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## Project evaluation: summary report

### Central America and the Dominican Republic: Reducing greenhouse gases from deforestation and forest degradation (REDD)

Project number:	2013.2267.6
CRS purpose code:	Forestry policy and administrative management (31210)
Project objective:	Sustainable payment mechanisms for reducing CO <sub>2</sub> emissions from deforestation and forest degradation are introduced in the Member States of the Central American Integration System (SICA).
Project term:	October 2013 to December 2017
Project volume:	EUR 8,000,000
Commissioning party:	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency:	Central American Commission for the Environment and Development ( <i>Comisión Centroamericana de Ambiente y Desarrollo – CCAD</i> )
Implementing organisations (in the partner country):	The environment and agriculture ministries with their respective forestry departments and REDD groups in Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
Other participating development organisations:	-
Target groups:	Mainly poor population groups in rural regions in the countries concerned

#### Project description

Central America accounts for only 0.5% of the earth's surface area, but possesses some 8% of the world's terrestrial biodiversity. At the same time, no other tropical region in the world has been hit harder by the impacts of climate change. Soil degradation, forest loss (280,000 ha/year in 2013) and monocultures are compounding its vulnerability to the effects of climate change. High population growth coupled with poverty and weak political structures are also raising the pressure on the forest resources that remain. With agricultural land now increasingly interwoven with more or less degraded wooded areas, the forest landscapes in the region now exhibit a mosaic-like fragmentation.

To handle environmental issues, the Central American Integration System (*Sistema de la Integración Centroamericana – SICA*) has set up the Central American Commission for the Environment and Development (*Comisión Centroamericana de Ambiente y Desarrollo – CCAD*). Also – and partly in collaboration with the project – it has adopted corresponding strategies, such as the strategic regional forestry programme PERFOR (*Programa Estratégico Regional para el Manejo de Ecosistemas Forestales*), along with other regional action plans. However, owing to its weak human resources, CCAD requires support to be able to pursue

and monitor these strategies. Regional working groups for forests (*Grupo de Trabajo de Bosques – GTB*), monitoring, safeguards and other technical groups also received further support in the second phase. At the start of the measure, all SICA Member States were planning to submit or had already submitted applications to the World Bank's Forest Carbon Partnership Facility (FCPF), thus demonstrating their interest in REDD+ and – as became apparent in the course of the project – in other alternative compensation mechanisms for reducing emissions from deforestation and forest degradation, as well as in generally improving forest sector governance.

Challenges in this context involved, for example, (varying degrees of) policy coherence between the different sectors, regarding, for example, forest areas being converted into farmland, and the environmental sector's general weakness compared to, say, the agricultural or energy sectors. The latter is reflected in lower levels of funding and political standing. Professionals and other actors had already undergone further training in previous phases. However, staffing levels were already rather weak at the start of the measure under review and institutional capacity not always adequate. The conditions required for transparent MRV (Monitoring, Reporting and Validation) in line with REDD+ were in place (e.g. regional database and support of national monitoring units). However, considerable further support was needed in order to achieve the expedient level of functionality both at country and at regional level.

Design: The project aims to help improve forest conservation in Central America. To this end, it is assisting the countries concerned in improving national and regional governance mechanisms for protecting and sustainably managing forests. It is also helping them to create the institutional and technical enabling conditions needed to establish a sustainable, compensation mechanism-driven incentives system for forest conservation. The module objective is therefore: 'Sustainable payment mechanisms for reducing CO<sub>2</sub> emissions from deforestation and forest degradation are introduced in the Member States of the Central American Integration System (SICA)'. Assuming the wording 'are introduced' is taken to mean the launch of this rollout process (rather than its completion), the module objective's level of ambition is correct, whereby the system boundary basically has more to do with the creation of enabling conditions, which is also reflected – and in principle rightly so – in the correspondingly somewhat lower results level of the module objective indicators.

The project has adopted the previous measure's conceptual structure (consisting of three components) and attributed the current outputs (fields of activity) accordingly.

- Component 1: Intersectoral coordination with the field of activity 'Regional Forest Governance' (Supporting CCAD and the corresponding country working groups in developing positions, strategies, policies and mechanisms etc.) and the output 'Intersectoral and multi-level dialogue' (Support for national strategies, coordination mechanisms, institutional and legal conditions etc.).
- Component 2: Compensation mechanisms/pilot projects with the field of activity 'Sustainable implementation instruments' in which pilot projects are supported and advised on the creation of structures and mechanisms (including safeguards, participatory planning, implementation and monitoring etc.).
- Component 3: 'Monitoring, Reporting, Verification' with the field of activity 'Monitoring and reporting': With partner support, this aims to establish the technical and institutional conditions required for MRV at regional level (e.g. set up a database and an information platform) and national level (monitoring systems with forest inventories and remote sensing).
- Output 4: Human Capacity Development is an overarching or cross-sectoral field of activity that provides various forms of training for the professionals involved (advice, continuing education, on-the-job training, exchanges etc.) in order to develop their capacity.

The highly plausible results hypothesis assumes that, thanks to the interplay of the regional and national levels and to the creation of corresponding institutional, specialist and technical conditions, and given the countries' strong interest, it will be possible to test and introduce financing mechanisms for improved forest conservation and to sustainably transfer these to the national level in each case.

Subject of the evaluation: The evaluation covered the entire project term from October 2013 to December 2017. In geographical terms, it covered the CCAD states of Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

Adjustment of project design: In the course of the project, the role played by international carbon emission payments continued to weaken. The project responded by stepping up its search for alternative and nationally financed compensation mechanisms.

The module objective indicators were used as a basis for assessing effectiveness; to round off the evaluation other areas of effectiveness were also analysed. The indicators are not entirely SMART: most of them validate not the actual module objective, but various steps towards its achievement. They also include some unspecific wording, such as 'systematic' or 'implement'. However, for the purpose of assessing effectiveness, they do represent key fields of observation and, taken together, make for a good assessment of the project's efficacy. To gauge the measure's impact, the evaluation focused on possible contributions to positive developments in the following fields: good governance, impacts on disadvantaged groups (women, indigenous peoples, the poor), improvements in forest governance, regional integration and environmental impacts.

Basis for assessment of the OECD-DAC criteria:	Individual and overall rating of the OECD-DAC criteria:
<p>To determine the TC measure's overall rating, calculate the average of the individual ratings of the five OECD-DAC criteria:</p> <p>14 – 16 points: very successful  12 – 13 points: successful  10 – 11 points: rather successful  8 – 9 points: rather unsatisfactory  6 – 7 points: unsatisfactory  4 – 5 points: very unsatisfactory</p>	<p>Relevance: 16 points - very successful  Effectiveness: 13 points - successful  Impact: 13 points - successful  Efficiency: 15 points - very successful  Sustainability: 12 points - successful</p> <p>Overall, the TC measure is rated as very successful with a total of 13.8 out of 16 points.</p>

### Relevance (Are we doing the right thing?)

Against the backdrop of climate change, avoiding forest loss is highly relevant (internationally). A large number of international conventions (climate change, biodiversity) underscore the importance of forest conservation. People depend on forests for their livelihoods, either directly and/or through its ecosystem services. The SDGs refer to forest conservation in order to secure livelihoods and formulate targets in SDGs 2, 7, 13 and 15.

The programme is aligned with the priorities in the region and Member States and meets international standards, also as part of consultancy (FCPF standards etc.). The project assists the region and countries in adapting and actually realising their political strategies (e.g. PERFOR, national REDD strategies). The project operates in compliance with BMZ directives, e.g. 'REDD+: Protecting forests and climate for sustainable development' (Nov. 2015) and 'The world needs forests. Germany's forest action plan for sustainable development' (March 2017). REDD-driven compensation mechanisms have become less relevant worldwide (lower price of carbon, drawn-out decision-making processes at international level). Having adapted flexibly, the project also advises on alternative compensation mechanisms. Moreover, beyond any compensation mechanisms, it has generally supported national and regional actors' capacity for forest management and governance right from the outset.

The relevance of the TC measure is rated as very successful with 16 points.

**Effectiveness** (Will we achieve the project's objective?)

Objectives indicator	Target value according to the offer	Current status according to the project evaluation
<p>1. CCAD's Council of Environment Ministries (<i>Consejo de Ministros</i> – CdM) decides to implement four proposals submitted by the technical working group 'Forest' (GTB consisting of national forest directors) in order to implement the regional REDD+ agenda. Baseline value: 0</p>	4 proposals	<p>The CdM has accepted three proposals: Update of the regional PERFOR forest strategy, the regional strategy for combating forest fires and the regional strategy for forest hygiene and health.</p> <p>Formulation of strategies by the GTB and their acceptance by the CdM confirm the quality and operational functionality of the regional architecture. Furthermore, the updated strategies provide the Member States with a suitable framework for pursuing their own forest agendas further (including compensation mechanisms). With project support, the Member States formulated 13 indicators for PERFOR (including reference levels) that allow for prioritisation in the countries concerned. Corresponding adaptation of national strategies has already been agreed or – as in the case of PERFOR – is underway.</p> <p>Thus, by the end of this project, this indicator is expected to have a 75 per cent achievement rate.</p>
<p>2. Six of the eight SICA/CCAD countries have a coordinated national strategy for combating deforestation (coordination extends to representatives of indigenous peoples and to farmers' organisations in Central America). Baseline value: 1 (Costa Rica)</p>	6 of 8 SICA countries	<p>The Readiness Preparation Proposals (R-PPs) of all eight SICA/CCAD countries have been adopted. The R-PPs contain concrete and coordinated strategic elements for combating deforestation. They provide a sound basis for the ongoing elaboration of requisite measures, such as the formulation of concrete REDD strategies (in all countries in the process). This indicator can be regarded as having been achieved in full (100 per cent).</p>

<p>3. Four out of eight SICA/CCAD countries develop forest projects to lower CO<sub>2</sub> emissions. Baseline value: 1 (Panama)</p>	<p>4 out of 8 countries</p>	<p>Five countries are preparing or already piloting projects that serve to improve forest protection and thus also (at least indirectly) reduce CO<sub>2</sub> emissions. To varying degrees of intensity, and in collaboration with various organisations, the project provided process-related as well as specialist and technical advice to the following pilot projects, particularly in the fields of planning, data collection and consultation processes: <b>Panama:</b> Pilot project Ruta Verde <b>Costa Rica:</b> Pilot project Humedal Terraba Sierpe, <b>Dominican Republic:</b> Pilot project Yaque del Norte <b>El Salvador:</b> Pilot measure Humedal de cerrón <b>Guatemala:</b> Pilot project Olintepeque. Everyone spoken to was satisfied with the way the pilot projects were implemented and were optimistic about their upscaling to national level succeeding. This indicator can be regarded as having been achieved.</p>
<p>4. The regional monitoring system embedded in the CCAD regional environmental observatory publishes six-monthly reports of its own data and data validated by the environment ministries' national departments for forest monitoring (forest damage reports, forest damage alarm reports). Baseline value: 0</p>	<p>Target value: Six-monthly reports starting from official use of information platform in July 2014.</p>	<p>An online information system in operation in the regional environmental observatory provides information for various purposes: Carbon calculation, forest inventory software, species identification, forest planning tool, forest warning system etc. The project supported the development of and qualitative improvements to those parts of the environmental observatory that are relevant for REDD and/or forest management. Various items of data and information can be accessed at country and/or regional level, e.g. forest fire and deforestation alerts, visualisation and downloads of regional and national cartographic data relating to forest resources, use of interactive maps to obtain information on carbon sinks of various forest types at regional level, database on regional tree species and their properties and regional volume-metric and allometric functions. Limitations result from the countries' validation difficulties regarding forest warning systems and the uncertainty surrounding the future hosting of the observatory. This indicator will be partly achieved.</p>

<p>5. Gender-specific aspects are integrated systematically in all pilot projects concerning payment mechanisms. Baseline value: Individual elements have been recorded to date but there is no systematic integration using a standardised procedure.</p>	<p>Target value: Gender concepts are implemented in all pilot projects.</p>	<p>Extensive and participatory gender studies were conducted in three of the afore-mentioned pilot projects (Dominican Republic, El Salvador and Guatemala) and corresponding activities identified. The topic of gender is integral to the safeguards for which procedures are developed by the pilot projects. Systematic integration of gender aspects in compensation mechanisms has yet to be achieved (an initial workshop on this was supported in Costa Rica in 2016). This indicator will be partly achieved by the end of the project.</p>
<p>6. Specialist personnel in the partner agencies in four of the eight SICA/CCAD countries apply REDD payment mechanisms in model pilot projects. Baseline value: 0</p>	<p>Participatory monitoring, one-stop shops and disbursement mechanisms for REDD are available for pilot projects in four countries. (One-stop shop is the term used to describe the concentration of various administrative procedures in a single agency.)</p>	<p>Thanks to the participatory approach employed in the planning phase and the regular meetings at which progress and further procedures are discussed, participatory monitoring demands in the pilot projects in El Salvador, the Dominican Republic and Guatemala can be regarded as met. All the pilot projects aim to set up disbursement mechanisms. However, it does not look likely that they will reach full operational capacity before the end of the project. The roll-out of one-stop-shops proved unrealistic. This indicator will be partly achieved.</p>
<p>7. Representatives of indigenous peoples and rural communities in four of the eight SICA/CCAD countries agree to implement payment mechanisms in pilot projects. Baseline value: 0</p>	<p>Implementation agreements between the environment ministries and representatives of indigenous peoples and rural communities in four countries.</p>	<p>Agreements were reached in all pilot projects and are now waiting to be signed. Overall, at the start of the projects, extensive consultation and coordination meetings were held. Consultation and coordination are stipulated in the safeguards (project component). For this reason, approval can be assumed. Even though evidence still has to be formalised in some cases, the indicator can be regarded as having been achieved.</p>

**The evaluation team comes to the conclusion that objectives indicators 1, 4, 5 and 6 will probably be partly (mostly) achieved and objectives indicators 2, 3 and 7 fully achieved by the end of the project/programme.**

The effectiveness of the TC measure is rated as successful with 13 points.

**Overarching development results (Impact)** (Are we contributing to the achievement of overarching development results?)

The project has fostered stronger regional integration. Various aspects of good governance have been successfully strengthened (transparency, participation, consultation, clarification of titles). There is now greater awareness of the topic of forestry and its ecosystem services. The rate of deforestation has dropped slightly in the region. Amongst many other factors, the project undoubtedly played a role here.

The impact of the TC measure is rated as successful with 13 points.

**Efficiency** (Are the objectives being achieved cost-effectively?)

In spite of substantial cutbacks in funding, the project has achieved good results. This points to the efficient use of funds. Furthermore, the project has coordinated its activities well with the other international organisations involved.

The delivery of advisory and other support services in response to clear demand and political willingness on the partner side meant the interventions were a good fit. Demand orientation has also meant that the interventions in various countries differed in respect of their intensity. In El Salvador and the Dominican Republic, for example, they were very extensive. In Honduras and Nicaragua, where interest was rather low for political reasons, especially in the second half of the project term, support was only sporadic.

The efficiency of the TC measure is rated as very successful with 15 points.

**Sustainability** (Are the positive results sustainable?)

The project only responds to interest and demand articulated by the partner side. Products, mechanisms, structures etc. are always elaborated jointly with the partners in what are sometimes protracted processes. This creates ownership, ensures quality and builds capacity. Many of the structures, mechanisms and procedures developed have been embedded in official politically approved strategies or laws. All of the countries have submitted successful FCPF applications (R-PP), the REDD process is underway and will be continued. Networking between the countries and external actors is being supported systematically. This makes it more likely that processes will not simply 'die off' and that mechanisms will continue to function. The project has also succeeded in training a 'critical mass' of specialists in the national institutions (ministries). One of the major 'works in progress' concerns the uncertainty as to the (post-project) hosting and ongoing financing of the online observatory. Limited financial resources in the countries, and thus in the region overall, beg the question as to how and whether the countries are willing to pay for hitherto project-funded activities themselves, e.g. regional meetings, further development and introduction of instruments and mechanisms etc. The political priorities in the region and internationally are important for future success, but difficult to gauge.

The sustainability of the TC measure is rated as successful with 12 points.

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Registered offices in  
Bonn and Eschborn

Friedrich-Ebert-Allee 40  
53113 Bonn  
T +49 228 44 60-0  
F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1 - 5  
65760 Eschborn, Germany  
T +49 61 96 79-0  
F +49 61 96 79-11 15

E [info@giz.de](mailto:info@giz.de)  
I [www.giz.de](http://www.giz.de)