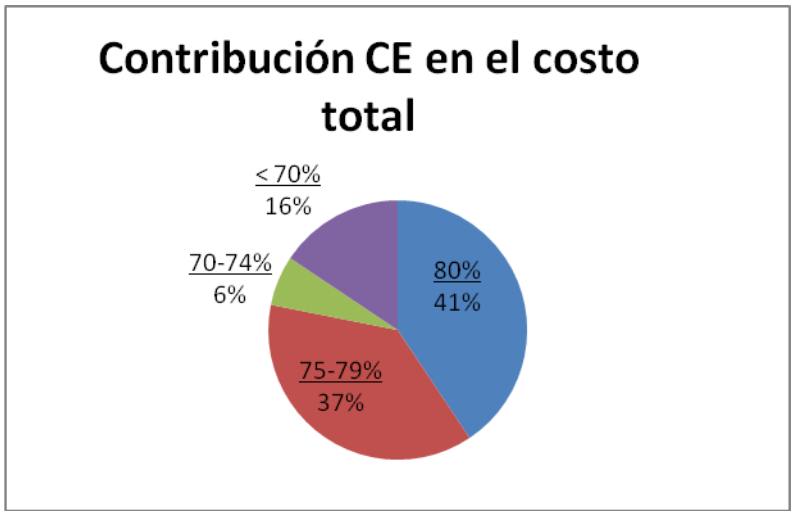

Figure 5. EC Co-financing of the projects

The majority of projects in the 70% -74% and <70% categories are co-funded projects under the direct allocation option and/or long-term programmes with multi-donor funds (i.e. 1996/004-925 and 2003/076-557).

Not a single addendum was signed during the projects' implementation phase in order to modify the EC financial commitment; the addenda concluded as regards the financial aspect only include significant changes between budget lines without having an impact on the overall budget.

The ex-post monitoring of the "COBODES - (1996/004-925)" project indicated that it did not use all the available funds. The disbursement reported was of € 3 777 645 while the contribution originally committed amounted to € 4 400 000.

Only for the "*Establishing a consensus on the access to natural resources in the Brazilian Amazon* – (2004/081-415)" project the level of the EC financial contribution could not be deduced from the MR.

- **Duration of the projects:**

Finally, Figure 6 shows the distribution of the sample based on the projects' duration. As indicated before, the projects selected through the EuropeAid/117490/C/G/Multi and EuropeAid/121998/C/G/Multi calls have a maximum duration of 60 months. Therefore, there is only one project is in the "> 60 months" category, namely the "COBODES - 1996/004-925" project whose duration had been extended to 65 months after the signing of an addendum extending the validity of its financing agreement by 5 months. Apart from the COBODES project, 4 other projects were granted an extension of their implementation period. These are projects 2003/076-557 and 2005/114-630 - both with a one-year extension - project 2005/081-658 - with an eight-month extension - and project 2004/081-415 - with only a two-week extension. All those projects are forestry ones carried out in Brazil.

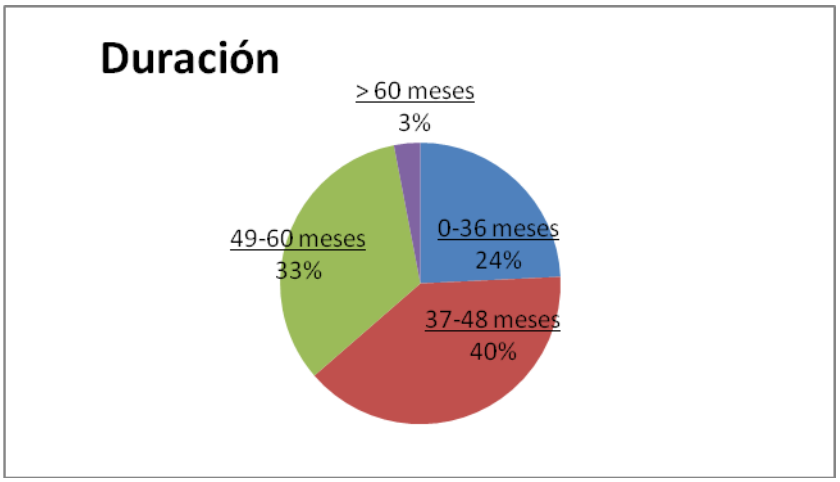

Figure 6. Duration of the projects

- **Representativity of the sample for the implementation of the "Forests" and "Environment" programmes in Latin America:**

For the 2000-2006 period, the "Forests" programme had a total budget of 249 million euros. According to the paper entitled "Cuestiones para la preparación de la cooperación regional con AL 2007-2013", approximately one third of this budget (= 83 million euros) is implemented in Latin America. All forestry projects of the sample are funded by this budget (2000-2006) and, therefore, the 58.06 million euros invested in them are taken into account in the calculation. Based on these figures, it can be concluded that the 2008 monitoring sample is very representative of the activities under the "Forests" programme in Latin America; more precisely, the sample represents 70% of the funding allocated to the "Forests" programme in the region (2000 to 2006).

At the same time, the "Environment" programme has a budget of 93 million euros for the 2000-2006 period at a global level and approximately 31 million euros for Latin America (one third; see above). Of

the 5 projects from the "Environment" programme's sub-sample, only 4 are financed by the 2000-2006 budget. The COBODES project implemented in Costa Rica received funding through a budget from the previous period. Therefore, based on the investment accumulated on the 4 projects of the said period (5.9 million euros), the 2008 monitoring sample only represents 19% of the financial allocation to the "Environment" programme in Latin America for the 2000-2006 period. For the "Environment" programme, the 2008 monitoring sample is not so representative of the activities in the region.

3.2. Projects of the Geographical Cooperation Programme

Based on the sample of projects from the "Financial and Technical Cooperation (FTC) 19 09 01" and "Economic Cooperation (EC) 19 09 02" budget lines monitored in 2008, this section addresses the integration of Forestry and Environmental issues in the geographical cooperation with Latin America.

The sample has a total of 60 projects, 8 of which belong to the EC 19 09 02 and 52 to the FTC 19 09 01; the sample includes 10 ex-post monitored projects, all related to financial and technical cooperation. The EC financial assistance to the whole sample amounts to 589 million euros.

Table 3 presents the distribution of the sample of 60 projects among the DAC sectors and subsectors sorted by relevance (in terms of number of projects within the sample) in descending order.

DAC Code	DAC sector/subsector Description	Number of Projects
150	Government a civil society	18
430*	Multisectoral – Others *	9
230	Energy production and supply	6
160	Social infrastructure y services – Others	5
321	Productive sectors – Industry	5
110	Education	3
120	Health	3
410	Multisectoral – Environmental protection	3
311	Productive sectors – Agriculture	2
331	Productive sectors – Trade (politics and regulation)	2
312	Productive sectors – Forestry production	1
140	Drinking water and sanitation	1
250	Business and other services	1
99810	Others – unspecified	1
	Total	**60**

* in category 430, 6 projects are rural development projects (43040), 1 project is focused on urban development and management (43030), 1 project on alternative development (43050) and 1 project on the sector of Research/support to scientific institutes (43082).

Table 3. Distribution of the Geographic Cooperation projects (FTC and EC) among the DAC sectors and sub-sectors

All projects dealing with Environmental Protection (410), Forest Production (312), Energy Production and Supply (230) and Drinking Water and Sanitation (140) **are considered of direct relevance to the forestry/environmental issue.**

The 3 Environmental protection projects (410) are :

- Sustainable management of natural resources and basins of the Mesoamerican Biological Corridor in the Atlantic coast of Honduras (PROCORREDOR) (2006/018-324) - Honduras; EC financial commitment of € 25 000 000
- Conservation and Sustainable Development in the Biogeographic Choco Region (2003/068-352) - Colombia; EC financial commitment of € 2 115 120
- Regional programme for vulnerability and environmental degradation reduction (PREVDA) (2005/017-550) - Central America; EC financial commitment of € 20 000 000

The Forestry production project (312):

- Support to improving the competitiveness of SMEs in the industrial forestry sector in Argentina (2004/016-705) - Argentina; EC financial commitment of € 6 000 000

The 6 Energy production and supply projects include (230):

- *The projects of the EURO-SOLAR programme in Bolivia, Ecuador, El Salvador, Honduras and Nicaragua*, with an overall budget of € 11 657 667.
- *Autonomous generation and rational use of electric power: implementing concrete solutions* (GAUREE 2) - Honduras; EC financial commitment of € 5 000 000.

The drinking water and sanitation project (140):

- *Rehabilitation of drinking water and sanitation in the city of Santa Cruz* (1997/000-721) - Bolivia; EC financial commitment of € 20 000 000

Besides the projects mentioned above, the **other DAC sectors also include some projects with a certain forestry/environmental approach**. 16 projects with this approach have been identified and classified into 3 categories: (1) projects mainly focused on forestry/the environment (2) projects with specific actions of importance to the forestry/environmental issue, and (3) projects with signs of integration of the environmental concept (general mainstreaming). The detailed classification is: 2 projects in the first category, 6 in the second one and 8 in the third one.

Category 1:

- *Support to Disaster Prevention in the Andean Community* (PREDECAN) (1999/005-834); regional project led by the government in conjunction with representatives of civil society (150); EC financial contribution of € 9 450 000.

  The project's overall objective is to: contribute to reducing the vulnerability of people and goods exposed to natural hazards and risks and promote sustainable development in the CAN countries; the project purpose is to create improved services in the field of prevention and management of the risk of natural disasters by strengthening national policies, institutions and the coordination of activities in these areas.

- *Strengthening the local management of natural resources in the Patuca and Choluteca river basins* (2001/005-827) - Honduras, EC financial contribution of € 34 000 000. It is a rural development project, DAC Code 43040.

  The project's overall objective is to: contribute to preserving, recovering and rationally exploiting the environmental heritage of Honduras with a view to enable the sustained improvement of the population's living conditions and poverty reduction; the project's purpose is to strengthen the local management of natural resources within the framework of sustainable development based on land use and comprehensive management of basins through an approach focused on decentralization and large community participation.

Category 2:

Category 2 includes 4 rural development projects (43040):

- *Programme for an alternative development in the areas of Pozuzo and Palcazú* (PRODAPP) (1998/001-042) – Peru; EC financial commitment of 22 600 000.

  It is worth pointing out Result 3: Local governments, civil society and the population know and implement sustainable systems for the management of natural resources.
- *Programme for a binational development in land border areas of Honduras and El Salvador* (2000/003-232); EC financial commitment of € 30 000 000.

  Project purpose 3 is of relevance: create the conditions for an autonomous and sustainable management of natural resources at a local level.
- *Rural Development Project in the province of Esmeraldas* (1996/004-614) – Ecuador; EC financial commitment of € 5 000 000.

  Project purpose 3 is of relevance: promote programmes of natural resources conservation, environmental education and family hygiene as well as projects for solid waste management, in partnership with local institutions and organizations.
- *Local Rural Development in the Department of Rivas (DECOSUR)* (2002/005-286) – Nicaragua; EC financial commitment of € 10 550 000.

  Project purpose and Result 4 are of relevance: Improve the income of small and medium rural producers of the department's 10 municipalities in terms of gender equity and protection of natural resources (PP) and target population protecting and managing the natural resources and the environment. (R4)

There is one project of the Government and civil society sector (150) and one of industrial production:

- *Improvement of the mapping systems in Colombia* (1998/001-043) – Colombia; EC financial commitment of € 8 000 000.

  Project purpose 2 is of relevance: enable the development of specialised thematic mapping related to the management of natural resources, prevention/monitoring of natural disasters and all aspects related to the environment, the monitoring of licit and illicit crops, etc.
- *Improving the efficiency of the Argentine economyand competitiveness* (1999/002-488), EC financial commitment of € 6 200 000.

  Result 6 is of relevance: increase Argentine PMEs' awareness of the environmental impact of their production processes.

Category 3 (in which a large variety of DAC sectors is represented):

- *Institutional Strengthening of the Andean Community General Secretariat* (FORTICAN) (2006/018-729); regional project with an EC financial commitment of € 730 800. DAC sector 150.

  The project's Overall Objective is to contribute to the integration of the Andean Community member countries through programmes implemented with resources from international cooperation, both in economic or commercial terms as well as in other complementary areas such as environment, fight against drugs, common foreign policy, fight against poverty and social inequity.
- *Regional and Urban Planning for the Great Metropolitan Area of the Central Valley in Costa Rica* (PRU-GAM) (2002/001-068); EC financial commitment of 11 000 000 €. DAC sector 150.

  The project purpose is to improve the efficiency of the urban system in the Central Valley – main economic area of Costa Rica- by reducing the current environmental, social and economic costs derived from an irrational and unsustainable territorial model.
- *International Cooperation Programme for the Promotion of Cooperation in Science and Technology European Union - Mexico* (FONCICYT) (2006/018-149); EC financial commitment of € 10 000 000. DAC sector 99810.

  The overall objective is to strengthen Mexico's scientific and technological capacity in order to contribute to finding solutions to environmental and socio-economic issues.
- *Environmental improvement and urban development in the west area of the city of Montevideo* (2000/002-385) - Uruguay, EC financial commitment of € 900 000. DAC sector 43030.
- *National Center for Biotechnology Innovation - CENIBiot* (2005/017-534) - Costa Rica, EC financial commitment of € 10 900 000. DAC sector 250.

  Result 4: exploitation of agro-industrial waste through new technologies and practices.
- *Local and Rural Development (2006/018-152) – Guatemala*; EC financial commitment of € 20 000 000. DAC sector 43040 (rural development).

  Result 2: In 22 municipalities, conditions for investment, production, competitiveness and communications at local and regional levels have improved through the coordinated design and implementation of plans for investment in social, economic and environmental infrastructure.
- *Programme of support to the implementation of the exportation conditions for agro-industry products from Nicaragua to the UE* (PAICEPAN) (2005/017-625) – Nicaragua. EC financial commitment of € 5 000 000. DAC sector 311 (production).

  The project includes measures for production and marketing of organic cacao.
- *Programme of sustainable development in traditional mining areas of western Bolivia* (APEMIN II) (2002/005-816) – Bolivia; EC financial commitment of € 7 000 000. DAC sector 43050 (alternative development).

  The project purpose is the sustainable economic development of the mining regions by creating opportunities for support and the improvement of social conditions of families and populations in the poor mining centers of Western Bolivia while respecting the environment and gender/human rights, with special emphasis on child labour; Amomg its results: development of impoverished mine areas including access to basic social services and environmental rehabilitation.

Main conclusions:

- Nearly half of the sample (27 projects) included, to a greater or lesser extent, the forestry/environmental issue in their support actions. Of these 27 projects, 13 can be classified as clearly environmental projects; 6 projects integrate a significant forestry/environmental

component in their logic of intervention and 8 seem to take into account environmental aspects for the implementation of their programmes.

- In order to illustrate the importance of the environmental sector in the sample in financial terms, the EC allocations have been added to the 27 projects: 100% for the 13 clearly environmental projects, 25% for the 6 projects of category 2, and 10% for the 8 projects of category 3. The calculation results in an amount of 154 million euros for the environmental sector, which represents 26% of the EC financial commitment for the entire sample.

- There is a good variety in the environmental issues addressed by the 27 projects: sustainable management of natural resources, production and supply of renewable and sustainable energy, drinking water and sanitation, integration of environmental aspects into agricultural and industrial production as well as in urban and rural development, protection of biodiversity and natural disaster risk management and prevention. The themes are in line with the environmental priorities set out in the region and subregions RSP.

3.3 Projects of the "Support to NGOs" programme

Like in the previous section, this one analysis the integration of the "Forestry" and "Environmental" issues into the implementation of the "Support to NGOs" (NGO -DC-21 02 03 budget line) thematic programme based on the sample of projects monitored in 2008.

The whole sample includes 63 projects, 4 of which were monitored ex-post. The EC financial assistance amounts to 73 million euros. As compared with the interventions of the geographic cooperation programmes (section 6), the average budget per project is much more modest in this programme.

DAC Code	DAC sector/subsector description	Number of Projects
430 *	Multisectoral – Others *	17
311	Productive sectors - Agriculture	12
150	Government and Civil Society	11
110	Education	5
120	Health	3
130	Reproductive health and population policies/programmes	3
160	Social Infrastructure and services - Others	2
321	Productive sectors – Industry	2
920	Support to NGOs	2
410	Multisectoral – Environmental protection	2
140	Drinking water and sanitation	1
420	Developing Women	1
730	Post-disaster rebuilding and rehabilitation	1

DAC Code	DAC sector/subsector description	Number of Projects
88060	Humanitarian Aid – Food security	1
	Total	**63**

- In category 430, 16 projects are rural development projects (43040) and only one of urban development and management (43030)

Table 4. Distribution of the projects from the "Support to NGOs" programme within the DAC sectors and sub-sectors

Table 4 presents the distribution of the sample of 63 projects among the DAC sectors and subsectors sorted by relevance (number of projects within the sample) in descending order.

All projects of Environmental Protection (410), Drinking Water and Sanitation (140) or post-disaster Reconstruction and Rehabilitation (730) are considered to be of direct relevance to the forestry/environmental issue.

The "Multisectoral - Environmental Protection (410) category includes two projects:

- *Improving the living conditions of the ancestral communities using the mangrove ecosystem in the province of Esmeraldas* (2006/119-423) - Ecuador, EC financial commitment of € 1 317 627
- *Development of sustainable living conditions in agricultural frontier areas in the Bosawas Biosphere Reserve* (2005/094-637) - Nicaragua, EC financial commitment of € 711 033

Both projects have the Dutch NGO as signatory counterpart of the grant contract.

The drinking water and sanitation (140) project:

• *Participatory education in hygiene and sanitation to achieve behavioural changes in 20 communities and 23 schools in El Salvador* (119-107), EC financial commitment of € 750 000

The post-disaster reconstruction and rehabilitation (730) project:

• *Sustainable development and reconstruction in the Department of Colón (REDES-Colon*) (2006/119-224) - Honduras, EC financial commitment of € 634 440

Besides the above mentioned projects, **the other DAC sectors also include some projects with a certain forestry/environmental approach.** 24 projects with this approach have been identified and classified into 3 categories: (1) projects mainly focused on forestry/the environment (2) projects with specific actions of important to the forestry/environmental issue, and (3) projects with signs of integration of the environmental concept (general mainstreaming), including the projects of agricultural production that promote organic or ecological agriculture. The detailed classification is: 2 projects in the first category, 10 in the second one and 12 in the third one.

Category 1 :

- *Improvement of the living conditions of poor women babaçu breakers in the babaçu forest in North East Brazil* (2004/063-332); EC financial commitment of € 854 837. DAC sector 150 (government and civil society).

  One of the project purposes is that babaçu forests are protected and that artisanal processors of babaçu have free access to these forests.

- *Strengthening local governance for improved water and sanitation services in the southern highlands of Ecuador* (2008/143-415), EC financial commitment of € 748 580. DAC sector 160 (infrastructure and social services).

  Overall objective: contribute to improving the living conditions of rural inhabitants of the deprived areas of Oña and Saraguro, through sustainable access to basic services (drinking water and sanitation).

Category 2 :

- *Support to rural families as regards production and access to organic cashew nut markets in five municipalities of Leon and Chinandega* (2004/002-488) - Nicaragua, EC financial commitment of € 729 878. DAC sector 311 (agricultural production).

  The project purpose is to: increase the level of income and living conditions of poor rural families in four municipalities in the departments of Leon and Chinandega through the production of and access to organic cashew nut and other agricultural products markets as well as through self-development capabilities. Result 6: development of management skills and risk management in natural and man-induced disasters in the project's area of intervention.

- *Sustainable Development of Family Agriculture in Northeastern Brazil* (2005/112-055), EC financial commitment of € 749 999. DAC Sector 311 (agricultural production).

  The project purpose is to: disseminate appropriate technologies, a sustainable management of natural resources and the fight against desertification.

- *Alternative systems of agroforestry production and marketing in Lago Agrio, Cuyabeno and Putumayo* (2007/143-416) - Ecuador, EC financial commitment of € 578 377. DAC Sector 311 (agricultural production).

  Result 1: 80% of the plots implements agricultural systems for integral handling and the management of secondary forest.

- *Human development through the strengthening of territorial governance capacities and the productivity of Miskitu communities (MISTAP) (2006/129-805)* - Nicaragua, EC financial commitment of € 1 499 070. DAC Sector 43040 (rural development).

  Project purpose 2: the community people, who sustainably manage their own economic and productive development, get higher returns in the field of agriculture and forestry. Results are as follows: (1) increased and strengthened community capacities for a sustainable management of their natural resources. (2) a fostered establishment of productive enterprises based on an effective and efficient use of forests. (3) well developed agricultural production systems and models that contribute to ensuring food security, restoring the culture of sustainability and generating complementary incomes within communities.

- *Strengthening of rural agriculture and local governance for sustainable development in Mozonte and Telpaneca* (2005/095-213) - Nicaragua, EC financial commitment of € 747 589. DAC Sector 43040 (rural development).

  The project purpose is to: improve the production conditions of rural families, promote a joint management of natural resources and strengthen the negotiating capacities of local community and farmer organisations. Result 2: Increased local capacity in social management of natural resources, conflict prevention and resolution at the level of rural community for a better use of the territory.

- *Empowerment of the organized indigenous communities in four provinces of the Ecuadorian highlands for an endogenous socio-economic development of rural areas - Sinchitukushun* (2006/119-860) - Ecuador, EC financial commitment of € 616 264. DAC Sector 43040 (rural development).

  Results: (1) Strenghtened of FICI's capacities to manage with appropriate tools the territory and its natural resources, (2) Strengthened capacities of organizations of water users and irrigation users boards for a fair and efficient management of water in the province of Chimborazo, (3) valuation of agricultural markets in the provinces of Azuay and Cañar.

- *Capacity building among small coffee producers from Jinotega and Matagalpa promoting a better and more integrated socio-economic development (2006/118-874) - Nicaragua*, EC financial commitment of € 750 000. DAC Sector 43040 (rural development).

  Project purpose: contribute to improving the population's living conditions in the municipalities of Jinotega and Santa Rosa del Cuá in the department of Jinotega, and in the municipality of San Ramón in the department of Matagalpa, and promote a sustainable use of natural environment. Result 1: Diversified and modernized agricultural production which is compatible with a sustainable management of the environment.

- *GUALKALÁ Project: Strengthening community-based processes for the management of indigenous territories in the Andean region of South-western Colombia* (2007/145-285) - Colombia, EC financial commitment of € 670 473. DAC Sector 43040 (rural development).

  The expected results are: (1) the validation of alternative models to add value to high mountain natural resources (2) structured community-based experiences for the sustainable management of natural resources (3) the consolidation of environmental governance through the skills developed in the indigenous farmers' organizations.

- *Support to Quilombos communities in Brazil: innovative initiatives for sustainable development* (2004/063-147) - Brazil; EC financial commitment of € 750 000. DAC Sector 150 (government and civil society).

  The expected results include: (1) plans and maps for the sustainable use of natural resources, (2) creation of a mapping laboratory.

- *Comprehensive training of rural communities with high concentration of Mapuche, Villarrica, IX Region, Chile* (2003/020-113), EC financial commitment of € 609 795. DAC sector 43010 (multisectoral support)

  The project includes a component of training in the use of forestry and agricultural products.

Category 3 :

- *Economic alternative to rural poverty in Paraguay: consolidating the organic market and its organizational structures* (2005/112-955), EC financial commitment of € 726 913. DAC sector 311 (agricultural production).

  The project purpose is to: increase the economic benefit of small producers from their commercial activity by improving the structure of the local and exportation organic market and making public and private sectors interact.

- *Comprehensive programme for strengthening local capacities of small farmers in the buffer zone (BZ) of the Manu Biosphere Reserve (MBR)* (2005/095-751) - Peru, EC financial commitment of € 1 087 487. DAC sector 311 (agricultural production).

  Overall Objective: contribute to improving the living conditions of small farmers through the comprehensive and sustainable development of their resources in the MBR-BZ. Result 1: small producers increase the production and productivity of their plots by means of appropriate biological agriculture techniques and agro-forestry systems. Result 2: small producers improve their levels of nutrition through the management of bio-orchards, mini farms and the diversification of their diet.

- *Project for the Rural agro-economic of Sebaco, Department of Matagalpa, Nicaragua* (2006/129-804), EC financial commitment of € 668 592. DAC sector 311 (production).

  Result 2. Rural families' agriculture is respectful towards the environment.

- *Promotion of Andean rural development (RURANDES) (2006/119-686)* - Peru, EC financial commitment of € 1 357 282. DAC sector 311 (agricultural production).

  Project purpose: the selected families of farmers in the Andean rural areas recover, diversify and maximize their resources by fostering organic agriculture, a more balanced diet and a market-oriented structure. Result 1: rural families recover and increase the production and productivity of their plots by means of appropriate techniques for organic agriculture systems and agro-forestry systems.

- *Support to the sustainable development of the indigenous Maya Chortí population in Western Honduras* (2006/118-808), EC financial commitment of € 600 000. DAC Sector 43040 (rural development).

  R.1.1: 140 agricultural promoters (60 women) trained in sustainable farming techniques. R.1.2: 2000 trained young people and children involved in gardening, nutrition and reforestation activities. R.3.2 at least 4 round tables have been organised on topics of local interest such as gender, risk management, access to land and transparency assemblies.

- *Improving the living conditions of family farmers from the Sertão do São Francisco region through the promotion of a sustainable development model* (2005/094-651) – Brasíl; EC financial commitment of € 750 000. DAC Sector 43040 (rural development).

  Project purpose 1: Improve food security in rural families through the promotion and dissemination of practices for agro-ecological production.
  Project purpose 3: foster synergies between associations and networks to influence public policies in the field of food security and promotion of agro-ecology.

- *Institutional strengthening and supportive business development for organic farmers in Paraguay* (COPEP) and their partner farmer organizations (2006/119-240) - Paraguay, EC financial commitment of € 799 468. DAC Sector 43040 (rural development).

  The strengthening of the COPEP and its partner farmers organizations aims at improving the incomes of rural families by proposing a model of farm with a system of diversified, horticultural, medicinal, aromatic (short term) and fruit growing production (medium term) within the framework of a sustainable organic ecological farming with an comprehemsive management of plagues and soil-plant.

- *An alternative to poverty and economic migration of indigenous peoples in the Cuchumatanes: Support of diversification, conversion, agro-industrialization and trading of organic coffee from micro-producers, Huehuetenango, Guatemala* (2004/063-299), EC financial commitment of € 625 000. DAC sector 150 (government and civil society).

  Overall objective: contribute to the consolidation of the Peace agreements process and improve the region's socio-economic capacity by strengthening the organization, creating jobs, maintaining food security and generating added-value to the production through fostering productive activities which generate revenue, focused on diversification, collection, storage, processing and marketing of organic coffee production. Project purpose: small producers improve their socio-economic, gender equity and environmental conditions through diversification, increased added-value of coffee and other crops in Huehuetenango and the strengthening of their organizations.

- *Land regularization, local development and empowerment for Maya rural women, Huehuetenango* (2006/112-590) - Guatemala, EC financial commitment of € 999 000. DAC sector 150 (government and civil society).

  Result 2: Women associations have integrated an approached focused on environmental conservation in their activities.

- *Territorial development and participatory democracy in Peru* (Apurimac Region) (2006/118-996), EC financial commitment of € 750 000. DAC sector 150 (government and civil society).

  Result 3: support has been shown towards the creation of a space for agreement between the community and the mining company; the first environmental diagnosis have been made and the monitoring OVIs for the assessment of the environmental impact are being defined.

- *Fight against poverty in Paraguay: strengthening and diversification of products, marketing of organic products and collaboration between civil associations and municipalities for rural development in the Department of Itapúa* (2006/118-814), EC financial commitment of € 750 000. DAC sector 88060.

  The intervention focuses on the following axes: i) diversification of agro-ecological and organic products from small farmers, ii) strengthening and increase of trading capacity for ecological hortigraneros and organic products certified by COPAAR.

- *Strengthening of artisanal production by women associations in the municipalities of Goascorán, Langue and Nacaome in the Department of Valle, Honduras* (2006/118-718), EC financial commitment of € 572 992. DAC sector 420 (women in development).

Result 5: Women in target groups and their respective families have effectively incorporated the protection of their environment in the area where the project is implemented.

Main conclusions:

- 44% of the sample (28 projects) included to a greater or lesser extent the forestry/environmental issue in their support actions. Of these 28 projects, 6 can be classified as clearly environmental projects; 10 projects include a significant forestry/environmental component in their logic of intervention and 12 projects take into account environmental aspects (mostly organic farming) for the implementation of their programmes.

- In order to illustrate the importance of the environmental sector in the sample in financial terms, the EC allocations have been added to the 28 projects: 100% for the 6 clearly environmental projects, 25% for the 10 projects in category 2, and 10% for the 12 projects in category 3. The calculation results in an amount of 7 million euros for the environmental sector, i.e. nearly 10% of the EC financial commitment for the entire sample, which is a significantlyt lower percentage than for the FTC and the EC.

- The variety of environmental issues addressed by the 28 projects is similar to the one found in the geographic programme: sustainable management of natural resources, organic farming and certification/trading of organic products, forestry development, water supply and sanitation, environmental preservation, fight against desertification and mitigation of environmental impacts.

PART IV :

CONCLUSIONS, RECOMMENDATION, LESSONS LEARNED

4.1. Overall conclusions

4.1.1 Overall quality and evolution of ongoing projects

As regards individual projects, the core of the ROM system relies on an assessment based on a standard analysis of 5 quality parameters, namely (1) relevance / quality of design, (2) efficiency, (3) effectiveness, (4) Impact and (5) sustainability. This assessment is translated into a score for each of the parameters, assigning one of the following options: "very good" (= A), "good" (= B), "problems" (= C), and "serious deficiencies "(= D).

- **Overall quality:**

Table 11 (see below) provides the scores for the 33 environmental and forestry projects that were monitored in 2008. The summary table (table 5) indicates – per quality parameter and for the entire sample - the distribution of the scoring categories. Figure 7 shows the distribution of the scores for each quality parameter in terms of percentage.

	A	B	C	D
Relevance/Quality of Design	2	14	17	-
Efficiency	2	17	14	-
Effectiveness	3	22	8	-
Impact	4	21	8	-
Sustainability	2	26	5	-
TOTAL	**13 (8%)**	**100 (61%)**	**52 (31%)**	**- (0%)**

Table 5. Monitoring results per parameter and for the whole sample
(A = very good; B = good; C = problems; D = serious deficiencies)

In general, the results - with almost 70% of "As" and "Bs" and no "D" - are quite positive. However, with 31% of "problems", they still leave room for improvement. The highest percentage of cases with "problems" is related to the "Quality of Design" parameter followed by the "Efficiency" parameter. The distribution of the "very good" scoring among the 5 parameters is fairly uniform, albeit with greater representation of the "Impact" parameter.

Table 6 - which provides a coparison of the results per programmes - shows that projects in the "Environment" programme achieved a beter rating than those in the "Forests" programme. However, with only 5 environmental projects in the sample, there could be some doubts about the representativeness of this remark, and thus the validity of such a general conclusion. Anyway, this is an

aspect to which attention will be drawn throughout the discussions in the following sections dealing with the monitoring results by quality parameter.

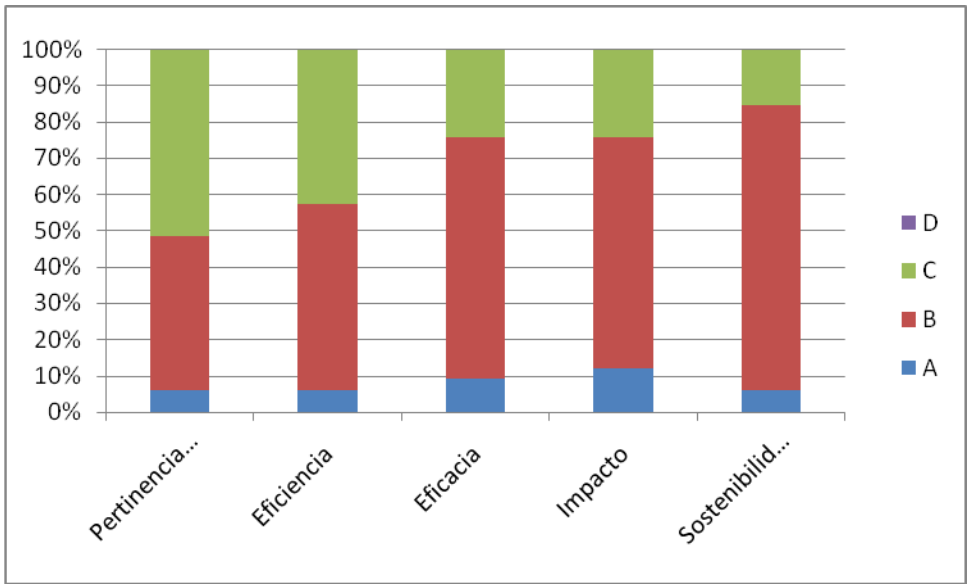

Figure 7. Percentage distribution of scores per parameter
(A = very good; B = good; C = problems; D = serious deficiencies)

	A	B	C	D
"Environment" Programme (5projects)	6 (24%)	14 (56%)	5 (20%)	- (0%)
"Forests" Programme (28 projects)	7 (5%)	86 (61%)	47 (34%)	- (0%)

Table 6. Monitoring results per programme (A = very good; B = good; C = problems; D = serious deficiencies)

- **Evolution of ongoing projects:**

Actually, there is little material to carry out an analysis on the evolution of projects over time. Monitoring reports, for example, do not refer to the scores assigned in previous monitorings. Although the BCS usually reports on the extent to which key observations and recommendations from previous monitoring visits have been taken into account in the project, these remarks do not allow drawing systematic and quantitative conclusions as regards the progress of projects. However, the analysis of the BCS reveals a rather receptive attitude on the part of the projects, which translates into concrete actions towards improvement, always within well defined budgetary, time and physical/institutional limits. It is worth noting that - despite the generally receptive attitude – projects that do not take into account

external recommendations have also been re-monitored. These projects mostly have very bad scores as a whole, such as for projects 2007/140-906, 2006/114-225 and 2003/062-355.

In an attempt to obtain more quantitative information on the progress of projects and the possible impact of monitoring, the scores of the projects that were monitored for the first time in 2008 have been compared with those which were re-monitored (table 7). There is a small difference between the two sub-samples as regards categories "A" and "B", the overall situation remaining slightly less favorable for re-monitored projects - in this respect, the fact that the project is old may have an impact on the progress in its implementation during which difficulties in the achievement of the projetc's objectives are more and more visible. In category "C", there is no noteworthy difference (33% versus 31%).

	A	B	C	D
First monitoring (11 projects)	6 (11%)	31 (56%)	18 (33%)	- (0%)
Re-monitored (22 projects)	7 (6%)	69 (63%)	34 (31%)	- (0%)

Table 7. Monitoring results for re-monitored projects versus projects monitored for the first time (A = very good; B = good; C = problems; D = serious deficiencies)

The following table provides a summary of the monitoring results in 2005 (table 8). This is a sample of 17 projects, all funded under the "Forests" and "Environment" thematic lines (21 02 05). When comparing the results of 2005 with those of 2008, it appears that there was a slightly more favorable situation in 2005: 5% A - 68% B - 26% C - 1% D in 2005 versus 8% A - 61% B -31% C - 0% D in 2008. However, even in this comparison of results, such a slight difference does not allow drawing solid conclusions on the issue.

	A	B	C	D
Relevance/Quality of Design	1	12	4	-
Efficiency	-	10	6	1
Effectiveness	1	13	3	-
Impact	2	13	2	-
Sustainability	-	10	7	-
TOTAL	**4 (5%)**	**58 (68%)**	**22 (26%)**	**1 (1%)**

Table 8. Results for forestry/environmental projects monitored in 2005 (A = very good; B = good; C = problems; D = serious deficiencies)

- **Ex-post monitoring**

Tables 9 and 10 provide the results of the 3 projects for which an ex-post monitoring was carried out.

Project Title	Relevance	Efficiency	Effectiveness	Impact	Sustainability
Sustainable Development of the Cuiabá-Santarem Economic Corridor in central Amazonia: reconciliation of the economic growth and large scale forestry conservation (2003/068-851)	B	B	B	B	B
Preservation and participatory management of natural resources in the Teuco-Bermejito region within the framework of the Sustainable Development Plan, Chaco, Argentina (2003/063-645)	B	B	B	B	C
Forest conservation and sustainable development of buffer zones on Costa Rica's north Atlantic coast – COBODES (1996/004-925)	C	B	B	C	B

Table 9. Results for projects ex-post monitored in 2008 per parameter
(A = very good; B = good; C = problems; D = serious deficiencies)

	A	B	C	D
Ex-post monitoring (3 projects)	- (0%)	12 (80%)	3 (20%)	- (0%)

Table 10. Distribution of the scoring categories for ex-post monitoring
(A = very good; B = good; C = problems; D = serious deficiencies)

In general, the monitoring results of the 3 projects that are already closed are quite good. Problems were identified in the field of sustainability for the forestry project in the Chaco, Argentina (2003/063-645) and in the field of Quality of Design and Impact for the COBODES (1996/004-925) environmental project in Costa Rica.

Project No.	Geographic Area	Title	The monitoring 5 parameters				
			Relevance/Quality of Desigh	Efficiency	Effectiveness	Impact	Sustainability
"FORESTS" PROGRAMME							
2003/063-645	Argentina	Preservation and participatory management of natural resources in the Teuco-Bermejito region within the framework of the Sustainable Development Plan, Chaco, Argentina	B	B	B	B	C
2004/083-375	Bolivia	Sustainable management of forests in the Amazon area of Bolivia	B	B	B	B	B
2003/068-851	Brasíl	Sustainable Development of the Cuiabá-Santarem Economic Corridor in central Amazonia: reconciliation of the economic growth and large scale forestry conservation	B	B	B	B	B
2003/076-557		Proyecto Corredores Ecológicos	C	C	C	B	B
2004/081-415		Estableciendo consenso relativo al acceso a recursos naturales en la Amazonía Brasileña	C	C	C	B	B
2005/080-916		Harmonizing market services, certification and Codes of Conduct in the Brazilian Rainforest and the surroundings	C	C	C	C	B
2005/081-390		Overcoming the gap: strengthening of the administration of forestry land tenure and its market in the Brazilian Amazon	C	C	C	B	B
2005/081-658		Promotion of sustainable forestry management focused on the production and trading of wood in the State of Amazonas	B	C	B	B	B
2005/081-688		Sustainable use of forestry resources in Serra das Lontras – Una, Estado de Bahia, Brazíl: Organic cacao production for agrarian cooperatives	B	B	B	C	B
2005/114-422		Shared forestry governance in the Xingu River bassin	B	A	B	B	B
2005/114-622		Forests: ecological and social links between Brazilian forests through sustainable living conditions in productive landscapes	C	C	B	B	B

Project No.	Geographic Area	Title	The monitoring 5 parameters				
			Relevance/Quality of Desigh	Efficiency	Effectiveness	Impact	Sustainability
2005/081-407	Brasil, Perú, Ecuador	Integrated systems of participative management of forestry and agricultural for rural populations in the Amazon	B	C	B	B	B
2006/114-630	Chile	Wood, renewable energy for the conservation of native forests in southern Chile	B	B	B	A	A
2007/140-906		Comprehensive management of forestry and non-forestry resources forests for 17 communities Huilliches of southern Chile	C	C	C	B	B
2006/113-311	Colombia	Guaviare forestry project	C	C	B	B	C
2006/114-452		Strengthening local governance Fortalecimiento de la gobernabilidad local para la conservación de los bosques en la Amazonía de Colombia, y la construcción de programas transfronterizos con Brasil y Venezuela	C	C	B	B	B
2004/114-796	Colombia, Venezuela, Brasíl	Forestry – FLEGT, Colombia	C	B	B	C	B
2005/101-864	Ecuador, Perú	Community and institutional network for the conservation of the Amazon Rainforest of the Ecuador-Perú border zone, based on the good governance and the participative management of forestry resources for the improvement of the population's living conditions	C	B	C	B	B
2005/081-261	Honduras	Project of sustainable co-management of the Tawahka Asangni Biosphere Reserve and southern part of the Plátano River	B	B	B	C	C
2006/114-114		Protection and sustainable management of forests and areas generating water in Western Honduras	C	B	B	B	B

Project No.	Geographic Area	Title	The monitoring 5 parameters				
			Relevance/Quality of Desigh	Efficiency	Effectiveness	Impact	Sustainability
2007/132-632	México	Diversification of agroferestry systems as a tool for the conservation of biodiversity in the region of the Lacandona Forest	C	B	B	B	B
2006/114-224	Nicaragua	Sustainable forestry management and trading of products for energy consumption in the municipalities of San Francisco Libre, San Rafael del Sur, Nagarote and La Paz Centro	C	B	B	C	C
2006/114-226		Conservation and sustainable management through community participation in the primary and secondary forest of "Cerro Alegre", Nicaragua	C	C	C	C	C
2005/081-362	Perú	Model for a sustainable community management of flood forests in the Andean Amazonia in Peru	B	C	A	A	B
2005/081-735		Strengthening of sustainable forest management in indigenous villages	B	B	A	A	B
2006/114-223		Sustainable development of the natural forests of castaña (*Bertholletia excelsa*) in the Amazonía de Madre de Dios, Peru	C	C	B	B	B
2006/114-670		Participation of native communities in the conservation and sustainable management of tropical forests in the Peruvian Amazon	C	B	B	B	B
2005/081-888	Perú, Ecuador	Binational Programme for the conservation and participative management of the tropical forests in the Chinchipe bassin, Peru-Ecuador	B	B	B	B	B
"ENVIRONMENT" PROGRAMME							
2003/062-355	Chile	Civil Agenda against poverty and desertification	B	C	C	C	B
1996/004-925	Costa Rica	Forest conservation and sustainable development of buffer zones on Costa Rica's north Atlantic coast – COBODES	C	B	B	C	B
2006/114-818	Ecuador	Biodiversity and sustainable development: strengthening of social actors and influencing public policies	A	A	B	A	B

Project No.	Geographic Area	Title	The monitoring 5 parameters				
			Relevance/Quality of Desigh	Efficiency	Effectiveness	Impact	Sustainability
2006/114-783	Ecuador, Perú	Regional integration for sustainable environmental management and desertification control in Ecuador and Peru	A	B	B	B	A
2005/114-780	Ecuador, Colombia, Perú	Lively Landscapes: conservation, regional integration and local development in the Cordillera Oriental, Ecuador and Peru	B	B	A	B	B

Table 11. 2008 monitoring results for the whole sample (A = very good; B = good; C = problems; D = serious deficiencies)

4.1.2 Relevance and Quality of Design

The relevance of a project generally refers to the adequacy of its objectives to the problems, real needs and priorities of the target groups and beneficiaries on which the project is supposed to be focused, as well as to the political and physical environment in which it operates. As far as the Quality of Design key factors are concerned, they include: the QoD feasibility, its flexibility, the internal consistency of the logical framework, and the conformity in the formulation of its components.

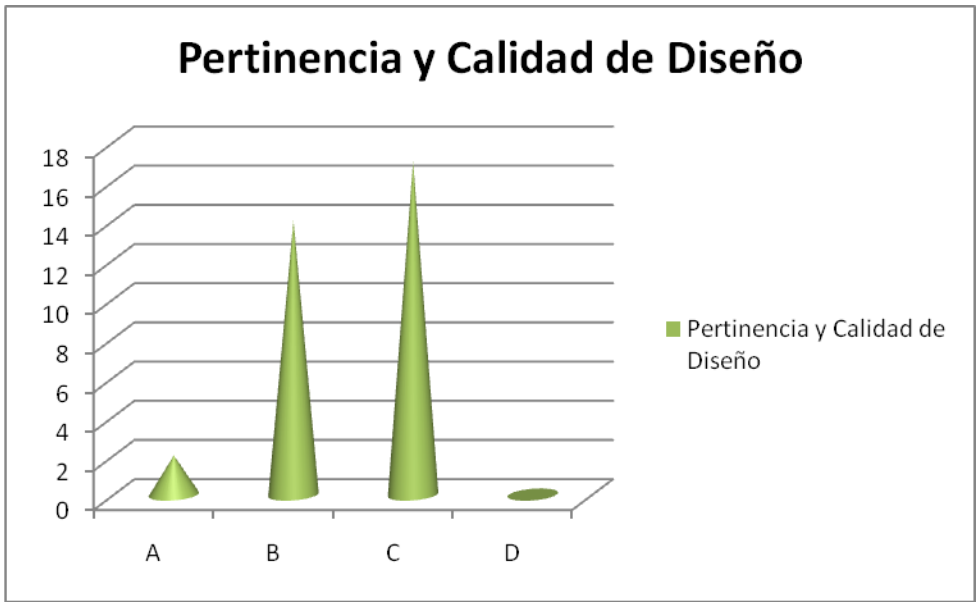

Figure 8. Monitoring results for the Relevance/Quality of Design parameter
(A = very good; B = good; C = problems; D = serious deficiencies)

The Relevance/Quality of Design parameter is the only one in which projects identified as having problems prevail: 2 projects of the sample obtained an "A" (6%), 14 a "B" (42%) and 17 a "C"(52%).

Both projects classified as "very good" in this parameter are environmental projects and interventions that are implemented in Ecuador (one of them binational).

- The project entitled "Regional integration for sustainable environmental management and desertification control in Ecuador and Peru (2006/114-818)" stands out for its realistic and pragmatic design, clearly benefiting from an extensive prior knowledge of the local department by the designer team. The objectives are very well adapted to both national (Ecuador and Peru, and Binational Programme) or local and EU political priorities. Their relevance to the needs and constraints of target groups is also very high and the strategies and methodologies adopted are very adequate. The LF is consistent and functional but could be improved in terms of OVIs, hypothesis and clarity of the PP formulation.

- The other project entitled "*Biodiversity and sustainable development: strengthening of social actors and influencing public policies* (2006/114-783)" corresponds very well to the needs of rural and indigenous population in Ecuador, which is threatened by the negative impacts of the current agro-exportation model. It was designed by the Agrarian Board (Mesa Agraria), from a strategic alliance of its 3 peasant federations with Terranueva and CRIC. As a result of this alliance, the design presents many valuable strengths: i) the strategy properly sets out roles and actions, recognizing the essential role of peasant organizations as a social subject; ii) the food sovereignty approach turns out to be unifying forces iii) the collection of native seeds is a practice of many peasant organizations; iv) another wise move is the adoption of a country approach with a regional focus on the 3 main ecosystems (Sierra, Coast and Amazon). The project has managed to exploit the background of the constituent process (2008) by adapting its intervention strategy. The quality of the LF is satisfactory, although it lacks indicators to measure the strengthening of the Agrarian Board (Mesa Agraria).

<u>The analysis of the problems registered in the 17 projects of category "C"</u> leads to the following remarks and conclusions:

- It can clearly be observed that a large majority of the projects that were granted a "C" (13 projects) have a high to very high relevance. The few problems related to relevance that have been observed are not due to a lack of relevance of the main issues addressed, but rather to an inadequate strategy when addressing the problems identified and/or a lack of flexibility and adaptability to changing conditions. The 2006/114-452 project, for example, is reproducing in a number of departments a strategy which was developed in the pilot department of Amazonas without taking into account the differences in socio-political contexts within the new areas of intervention. As for the 2004/114-796 project (FLEGT, Colombia), a pilot area with low representatitivy of the rest of the country was selected to reproduce the intervention in the future, the identified target group had a low level of relevance with regard to the expected results, and the design included a certification component which turned out to be irrelevant due to the fact that the area of exportation towards the EU is not a current priority and that there are some doubts about the certification's financial viability. Finally, in the case of the 2006/114-224 project (Cerro Alegre in Nicaragua), the problematic was properly identified but the proposed solutions only benefited a very limited number of "affected" people, which makes it difficult to expect a good impact. At the time of the formulation, there was not proper assessment of the population's lack of interest regarding reforestation in the area. The project also failed to adapt to significant contextual changes.

- As far as operational aspects are concerned, most projects have unrealistic or infeasible designs (8 projects). This problem of over-ambitious designs also appears in a number of projects in category "B". Other deficiencies mentioned in the report and related to operational aspects include: (i) a lack of clear institutional agreements between partners and/or with other local actors one the one hand, and a lack of coordination between them on the other hand (2003/076-557, 2006/114-223, 2006/114 -226, 2006/114-452, 2006/113-311 and 1996/004-925); (ii) the absence of key profiles in the proposed teams (2004/081-415) and (iii) the absence of an internal monitoring system (2004/081 -415, 2003/076-557).

- This said, it is clear that the formulation of the logical framework remains the most critical point in the assessment of the Quality of Designs parameter. In more than half of the 17 projects classified in

category "C", the LF was scored as "weak and/or deficient." In this regard, it should be noted that a percentage of the projects had already adapted and improved their logical framework during previous monitorings. The logical framework issue also stands out in category "B". The weaknesses are identified in the field of (i) the intervention logic's consistency (5 projects); (ii) the risk analysis and selection of hypotheses (7 projects); (iii) the formulation of objectives and/or results that are not in accordance with the logical framework rules (8 projects); (iv) but mainly in the identification and formulation of indicators (OVIs) (13 projects!, i.e. 76%).

4.1.3 Efficiency of implementation to date

In the ROM, the "efficiency" parameter refers to the achievement of the results at a reasonable cost, i.e. to what extent the media and (sub)activities have been converted into results and to what extent the expected quality of these results has been achieved. In the BCS, the efficiency is measured according to the following criteria: (1) availability of resources/inputs, (2) implementation of activities, (3) achievement of results (quantity and quality), and (4) contribution and/or involvement of partners in the project's implementation.

Figure 9 shows the monitoring results in efficiency. Of the 33 projects, 2 were granted a "very good" (6%), 17 a "good" (52%), 14 a "problems" (42%) and none was classified as having "serious deficiencies". As already mentioned in section 8.1, the Efficiency parameter is the second one –after the Relevance/Quality of Design parameter - in which the greatest number of problems has been identified.

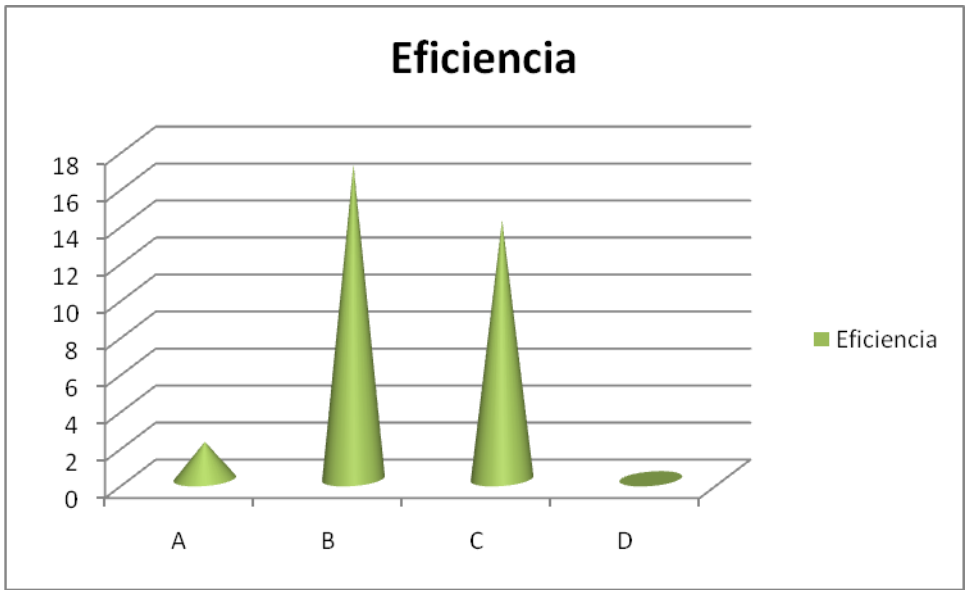

Figure 9. Monitoring results for the efficiency parameter
(A = very good; B = good; C = problems; D = serious deficiencies)

The projects with very good efficiency scores are: "*Forestry Co-management in the basin of the Xingu River*" (2005/114-422) carried out in the State of Mato Grosso in Brazil and " *Sustainable development and biodiversity: strengthening of social actors and influencing public policies* "(2006/114-818), implemented in Ecuador.

- The forestry co-management project in the basin of the Xingu River is implemented by a consortium of 4 Brazilian institutes led by the Socio Environmental Institute (ISA). The report states that the project's implementation shows remarkable efficiency features, with good management practices which deserve to be reproduced with other consortia of NGOs and/or other institutes. The financial implementation is carried out according to a plan and has a system of internal control and monitoring system of expenditure enabling each partner of the consortium to comply with the requirements of transparency and control. The project developed a management manual, including a simplified compendium of the main procedures applied by the EC. Each partner has an administrative manager, coordinated by the main ISA manager. The implementation of activities and the progressive achievement of results -which is monitored on a regular basis- are satisfactory and promising.
  The project combines a high relevance with efficiency and after 17 months of implementation, it is already showing some ability to generate good practices. The chief monitor made a recommendation to the EC Delegation to review the manual and the tools developed by ISA as regards project management and consortium coordination the as well as to invite ISA managers to train other consortia that are currently facing difficulties in the field of administrative management. This contribution could solve efficiency problems that currently exist in several other projects in Brazil.

- The project called "Biodiversity and Sustainable Development - Ecuador" (Environment programme) stands out as regards efficiency for its outstanding administrative management which offers updated and timely information updates on operations. The interinstitutional management structure represents an additional strength of the project. As highlighted in the comprehensive progress reports, the activities have been carried out according to a foreseen schedule and are effectively contributing to the achievement of the expected results.

The "problems" identified in 14 projects of the sample can be classified into 3 categories:

1. A general delay in the implementation, i.e. delays as regards both the acquisitions and the formation of implementing teams. Nine projects - with a specialy high representation of Brazilian projects (5) - are in this situation: Chile: 2007/140-906; Nicaragua: 2006/114-226, Peru: 2005/081-362, 2006/114-223 and Brazil: 2004/081-415, 2005/081-658, 2005/081-407, 2005/080-916 and 2005/081-390.

2. Serious problems with regard to financial and administrative management. 4 projects: Colombia: 2006/113-311, Peru: 2006/114-223, Chile: 2003/062-355 and Brazil: 2004/081-415.

3. An achievement of very heterogeneous and - on average - poor results as compared with what was expected, despite a good administrative management and the implementation of the activities planned. Project in Colombia: 2006/114-452.

The main causes identified for these efficiency problems are:

- Problems at the level of the implementing consortium: disagreements between partners regarding the management of the project, lack of specification of respective responsibilities and administrative procedures, poor coordination and communication, inadequate composition of the consortium and subsequent changes. (8 projects).
- Lack of internal monitoring: a complete lack of internal monitoring system, deficiencies in the design of the monitoring system and/or in its implementation. (7 projects)
- Delays in the disbursement of funds from the EC due to: a lack/delay of reporting and applications (project 2006/114-223); unsatisfactory audits (project 2005/114-622); lack of acceptance of the reports by the ECD (projects 2004/081-415, 2005/081-390 and 2005/080-916 - all Brazilian projects); and because of poor management in general (2003/076-557). (6 projects)
- Teams with appropriate technical skills but weak management capacity for the coordination and implementation of large projects and with large teams. (5 projects).
- Lack of adequate technical consusltancy: rather unstable teams, competition problems, problems of availability. (4 projects)
- As stated in the MR of the 2006/114-226 project in Nicaragua: "The contribution of the European NGO PTM Mundabat is very limited; its added value is considered as weak in the field of protected areas as well as its lobbying work at the institutional level. It is recommended to hire an external support in terms of PA management plans for the support and consultance of the project's ecologist."
- Slow bureaucracy/low involvement from the authorities: slow adoption of forestry management plans (2005/081-362); delays in granting licenses to implement forest management plans (2005/081-658); major changes in the authorities' institutions (2003/076-557). (3 projects)
- Lack of communication with key target groups. The MR of the project number 2006/113-311 points out that: "The AWP reformulated according to the difficulties was not socialized, leaving little visibility for the partners on the objectives of the year". (2 projects)
- Key partners/stakeholders fail to meet their commitments (financial or other kind of support). (2 projects)
- Very ambitious initial planning and, therefore, incompatible with the original budget (lack of personnel, transportation, material) and with the complexity of the processes to be carried out with the beneficiaries. (2 projects)
- Reluctance from target groups to cooperate; difficulty of implementation in some areas of intervention. (1 project)
- Loss of consistency (dilution of results) and delays in implementation due to excessive application of the participatory method. (1 project)
- Strategical deficiencies. (1 project).

It is worth noting that among the projects that were considered as having a good level of efficiency (category "B"), there are also many of the problems mentioned above, though with a better control on negative impacts. Therefore, it appears that most projects can still be improved significantly as regards efficiency aspects.

4.1.4 Effectiveness to date

The "Effectiveness" parameter focuses on the contribution made through the results to the achievement of the project purpose. Important factors of effectiveness for the BCS are: (1) access for all beneficiaries to the results/services of the project, (2) the effective use of the project's results/services by the beneficiaries and the benefit they draw from them, and (3) the probability of achieving the project purpose as planned and defined in the Objectively Verifiable Indicators.

Figure 10 gives an overview of the monitoring results related to effectiveness. Of the 33 projects of the sample, 3 were given a "very good" score (9%), 22 a "good" (67%), 8 a "problems" score (24%) and none received a «serious deficiencies" score (0%).

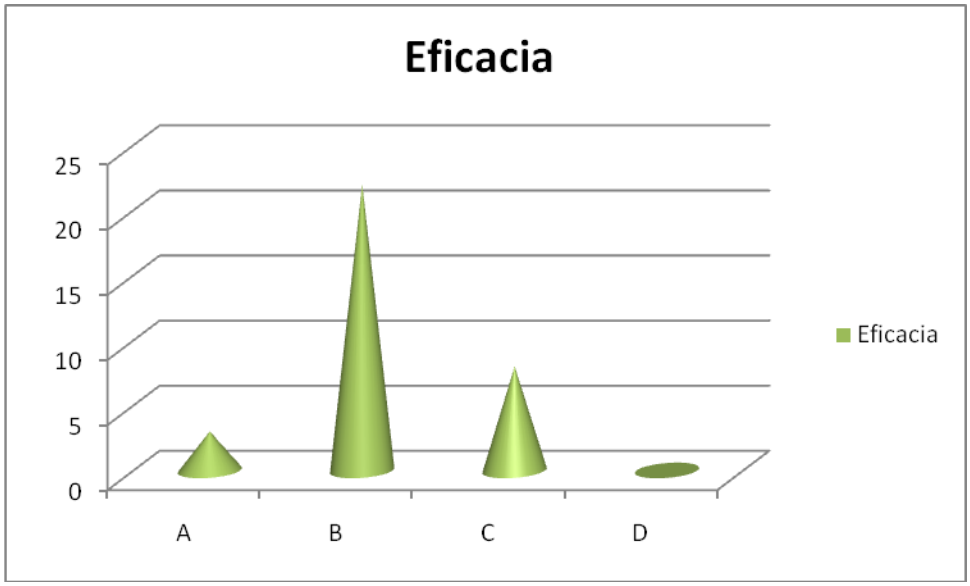

Figure 10. Monitoring results for the effectiveness parameter
(A = very good; B = good; C = problems; D = serious deficiencies)

The projects with a very good efficiency assessment were: "*Lively Landscapes: conservation, regional integration and local development in the Cordillera Oriental*" (2005/114-780) implemented at the border area of Colombia, Ecuador and Peru; "*Model for a sustainable community management of flood forests in the Andean Amazonia in Per*u"(2005/081-362) and "*Strengthening of sustainable forest management in indigenous villages (Forino)* "(2005/081-735) also located in Peru.

All projects stand out for the quality of their products and results, their level of compliance, their willingness to adapt to external changing conditions and their effectiveness in facing adverse situations. In general, these projects are implemented by teams of excellent professionals who keep questioning

their performance and strategies throughout the project's implementation, while always maintaining a clear focus on activities and processes that are of importance for the achievement of the PP and to produce benefits valued by the target groups and with a potential for sustainability.

8 projects have effectiveness problems:

- In most of the cases (5 projects), these projects do not meet the "coverage" of target population that was originally foreseen. The lack of compliance is due to overly ambitious programmes (i.e. projects 2007/140-906, 2005/081-390 and 2006/114-226) and/or limited participation and lack of interest from target groups (Project 2003/062-355). The reasons for the limited participation and lack of interest that have been identified in the sample include: low social cohesion of the target population, ongoing migrations from the countryside to the towns, local conflicts, lack of adjustment to reality, use of inappropriate strategies, etc.
- Another important factor is the very limited or partial achievement of the expected results (4 projects). In the case of project 2005/080-916, it appears that the results –although they have been achieved- do not translate into a real contribution to the PP. In this case, there is a link with the quality of design, especially at the level of the intervention logic.
- Deficiencies in the quality of results and/or services produced are also a problem. In the projects 2005/080-916 and 2005/081-390, there are few prospects with regard to the viability of the established services; in the project 2005/080-916, there are serious doubts as to the benefits of the expected forest certification.
- Finally, ensuring a good level of effectiveness in a project requires adequate preparation of the intervention in all its aspects. Project 2007/140-906 is an example of how some projects fail to undertake the necessary preparatory studies and diagnosis. The MR of this project explains that: "... the risk involved by innovative undertakings has not been assessed, and neither the community's risk aversion despite the existence of previous negative experiences."

It is worth noting that in many projects, obtaining a good score in the assessment of effectiveness is difficult due to the lack of OVIs related to the project purpose. In some cases there is also a lack of clarity in the formulation of the PP. These problems are directly related to deficiencies in the logical framework (Relevance/Quality of Design parameter).

4.1.5 Impact prospects

The impact of a project is defined as its effect on a wider environment and its contribution to the wider sectoral objectives, usually summarized in the overall objective.

The monitoring results as regards the Impact parameter are provided in figure 11. The exact score is: 4 projects in the "very good" category (12%), 21 projects in the "good" category (64%) and 8 projects with "problems" (24%) and none in the "serious deficiencies" category.

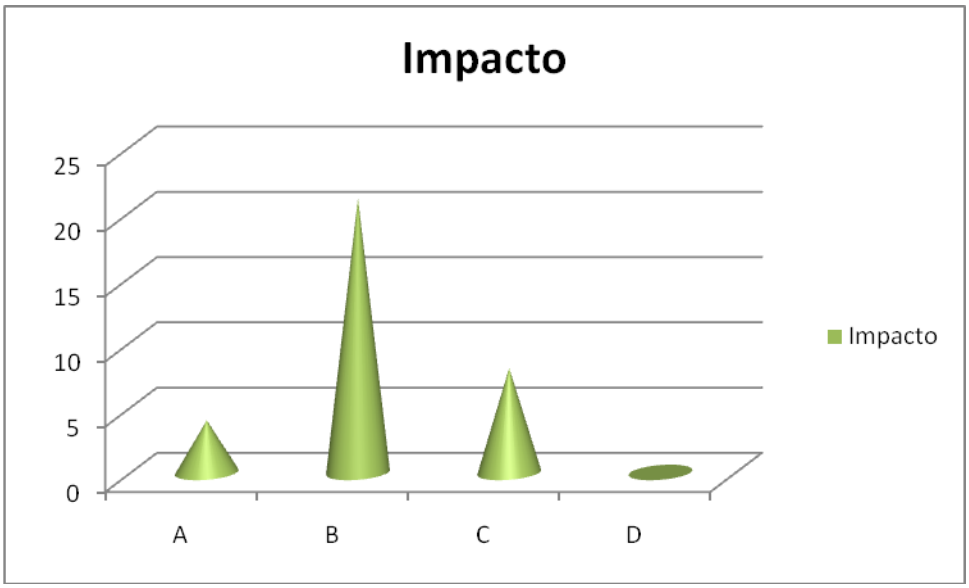

Figure 11. Monitoring results for the impact parameter
(A = very good; B = good; C = problems; D = serious deficiencies)

The projects with very good impact scores are: "*Wood, renewable energy for the conservation of native forests in southern Chile* "(2006/114-630), " *Biodiversity and sustainable development: strengthening social actors and influencing public policies* "(2006/114-818) implemented in Ecuador, " *Model for a sustainable community management of flood forests in the Andean Amazonia in Peru* "(2005/081-362) and " *Strengthening of sustainable forest management in indigenous villages* (Forino) "(2005/081-735) also carried out in Peru.

The MR of these projects mention as factors of positive and significant impact: (1) successful political impact at the national level, (2) awareness-raising campaigns that effectively result in more desired behaviours and (3) higher degree of self-esteem in indigenous communities together with a greater ability to organize and manage their resources in the current world.

As for the project in Chile (2006/114-630), for example, "there is an excellent impact; it is being contributed to the inflection of the logic of forest degradation and air pollution. The project also provides strong arguments in favour of politico-institutional recompositions."

As regards the "Biodiversity and sustainable development" project in Ecuador, it was said that "the new Constitution of Ecuador is the first of the world to incorporate the conservation of agro-biodiversity. The Agrarian Board (Mesa Agraria) has been able to establish rights and principles that go beyond the positions of the Alianza País assembly. The achievements that question the current extractive and pragmatic development model in Ecuador are particularly valuable. The integration of food sovereignty as a strategic objective and obligation of the State has a huge potential impact on the welfare of the Ecuatorian population."

As regards the project in Peru (2005/081-735) which works with indigenous communities from the Amazon Rainforest, it is reported that "the main positive impacts include an increased capacity of communities to organize and manage their human and natural resources; as for the revenue generated, a greater ability to invest in community development and make their life plans without any external subsidy; as for the above mentioned factors, a higher self-esteem in indigenous communities; and thanks to the tangible benefits provided by forestry resources, the forest will be better protected."

On the other hand, some projects with problems have also been identified, creating a weak and insignificant impact as compared with the investment made.

The impact that can be generated by a project depends to a great extend on the implementation of the activities planned, on the appropriateness of the intervention strategies adopted and on the degree of acceptance by and participation of beneficiaries. Therefore, many of the problems related to impact are linked to deficiencies in quality of design, efficiency and effectiveness. Some examples:

- Deficiencies in the design having consequences on the impact: budget too limited to achieve a minimum number of beneficiaries in order to create a significant impact (2005/081-688); very small scale intervention (2006/114-224); reduced impact due to mistaken identification of partners and target groups (2004/114-796); inadequate strategies such as embarking on the forestry certification, which has a doubtful value in the intervention's background (2004/114-796, 2005/080-916); lack of relationship between the OO and the PP within the logical framework (2006/114-226); and lack of OVIs to measure the impact (2005/114-796, 2005/081-688);
- Low efficiency: significant delays in expected components/results (2004/114-796, 2006/114-224, 2003/062-355);
- Low efficiency: poor participation and low interest in the intervention issue (2006/114-224, 2006/114-226, 2005/081-261).

Other factors of importance in this regard are the lack of political will from the (national and local) government and the lack of synergies and coordination with other local actors as well as with other interventions that address the same issue.
Finally, in several cases, there seems to be a lack of monitoring of the impact by the projects; although there is an internal monitoring system, there are very few monitorings on the impact (achievement of the overall objective), whether through the measurement of impact OVIs or not.

Ex-post monitoring:

The ex-post monitoring provides information - not about impact prospects – about the generated impact. In this sense, it has been considered as interesting to summarize the findings of the monitoring on the subject. The COBODES project in Costa Rica received a "C"; the two other projects were assigned a "B".

- The project entitled " *Forest conservation and sustainable development of buffer zones on Costa Rica's north Atlantic coast* (COBODES) - (1996/004-925)":

  "The project achieved a major investment in the strengthening of the human capital and especially in the promotion of environmental awareness towards those actors, from a systemic and territorial point of view; the commitment to strengthen the human capital is going to pave the way for success and continuity of what has been achieved in the project. However, the lack of involvement on the municipalities' part has been a constrained to achieving a broader impact on the territory land as they should be the ones leading the coordinated actions in the area.

  Despite the increase registered in the management capacity of the Tortuguero Conservation Area and in the sustainable use of biodiversity through the promotion of productive alternatives and despite the obvious and significant progress made in the field of forestry control and tourism management - at least within Protected Wild Areas - the project failed to strenghthen or expand in a broad and inclusive way the coordination between the relevant actors in order to ensure a more comprehensive, participatory and effective management of the conservation area, which has finally limited its impact. This is even more obvious in the lack of involvement by local municipalities and the project's limited scope to impact institutional decisions and policies both at a regional and a national level."

- The project in the Argentine Chaco called "*Preservation and participatory management of natural resources in the Teuco-Bermejito region within the framework of the Sustainable Development Plan* - (2003/063-645):

  "The first factor that may determine significant impact is having been able to introduce the notion of sustainable use without falling into protectionist dynamics which provides legitimacy to a population marginalized in the exploitation of its resources. The Project has strengthened and created new partnerships that can better understand and reinterpret the concepts of the new policies related to the sustainable management of resources. Inter-institutional coordination allows a more efficient flow and use of new resources within the area and a better understanding of the context by the relevant authorities. Finally, it is expected that if the conditions for sustainability have been improved, the economic activities may have a deeper impact on the population's living conditions."

- The project entitled " *Sustainable Development of the Cuiabá-Santarem Economic Corridor in central Amazonia: reconciliation of the economic growth and large scale forestry conservation* - (2003/068-851) in Brazil:

  "The project achieved a high level of impact in many different aspects. It contributed to: an increased integration of technical aspects in planning processes; the creation and strengthening of grassroots organizations that are currently able to negotiate more advantageous conditions with the authorities; the participation in a pilot experience of participatory planning in the area which now serves as an important basis for the work in process along the BR-163 and that also had an impact on the national vision of the involvement of communities into public policies.

  It is worth mentioning that the project helped draw national attention to the area, which resulted in increased state investment in the field of land speculation control, deforestation and violence. This investment already resulted in the creation of a number of conservation areas in the region. In addition, the intervention contributed significantly to a greater respect towards the social movement thanks to its organised and moderate approach.

  The IPAM has been able to reinforce its image as a reference institution in the field of land use policy and, more specifically, in the handling decision-making processes together with the relevant authorities. The incorporation of the National Institute for Colonization and Agrarian

Reform also had a positive impact: it facilitated the dialogue and accelerated the processes of land use. The strengthening of the different actors mentioned has increased transparency, making the grileiros' (actors of illegal appropriation of land) actions more difficult.
The project allowed redefining concepts such as fair and sustainable land use, thus producing a mitigating effect on migration from the countryside to the town.
Positive changes in the fisheries sector were also achieved, resulting in a more sustainable management, the creation of an audit system and improved selling prices.
Finally, the lack of forest fires in the area over the past three years is due - at least in part - to the project's interventions in that field.

4.1.6 Potential sustainability

The "Sustainability" parameter assesses the likelihood of a continuation in the flow of benefits generated by the project once the period of external support is over. The BCS are focused on the analysis of the potential sustainability based on different aspects and criteria which include: (1) the financial/economic feasibility (2) the appropriation by beneficiaries, (3) the political support and the degree of interaction between the project and the political level, (4) the institutional and managerial capacity, (5) the concern for socio-cultural aspects, (6) gender equity (7) the adequacy of the technology (human and technical) introduced and (7) the concern for environmental aspects.

Figure 12 gives an overview of the monitoring results for the sustainability parameter. The detailed breakdown is: 2 projects in the "very good" category (6%), the vast majority, i.e. 26 projects in the "good" category (79%), 5 projects with "problems" (15%) and no project with "serious deficiencies".

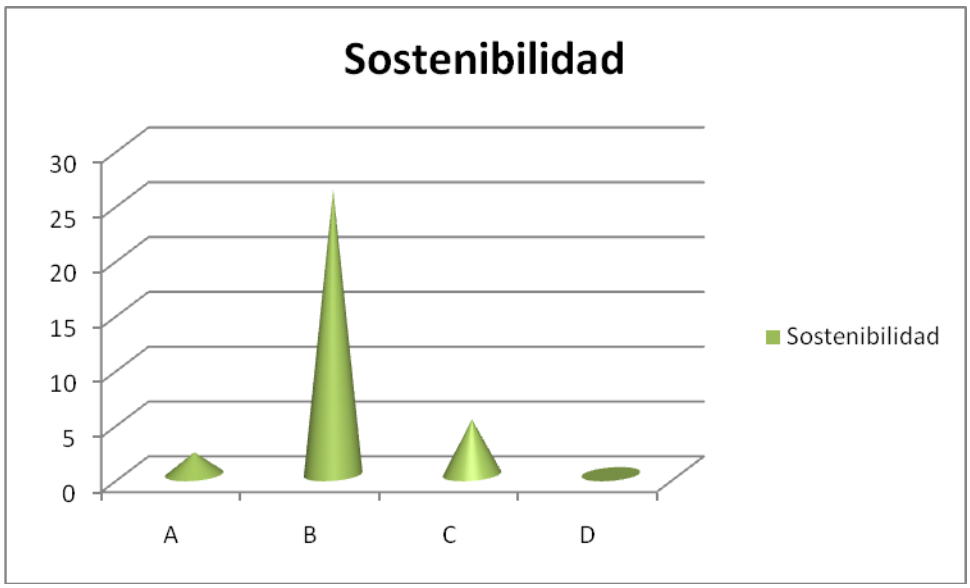

Figure 12. Monitoring results for the potencial sustainability parameter
(A = very good; B = good; C = problems; D = serious deficiencies)

In general, the projects show an adequate concern for both sociocultural and environmental aspects; there is a good appropriation by the beneficiary groups and appropriate technology is mostly being introduced. The attention paid to gender equity varies from one project to another since, according to the objectives set, this issue is not considered as relevant in many cases. In several projects, political support and interaction as well as institutional capacity turn out to be critical factors in the challenge of ensuring sustainability. However, the most critical point is the financial/economic sustainability. These overall conclusions are to be further discussed below with concrete examples.

The two projects assessed as "very good" in this section are: (1) " Wood, renewable energy for the conservation of native forests in southern Chile" (2006/114-630) and (2) " Regional integration for sustainable management and desertification control in Ecuador and Peru "(2006/114-783).

- In Chile, the attempts to replace firewood by oil or gas failed due to the fact that people prefer the first option which is cheaper. To the contrary, the project is promoting a local resource, whose economy is rooted in the local culture, generating jobs and incomes for poor people. The viability of technical and organizational solutions to the problems caused by this traditional use is being highlighted. The intensification of firewood extraction will result in an icrease of profits for producers as well as in a decrease of the pressure on natural forests, for which the sustainable use is the best guarantee of preservation.
  According to economic forecasts, the National System of Firewood Certification will be self-financed through the "license" that is charged per m3 of certified wood sold.

- As for the bi-national project of environmental management and control of desertification, sustainability had already been described as a fundamental methodological approach. In order to ensure this sustainability of actions and the reversion of the problems in the arid areas of the binational border, the project is raising awareness and empowering the inhabitants of the dry forest as responsible by making them responsible for their own destiny. Therefore, the local people and institutions are encouraged to assume their responsibilities and address the issue of sustainable management of forests. Besides, the project also seeks to (i) increase the institutional capacity to ensure sustainability as well as adaptation to the environment and to the regional background, (ii) give impetus to mechanisms of empowerment and appropriation of local actors, (iii) generate the expected changes, and (iv) enhance the value of what is local and traditional.

The 5 projects classified as with "problems" usually show deficiencies in various aspects of sustainability.

- In the project called "Conservation and sustainable management through community participation in the primary and secondary forest of the Cerro Alegre, Nicaragua (2006/114-226)," for example, there are problems at the institutional level (lack of coordination with local actors) political level (not involving municipal governments), appropriation level (limited participation, the project fails to build a local dynamic around the local conservation of natural resources in the Cerro Alegre) and at the technological level (use of wrong methodological tools).

- The other intervention in Nicaragua (2006/114-224) - focused on sustainable forestry management and trading of products for energy consumption - is characterized by an overall lack of concern for

sustainability. Associations of producers were created without making any business plan or market prospects since forest plants are distributed for free in the area. There is no local institutional structure prepared and/or under preparation in order to ensure the continuation of certain services and action lines. Finally, the technologies that have been introduced are innovative and easy to use/maintain but they are expensive and their replacement is not ensured.

- The Guaviare Forestry Project in Colombia (2006/113-311) showed of the monitoring a very questionable financial viability at the time since there was a lack of (1) sufficient forest production to be saled, (2) reliable and accessible market and (3) the associations' ability to provide the necessary support. As regards the appropriation of the project by the beneficiaries, it seems to be limited by the absence of the project at community level.

- In the project of co-management of the Tawahka Asangni Biosphere Reserve in Honduras (2005/081-261), sustainability is mainly threatened by the lack of institutional capacity: new integrational structures were created (producers associations); they are very incipient in community dynamics and they are not yet certified or trained. There is a lack of proper certification of the community environmental committees. There is no legal definition for the community use of productive and processing investments. The introduction of the coffee and cacao products in organic markets is still missing as well as the introduction of fair prices.

- For the project of Preservation and management of natural resources in the Argentine Chaco (2003/063-645): see below (ex-post monitoring).

Even if they are classified as having a "good sustainability potential," significant deficiencies as regards sustainability have also been identified in those 26 projects.
Also in this category, financial sustainability turns out to be the most critical aspect. In most interventions, there are some activities/services for which there will be no follow up after the project's closure due to a lack of funds. A special element in this regard is the uncertain economic profitability of productive activities, often promoted without prior market research and without any business plans. It is also worth mentioning in this context the whole problematic related to the certification of forest and/or agro-ecological products and their marketing, for which there is a clear lack of thorough cost-benefit analysis.
Another common problem is the lack of time to consolidate ongoing processes/activities, which obviously leads to negative consequences for sustainability.
Also of note is the fact that many projects - in the last year of their implementation - still lack an exit strategy and that approximately one third of the sample of projects seem to seek new funds in order to continue their actions in the sector and area of intervention.

Ex-post monitoring:

As for the impact parameter, the ex-post monitoring provides information, this time not on "potential sustainability", but on "actual sustainability" - exactly as observed on the field. Therefore, there will be a summary of the remarks resulting from the monitoring related to the sustainability of the 3 projects

already closed. The project of preservation and management of natural resources in the Argentine Chaco received a "C", the other two projects got a "B".

- The project entitled “Preservation and participatory management of natural resources in the Teuco-Bermejito region within the framework of the Sustainable Development Plan - (2003/063-645)” in the Argentine Chaco:

  "The institutional organization for the implementation has focused on creating and strengthening links between local organizations and territorial, provincial and national technique entities/authorities in order to create better conditions for continuity. All productive investments have been made and are, to date, being implemented (sawmill, extraction room and other equipment for honey, forest inventory, tourist accommodation).
  The main factors that undermine the overall results of the project are related to the sustainability of economic organizations and union associations. Forestry and beekeeping cooperatives are still weak organizations as regards their internal cohesion and entrepreneurial vision. The forestry cooperative is, among others, the one with the biggest constraints (management and administration). Beekeeping cooperatives face serious difficulties in maintaining the necessary levels of capitalization against emergencies (frost), while the touristic activity still has difficulty in defining a product adapted to the market. In order to ensure the requested continuity, the project managed to attract more actions (a provincial GEF and a project from the Ministry of Environment) towards the development processes that have been initiated."

- The project called " Forest conservation and sustainable development of buffer zones on Costa Rica’s north Atlantic coast (COBODES) - (1996/004-925):

  "The sustainability of various products has been guaranteed thanks to the institutional and financial support from the executing part (Tortuguero Conservation Area), and nearly 2 years before the closure of the project, most benefits have been achieved. The most outstanding ones are: The Management Plan allowing for the reinvestment of part of the admission fees to Tortuguero into infrastructure works; the Community Management Programme maintains -in cooperation with the Ministry of Agriculture of Guácimo- its support towards integrated farms and keeps providing training in a variety of subjects to populations living in the buffer zone; the "green rooms" are self-funded through the sale of training services, and thus contribute to the family economy of these producers-trainers; The strongest integrated farms are achieving their own financial self-sustainability.
  The factors highlighted for the current sustainability are: i) an appropriate methodology in the second phase when it comes to the strengthening of human and institutional capacities; (ii) the socio-cultural background, (iii) the technologies introduced and (iv) gender equity within integrated farms, organizations as well as in environmental awareness-raising actions."

- The project called " Sustainable Development of the Cuiabá-Santarem Economic Corridor in central Amazonia: reconciliation of the economic growth and large scale forestry conservation - (2003/068-851) in Brazil:

  " All IPAM actions are characterized by the concern of avoiding unnecessary dependencies. The EC funding granted to the 2003/068-851 project came at a timely moment when the various institutions involved were ready for action and policies offered a space for work and a financial contribution for the ongoing processes. Currently, the project’s level of acceptance by the government bodies is still unclear as it depends on the delicate balance between development

and protectionist policies. On the other hand, the presence of other donors ensures the continuity of the main actions, and the IPAM keeps operating as primary coordinator of these funds.An important factor for sustainability was the strengthening of institutions, from the IPAM and its partners to the National Institute of Colonization and Agrarian Reform (INCRA) and other associations. The integration of the project into a network is also of benefit to the participants. The project is working towards the inclusion of environmental education into the official extracurricular agenda of the schools in the area since the demand in this regard is high (there are no current immediate resources to expand this programme). The caboclas offices keep functioning thanks to subsidies provided by IPAM and the prefecture of São Paulo, with an adequate vision of gradual self-sustainability. The project also allowed a greater coverage of the GIS, but there is no consolidation of the existing data in the area so far."

4.2. Subjects for Reflection and Recommendations

1. In general, the quality of the projects in the "Forests" and "Environment" programmes monitored in LA in 2008 is good. However, there is still room for improvement, especially in the "Quality of Design" and "Efficiency" parameters where a series of commun and significant deficiencies have been identified.

   The main deficiencies related to the Quality of Design include:
   - Infeasible designs for being too ambitious and/or due to a lack of background knowledge.
     Recommendation: pay particular attention to this aspect during the evaluation of proposals (most of the projects get their funding from international calls). At this stage it is essential to properly involve the relevant EC Delegations having the best knowledge of local conditions.
   - Weaknesses in the formulation of the logical framework, especially in the definition of OVIs.
     Recommendation: 1. Organize a series of trainings for applying organizations in the formulation of the logical framework according to the methodology used by the EC. 2. pay special attention to the quality of logical frameworks and OVIs during the assessment of the proposals submitted in the call. When signing the financing agreement, the project should have a complete and adequate logical framework.

   The main deficiencies related to Efficiency include:
   - Problems of organization and coordination between the partners of a consortium which implements the whole project.
     Recommendation: try to avoid the approval of projects to be implemented by complex institutional structures, especially when the consortium is made up of partners who are not "local" or "permanent." In cases where there are implementing consortia, the suitability of the proposed management and coordination mechanisms is to be properly checked during the assessment of proposals.
   - Lack of internal monitoring.

Recommendation: to request that, along with a proper logical framework, the project proposals also include the timely establishment of an internal monitoring system based on the OVIs and of a baseline.

- Compliance with EC administrative procedures.
  Recommendation: the organization by the relevant ECDs of a training event on the subject for the project teams (technical and administrative) when starting the implementation.

2. A large number of projects include a certification component, whether in the forestry sector (sustainable management - FSC; legality - FLEGT) or in the agricultural sector (organic farming). The costs related to certification are usually covered by the cooperation projects budgets. At the same time, the monitoring reports indicated that for most of the projects, doubts have been raised about the financial viability of those systems and the sustainability of the achievements already obtained in the field of certification is questioned in many cases. Recommendation: Donors should commission and organize detailed studies on the issue collecting relevant experiences, analyzing the costs and benefits and then use this information to define the role of cooperation in this matter.

3. In general, it can be concluded that environmental projects are contributing to the achievement of the environmental agenda's objectives -both at the EC, the partner countries and the world community (MDG) levels- since very high consistency with relevant policies has been registered on the one hand, and scores for the effectiveness and impact parameters are quite positive on the other hand -76% of projects have been assessed as "good" or "very good" in both parameters. However, the systematic data that would allow some quantification of these contributions is missing. The observation also applies to the sustainability parameter. Recommendation: 1. Promote (a) a systematic and quantitative measuring of the progress made in achieving the project purposes and of the impacts that are being generated (through a well designed internal monitoring system) and (b) the integration of results and conclusions in the progress reports of the projects. 2. Promote the collection within ECDs of this data and information for all EC interventions at the level of the partner country and by sector and link this information with the sectoral objectives of the EC, the partner country and the world community. 3. Focus on the ex-post monitoring in these effectiveness, impact and sustainability parameters rather than applying the standard ROM methodology. Furthermore, the valuation of the 3 mentioned parameters should be associated to an analysis of the reasons - which are likely to be related to the levels of relevance/quality of design and efficiency - for the scores assigned.

4. In Brazil and Peru, a series of forestry projects are being implemented. They focus on the issue of sustainable governance and development, integrating in their design a component of political incidence at the national level ("adequacy of the forestry regulatory and political framework"). The monitoring reports of these projects point out a lack of synergy and coordination on these issues. However, it is obvious that the effectiveness of political incidence would greatly benefit from united and coordinated efforts in all ongoing interventions in the field. Recommendation: To promote and facilitate such coordination and synergy through the creation of fora and roundtables in which forestry (and environment) projects are involved. Such fora and roundtables will facilitate the organization of joint political actions and debates on practical

topics of common interest (i.e. practices on wood extraction in difficult areas, market information systems,...). ECDs will be a key actor in the promotion and facilitation of sectoral coordination and synergy.

5. For the calls regarding the projects monitored in 2008, besides the request for consistency with the priorities of the programmes related to the issue ("Forests" and "Environment"), there was also a request for consistency with the EC corresponding national strategies (CSP, RSP) and with the national policies. In the current programme – especially since the Paris Declaration was signed –demands related to synergy and complementarity aspects have been added together with the intervention of other donors. This new concern will probably gain in importance in the coming years. Recommendation: Ensure that both aspects (synergy and complementarity) are duly reflected in the designs of the projects, the progress reports and the monitoring reports since they are now needed.

6. The analysis of the FTC and the "Support to NGOs" budget line samples indicates that there is some integration of environmental aspects into projects of other sectors. However, it would be easy to justify a greater integration of the environmental issue in both samples. Recommendation: Perform continuous efforts towards the promotion of the concept and practice of "environmental mainstreaming".

7. A significant percentage of the projects are re-monitored projects. In theory, this provides a good opportunity to monitor and discuss the progress of ongoing projects. However, it appears that the standard methodology of the ROM does not take the maximum advantage of this opportunity. Recommendation: to slightly adapt the methodology for re-monitored projects, for example by integrating a section in the format in which the previous score is mentioned and where the progress in the parameters is particularly discussed, including the extent to which (and how) the recommendations from the previous monitoring have been taken into account - the information about the follow up given to the monitoring recommendations is currently somewhat scattered in the BCS. Although it is not a necessity, mobilizing the same monitor on subsequent visits is likely to facilitate such prospects of evolution.

4.3. Lessons learned

1. Deficiencies in the design often affect the other quality parameters. Furthermore, in the case of several major deficiencies, they become hard to remedy, due to the relatively short duration of projects on the one hand (and therefore no major delay can be afforded in the implementation phase) and to the long EC addendum process on the other hand, which is required when there are significant changes in the design. Therefore, the design is requested to be consistent, realistic, relevant, strategic and adapted to the context as it is essential to the overall success of a project.
   To some extent, the monitoring scores confirm the importance of an appropriate design: the sample does not include any project that was granted a "C" in the Efficiency, Effectiveness,

Impact and Sustainability parameters when having an "A" for quality of design; on the contrary, 2 projects that received an "A" for the quality of design parameter also got "As" in one or more of the other parameters.

2. As already mentioned in the previous "lesson", the projects' limited duration affects their flexibility and adaptability. In general, there is not much room for significant experimentations and re-orientations. This observation confirms once again the key importance of the original quality of design of projects from the "Forests" and "Environment" programmes.

3. The procedure of the calls in which a large number of project proposals compete for funding leads to the formulation of overly-ambitious designs.

4. When a project is implemented by a consortium of partners, it is essential for the proper implementation to establish from the start clear agreements stating the respective responsibilities, the administrative and financial procedures to be respected internally and the mechanisms of coordination and communication to be adopted. For such projects, it is imperative to have a very competent general manager in the implementing team.

5. The degree of complexity in regional and/or cross-border projects is usually much higher than in local and/or national projects. At the same time, its efficiency is significantly decreased due to additional costs/efforts of coordination and transport between various countries and due to the need to foresee and equip offices in different locations. In general, these projects also require a relatively longer duration than national projects to achieve their goals. On top of this, it has been observed that many regional projects did not have a proper control or assessment of their regional component. In other words, in many cases, the added value for being regional does not compensate at all the higher costs. Therefore, it is necessary to provide a very good justification of the design and implementation of regional and/or cross-border projects.

6. According to monitoring report of one of the projects, the recipe for increased impact would be: "to emphasize the importance of political incidence and seek more synergy/coordination with other actors of the sector." In order to achieve a high level of sustainability it is necessary to : "provide successful support to high added-value processes at strategic times and with a strengthening of local institutes."